

RELIANCE

Infrastructure

**Annual Report
2011-12
(Abridged)**



Dhirubhai H. Ambani

(28th December, 1932 - 6th July, 2002)

Reliance Group - Founder and Visionary

Profile

Reliance Infrastructure Limited is a part of the Reliance Group, one of the leading business houses in India.

Incorporated in 1929, Reliance Infrastructure is one of India's fastest growing companies in the infrastructure sector. It ranks among India's top listed private companies on all major financial parameters, including assets, sales, profits and market capitalization.

Reliance Infrastructure companies distribute more than 36 billion units of electricity to over 30 million consumers across an area that spans over 1,24,300 sq kms and includes India's two premier cities, Mumbai and Delhi. The Company generates over 941 MW of electricity through its power stations located in Maharashtra, Andhra Pradesh, Kerala, Karnataka and Goa.

Reliance Infrastructure has emerged as the leading player in India in the Engineering, Procurement and Construction (EPC) segment of the power sector.

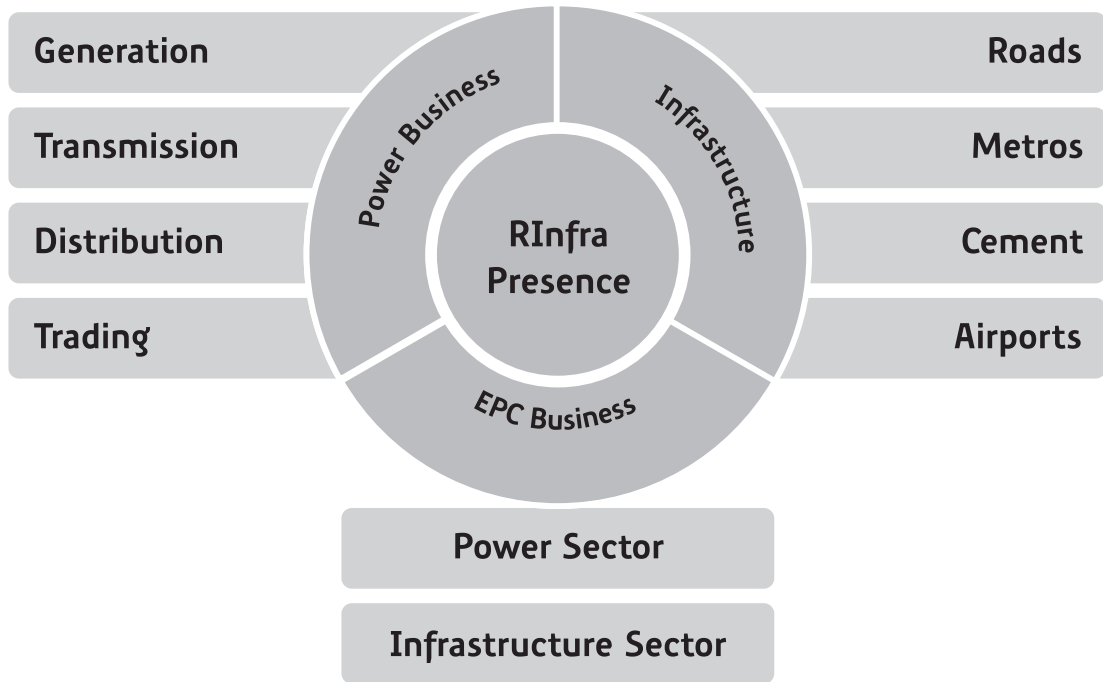
In the last few years, Reliance Infrastructure has expanded its foot-print much beyond the power sector. Currently, Reliance Infrastructure group is engaged in the implementation of projects not only in the fields of generation, transmission, distribution and trading of power but also in other key infrastructural areas such as highways, roads, bridges, metro rail, real estate, airports, cement, etc.

Mission: Excellence in Infrastructure

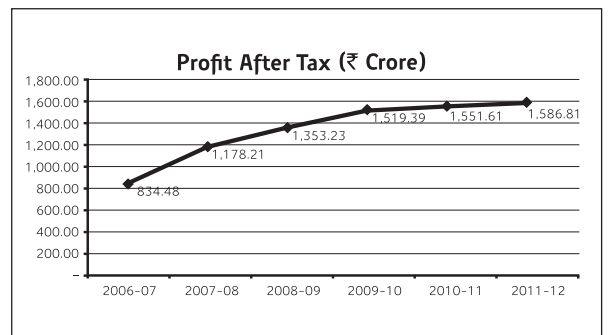
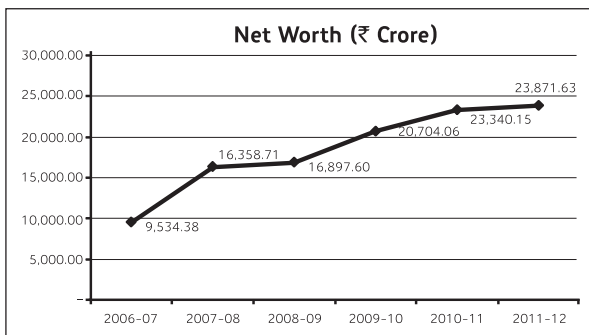
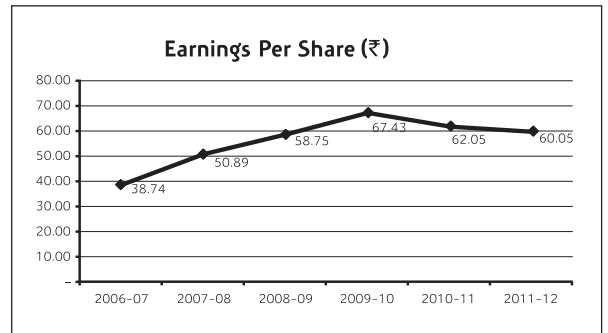
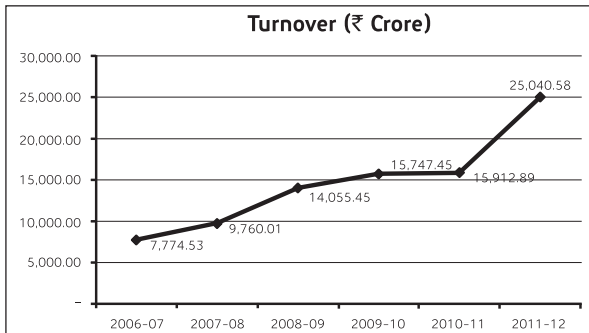
- To attain global best practices and become a world-class utility.
- To create world-class assets and infrastructure to provide the platform for faster, consistent growth for India to become a major world economic power.
- To achieve excellence in service, quality, reliability, safety and customer care.
- 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.

Reliance Infrastructure Limited

Business Mix



Key Financial Highlights (Consolidated)





My dear fellow Shareowners

It gives me great pleasure to share with you the highlights of our Company's performance during the year 2011-12.

The Company in recent years has expanded its business landscape from power generation, distribution, transmission and trading to infrastructure sectors such as roads, metros, airports and has made large investments in these areas.

I am glad to inform you that the Company is engaged in developing two metro rail projects in Mumbai and is already operating the Airport Metro Express in Delhi; It has been awarded 11 road projects with total length of 1,000 kms; is maintaining five airports in Maharashtra and is developing two cement plants of five million tons each in Maharashtra and Madhya Pradesh. I am sure, the progress being achieved by your Company would bring in vibrancy and growth in the infrastructure sector and contribute in the growth of the economy..

Performance Review

I am happy to share with you the highlights of our financial and operational performance during the year 2011-12

- Total Income of ₹ 18,615 crore (US\$ 3.7 billion), as against ₹ 10,210 crore in the previous financial year.
- Cash Profit of ₹ 2,619 crore (US\$ 515 million) against ₹ 1,336 crore in the previous financial year.
- Net Profit of ₹ 2,000 crore (US\$ 393.17 million) against ₹ 1,081 crore in the previous financial year
- Cash Earnings Per Share for the year of ₹ 99 (US\$ 1.9) against ₹ 53 in the previous financial year.
- Earnings Per Share (EPS) of ₹ 76 (US\$ 1.5) against ₹ 43 in the previous financial year.

With a net worth of about ₹ 18,541 crore (US\$ 3.6 billion), Reliance Infrastructure ranks among the top performing Indian private sector companies in the country.

Our group revenues stand at about ₹ 35,570 crore (US\$ 7 billion), while our gross fixed assets amount to ₹ 29,830 crore (US\$ 5.9 billion).

Buy-back of shares

The Company by declaring a buy-back programme during the last year, has ensured that each of your share becomes more valuable and represents a greater percentage of equity in the company. This is in keeping with our overriding philosophy of creating value for our shareholders. The Company bought-back 44,30,262 equity shares of an aggregate value of ₹ 234.88 crore representing 1.66 per cent of the pre buy-back paid up equity shares at an average price of ₹ 528.91 per equity share.

Power generation, transmission and distribution

Power Generation

Dahanu Thermal Power Station (DTPS) achieved Plant Load Factor (PLF) of more than 100 per cent. The power plant has been operating with a PLF of more than 100 per cent consecutively for the last six years and achieved this unique distinction eight times in overall, since inception. The Dahanu Thermal Power Station has emerged as the country's best thermal power plant with respect to various operating plant parameters such as PLF, availability, heat rate and auxiliary power consumption. All the power stations, viz. DTPS, Samalkot Power Station and Goa Power Station continue to pursue various six sigma quality initiatives for continual improvement.

Power Transmission

I am glad to inform you that six transmission lines associated with the Western Region System Strengthening Project with a cumulative length of about 1,450 ckt kms out of the total length of 3,000 ckt kms have been commissioned so far and are being successfully operated by Reliance Power Transmission Limited (RPTL). With the commissioning of these lines, RPTL has become the first ever private transmission licensee to build, own and operate the interstate transmission lines in the country. RPTL has made significant progress on the remaining lines of the project and they are expected to be commissioned during the financial year 2012-13.

Engineering activities for the Parbati Koldam Transmission Line project being executed in joint venture with Power Grid Corporation of India Limited have been completed. Significant progress has been made in implementing the project and the project is scheduled to be commissioned by the end of 2012-13.

The Company incurred capital expenditure of ₹ 324 crore during 2011-12 for strengthening and augmenting the transmission network in Mumbai. The Company has been granted a transmission licence in Mumbai distribution area for a period of 25 years with effect from August 16, 2011.

Power Distribution

Maharashtra Electricity Regulatory Commission (MERC), being satisfied with the power procurement plan and the management and technical expertise of the Company granted a fresh distribution licence for the Company for a period of 25 years from August 16, 2011. The observations made by the MERC is a testimony to the Company's inherent strength and its track record of serving millions of industrial, commercial and residential consumers in Mumbai, benchmarked to international standards of quality, operational performance, efficiency and customer care.

Letter to Shareowners

The Company achieved the distinction of consistently operating its distribution network at 99.98 per cent availability in Mumbai. The Company, through customer centric initiatives has been providing best-in-class services to its customers in the areas of billing, metering, payment mode, access to billing information, speedy redressal of grievances and energy audit service to its consumers. The Company continues to focus on system loss through a variety of technical and physical means and has one of the lowest system losses in the country.

The Delhi distribution companies, viz. BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) are implementing a series of measures to improve customer service, and to reduce aggregate technical and commercial (AT&C) losses so as to achieve enhanced customer satisfaction. The AT&C losses have declined to 17.81 per cent in BRPL and 17.84 per cent in BYPL which were as high as at 51 percent in BRPL and 63 per cent in BYPL when these Discoms were taken over in 2002-03. The reliability index too had gone up from a common average of about 88.00 to 99.85 in BRPL and 99.91 in BYPL.

Power Trading

Reliance Energy Trading Limited (RETL), the trading arm of the Company, is a professional member of power exchanges with a significant market share of exchanged traded volume. RETL apart from being engaged in trading of power from captive/independent power plants is also targeting industrial/open-access consumers in several States as also exploring options in trading of renewable energy.

The EPC Business

The Engineering, Procurement and Construction (EPC) Division has achieved a turnover of ₹ 11,689 crore during the year. It has a robust order book position of ₹ 17,280 crore as of March 31, 2012. The Division over the years has emerged as from being a limited work execution provider to a total solution provider in the Indian power sector. The Division's excellent engineering capabilities and integrated project management and control system have been contributing significantly to achieve faster project implementation at optimum cost and better quality.

Infrastructure Projects

Road Projects

The Company through its special purpose vehicles has been developing 11 road projects with capital outlay of about ₹ 12,000 crore of which five projects have commenced generating revenues and additional six projects would start generating revenue shortly. The company continues to explore opportunities in the road sector by shortlisting 21 projects worth ₹ 40,000 crore for bidding.

The Company has developed the Enterprise Road Business Management system (ERMS) which is a bundled package comprising of real time toll monitoring, accident reporting, enterprise reporting, environment and operation and maintenance aspects of business.

Metro Projects

Delhi Airport Metro Express Line was commissioned within a record time of 27 months from the date of signing of the concession agreement, reducing travel time to airport to mere 18 minutes. The Line provides unique services to the customers, viz. check-in for both domestic and international travellers, integrating baggage handling with the system at the airport for seamless transfer of luggage.

The Mumbai Metro I Versova-Andheri-Ghatkopar Mass Rapid Transit System (MRTS) has been making steady progress and is scheduled to be commissioned ahead of the contractual commissioning date. The line will result in reduced travel time from 120 minutes to about 20 minutes along with improved travelling experience.

Cement Business

Reliance Cement Company Private Limited (RCCPL), subsidiary of the Company, has achieved certain milestones towards setting up two plants, one in Maihar, Madhya Pradesh and the other in Mukutban, Maharashtra. The construction of the satellite grinding unit at Butibori (Nagpur), linked to the Mukutban Project is nearing completion and is expected to commence commercial production in the later half of the current year. In line with RCCPL's vision to set up cement projects across India, it has applied for mining leases/prospecting licenses in various parts of India.

Corporate Governance

RInfra has always maintained the best 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 continued relevance, effectiveness and responsiveness to the needs of investors, both local and global, and all other stakeholders.

Social Commitments

The Company places high importance to the development of the community in and around our areas of businesses. The primary focus of social welfare and community development measures is on health care and education. We are committed to improving the quality of life in the communities in which we operate and to contributing to the overall well being of under privileged citizens.

Awards and Recognitions

It is a matter of pride that our company continues to receive numerous awards in recognition of its outstanding performance in various fields. This is in recognition of the passion for quality and excellence exhibited by various Divisions of the Company. These accolades cover a wide gamut of specific areas including environmental management, energy conservation, water management, safety record, pollution control, quality leadership and corporate social responsibility.

Our Commitment

Our vision is continued growth and improved operational efficiency. Our founder, the legendary Shri Dhirubhai Ambani, gave us a simple mantra; to aspire to the highest global standards of quality, efficiency, operational performance and customer care. We remain committed to upholding that vision. Dhirubhai exhorted us to think big. With your continued support, we will think bigger. Indeed not just bigger but better, creating ever greater value for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Reliance Infrastructure Limited

Highlights - at a glance

Year Ended 31 st March	2012	2011	2010	2009	2008
Units Sold - (Million Units)	7,954	9,186	10,163	9,582	9,271
Maximum Demand MVA	1,664	1,671	1,516	1,509	1,408
High Tension Mains KMs	3,906	3,814	3,651	3,860	3,606
Low Tension Mains KMs	5,123	4,871	4,713	3,619	3,313
No. of Substations	5,818	5,596	5,384	5,081	4,909
No. of Consumers (in '000) Licensed Area - 400 sq.km	2,830	2,805	2,761	2,692	2,630
No. of Shareholders (in lakhs)	14.11	14.54	15.09	15.91	15.96
Financial Data (₹ in crore)					
Fixed Assets (Net)	7,754	6,844	4,079	3,905	3,637
Investments	12,785	12,584	10,020	12,147	7,726
Share Capital	263	267	245	226	236
Reserves and Surplus	18,278	17,400	14,366	10,898	10,668
Borrowings	9,189	3,969	4,115	7,332	4,989
Gross Revenue	18,615	10,210	10,908	10,959	7,501
Profit Before Tax	2,498	1,135	1,297	1,193	1,152
Profit After Tax	2,000	1,081	1,152	1,139	1,085
Dividends	194	191	174	156	148
Dividend Tax	31	31	10	27	25
Retained Earnings (including statutory reserves)	1,775	859	968	956	912
Rate of Dividend on Equity Shares	73%	72%	71%	70%	63%
Earnings Per Share (₹)	76	43	51	49	47

1 crore = 10 million

Notice

Notice is hereby given that the 83rd Annual General Meeting of the members of **Reliance Infrastructure Limited** will be held on **Tuesday, September 4, 2012** at 4.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, the audited Statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Sateesh Seth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. Haribhakti & Co., Chartered Accountants (Firm Registration No 103523W) and M/s. Pathak H D & Associates, Chartered Accountants (Firm Registration No 107783W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

Special Business

5. **Appointment of Shri S S Kohli as Director, liable to retire by rotation**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri S S Kohli, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Act and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company."

6. **Appointment of Shri C P Jain as Director, liable to retire by rotation**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri C P Jain, who was appointed as an

Additional Director pursuant to the provisions of Section 260 of the Act and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company."

7. **Appointment of Dr V K Chaturvedi as Director, liable to retire by rotation**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr V K Chaturvedi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Act and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retirement by rotation under the provisions of the Articles of Association of the Company."

8. **Issue of Securities to the Qualified Institutional Buyers**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

- a. RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (Act) (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called 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 power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures/non-convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not

later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI ICDR, whether or not such QIBs are members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the lead managers, advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity shares of the Company.

- b. RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").
- c. RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank *pari passu* with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- d. RESOLVED FURTHER THAT such of these QIP Securities to be issued as are not subscribed may be disposed of by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion think fit in accordance with the provisions of law.
- e. RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such securities shall be, inter alia, subject to suitable adjustment in the number of shares, the price and the time period, etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, de-merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- f. RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of QIP Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into of underwriting, marketing and institution/trustees/agents and similar agreements/and to remunerate the managers, underwriters and all other agencies/intermediaries by way of commission, brokerage, fees

and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

- g. RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of QIP Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage/hypothecation/charge on the Company's assets under Section 293(1)(a) of the said act in respect of the aforesaid QIP Securities either on *pari passu* basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
 - h. RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution."
9. **Appointment of Shri Ramesh Shenoy as Manager**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 387 and all other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and referred hereinafter as "the Act") and subject to such sanctions, approvals, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Ramesh Shenoy as the Manager of the Company for a period commencing from April 21, 2012 and until October 31, 2014 on the terms and conditions including remuneration set out in the Agreement to be entered into between the Company and Shri Ramesh Shenoy, a draft whereof was placed before this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions, including remuneration for the said appointment and/or agreement, as may be agreed to between the Company and Shri Ramesh Shenoy, so as not to exceed the limits specified in Schedule XIII to the said Act, or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of appointment of Shri Ramesh Shenoy, as Manager, the remuneration and perquisites as may be agreed be paid or granted to him as minimum remuneration and perquisites provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the

Notes

applicable ceiling limit in terms of Schedule XIII to the Act as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, consequential, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Ramesh Shenoy
Company Secretary

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710

June 5, 2012

Notes :

1. **A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of herself/himself and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slip along with their copy of the annual report to the Meeting.
4. 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.
5. Members who hold share(s) in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. 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.
7.
 - a. The Company's Register of Members and Transfer Books will remain closed from Saturday, August 25, 2012 to Tuesday, September 4, 2012 (both days inclusive) for determining the names of members eligible for dividend, if declared, on equity shares for the year ended March 31, 2012.
 - b. The dividend on equity shares, as recommended by the Board of Directors, if declared at the Meeting, will be paid after the Meeting.
 - 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.
8. 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.
9. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrar and Transfer Agent, Karvy Computershare Private Limited.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2004-05 (Q3), to the Investor Education and Protection Fund (IEPF) established by the Central Government.
11. 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.
12. Re-appointment of Director:

At the ensuing Meeting, Shri Sateesh Seth, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Notes

Appointment of Directors:

Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi are proposed to be appointed as Directors of the Company liable to retirement by rotation at the ensuing Meeting.

The details pertaining to Shri Sateesh Seth, Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in the statement on Corporate Governance forming part of this annual Report.

13. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
14. Members are requested to fill in and send the Feedback Form provided in the 'Investor Relations' section on the

Company's website www.rinfra.com to aid the Company in its constant endeavour to enhance the standards of service to investors.

15. Statement containing the salient features of the balance sheet, statement of profit and loss and auditors' report (Abridged Financial Statements), 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.
16. An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated June 5, 2012

Item Nos. 5, 6 and 7

Appointment of Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi as Directors, liable to retire by rotation

The Board of Directors (the Board) on February 14, 2012 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and referred hereinafter as "the Act") and Article 106 of the Articles of Association of the Company, Shri S S Kohli and Shri C P Jain as Additional Directors of the Company. Dr V K Chaturvedi was appointed as Additional Director of the Company effective from April 21, 2012, pursuant to the provisions of Section 260 of the Act and Article 106 of the Articles of Association of the Company. In terms of the provisions of Section 260 of the Act, Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi would hold office up to the date of this Annual General Meeting.

The Company has received notices in writing from a member along with a deposit of ₹ 500 each proposing the candidatures of Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi for office of Director of the Company under the provisions of Section 257 of the Act. Accordingly, (i) Shri S S Kohli and Shri C P Jain are proposed to be appointed as non-executive, independent directors, and (ii) Dr. V K Chaturvedi is proposed to be appointed as non-executive director, on the Board of the Company, liable to retire by rotation.

The Board recommends the resolution set out in Items Nos. 5, 6 and 7 of the Notice for the approval of the members of the Company.

Save and except Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi, none of the other Directors and Manager of the Company is in any way concerned or interested in the resolutions set out in Items Nos. 5, 6 and 7 of the Notice.

Item No. 8

Issue of Securities to the Qualified Institutional Buyers

The Company, in order to enhance its global competitiveness and its ability to compete with the peer groups in the domestic and international markets, needs to strengthen its financial position and net worth by augmenting its long term resources.

For the above purposes as also for meeting the requirements for general corporate purposes, as may be decided by the Board from time to time, it is proposed to seek the enabling authorisation of the Members of the Company in favour of the Board of Directors ("Board" which expression for the purposes of this Resolution shall include any committee of directors constituted/ to be constituted by the Board), without the need for any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR"), as set out in the special resolution at Item No. 8 of the accompanying Notice.

In view of the above, the Board may, in one or more tranches, issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures/non-convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date(s) as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The QIP Securities proposed to be issued by the Board shall be subject to the provisions of the SEBI ICDR including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the relevant date. The relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

For the reasons aforesaid, an enabling special resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The QIP Securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by the issue of QIP Securities shall not result in the increase in

Notice

the issue and subscribed equity share capital of the Company by more than 25 per cent of the then issued and subscribed equity shares of the Company as on the relevant date. The proposed special resolution is only enabling in nature and the Board may, from time to time, consider the extent, if any, to which the securities may be issued.

The QIP Securities issued pursuant to the offer, if necessary, may be secured by way of mortgage/ hypothecation of the Company's assets as may be finalized by the Board in consultation with the Security Holders/ Trustees in favour of Security Holders/ Trustees for the holders of the said securities. The security that may have to be created for the purposes of this issue, as above may come within the purview of Section 293(1)(a) of the Companies Act, 1956. Necessary approval has already been accorded by Members of the Company for creation of such Security(s) by passing of resolution through postal ballot on February 26, 2003.

Section 81(1A) of the Companies Act, 1956 and Listing Agreement entered into with the Stock Exchanges, provide, *inter alia*, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to offer and issue the QIP Securities, in consultation with the lead managers, legal advisors and other intermediaries to issue and offer the QIP Securities to any persons, whether or not they are members of the Company.

The Board of Directors accordingly recommends the special resolution set out at Item No.8 of the accompanying Notice for the approval of the Members.

None of the Directors and Manager of the Company is, in any way, deemed to be concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

Item No. 9**Appointment of Shri Ramesh Shenoy as Manager**

The Board of Directors ("the Board") of the Company on April 21, 2012, subject to the approval of the Members in general meeting and of the Central Government, if required, appointed Shri Ramesh Shenoy as Manager of the Company for a period commencing from April 21, 2012 and until October 31, 2014 on the remuneration recommended by the Nomination/ Remuneration Committee of the Board. Shri Ramesh Shenoy fulfils the conditions for eligibility contained in Part I of Schedule XIII to the Act.

Shri Ramesh Shenoy aged 62 years is a graduate in arts, bachelor in law and a fellow member of the Institute of Company Secretaries of India. He has over 40 years of experience in corporate secretarial, legal, finance and managerial functions. The remuneration payable to and the terms of appointment of Shri Ramesh Shenoy as Manager of the Company during the tenure of his appointment will comprise salary, allowances and other perquisites, the aggregate monetary value of such salary, allowances and perquisites being limited to ₹ 71 lakh per annum plus discretionary bonus and an increment as may be decided by the Board or the Nomination/Remuneration Committee of the

Board from time to time during the tenure of the appointment.

The perquisites and allowances payable to Shri Ramesh Shenoy will include Company owned / leased accommodation or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursements, leave travel concession for self and his family including dependants; medical insurance and such other perquisites and / or allowances within the amount specified above.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income- tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). However the Company's contribution to Provident Fund, Superannuation or Annuity Fund to the extent these singly or together are not taxable under the Income-tax Act, 1961 and Gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration.

The terms and conditions set out for appointment and payment of remuneration herein and/or in the agreement may be altered and varied from time to time by the Board or the Nomination/ Remuneration Committee of the Board, as it may, at its discretion deem fit within the overall ceiling fixed herein.

The terms and conditions of appointment and payment of remuneration are set out in the Agreement to be entered into between the Company and Shri Ramesh Shenoy. Either party may terminate the aforesaid Agreement by giving three months prior notice of termination in writing to the other party.

The Board or Nomination / Remuneration Committee, subject to requisite approval(s), if necessary, is entitled and authorised to revise at any time, the salary, allowances and perquisites payable to the Manager of the Company such that the overall remuneration payable to the Manager of the Company shall not exceed the limits specified in Schedule XIII to the Act, above.

The Board accordingly recommends the resolution set out at Item No. 9 of the accompanying Notice for the approval of the members.

Other than the Manager, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors

Ramesh Shenoy
Company Secretary

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710

June 5, 2012

Reliance Infrastructure Limited

Directors' Report

Dear Shareowners,

Your Directors present the 83rd Annual Report and the audited accounts for the financial year ended March 31, 2012.

Financial Results

The standalone performance of the Company for the financial year ended March 31, 2012 is summarised below:

Particulars	Financial Year ended March 31, 2012		*Financial Year ended March 31, 2011	
	₹ in crore	**US \$ in million	₹ in crore	**US \$ in million
Total income	18,615	3,659	10,210	2,289
Gross profit before depreciation	2,766	544	1,448	325
Depreciation	268	53	313	70
Profit before taxation	2,498	491	1,135	255
Tax expenses (Net) (including deferred tax and tax for earlier years)	498	98	54	12
Profit after taxation	2,000	393	1,081	243
Add : Balance of profit brought forward from previous year	400	79	598	134
Profit available for appropriations	2,400	472	1,679	377
Appropriations :				
Dividend on equity shares (including tax on dividend) (Net)	222	44	222	50
Transfer to Statutory Reserves	11	2	19	4
Transfer to General Reserve	1,500	295	1,000	224
Transfer to Debenture Redemption Reserve	48	9	38	9
Balance carried to Balance Sheet	619	122	400	90

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

** ₹ 50.875 = US \$ 1 Exchange rate as on March 31, 2012 (₹44.595 = US \$ 1 as on March 31, 2011)

Financial Performance

During the year under review, your Company earned an income of ₹ 18,615 crore, against ₹ 10,210 crore in the previous year. The Company earned profit after tax of ₹ 2,000 crore as compared to ₹ 1,081 crore in the previous year. Shareholders equity (Net worth) increased to ₹ 18,541 crore from ₹ 17,668 crore in the previous year.

Dividend

Your Directors have recommended a dividend of ₹ 7.30 (73 per cent) per equity share (Previous year ₹ 7.20 per equity share) aggregating ₹ 192 crore for the financial year 2011-12 which, if approved at the ensuing 83rd Annual General Meeting (AGM), will be paid to (i) those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before August 24, 2012, and (ii) those members whose names appear as beneficial owners as on August 24, 2012, as per particulars to be furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

The dividend payout as proposed is in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the capital needs for the Company's growth plans and to achieve optimal financing of such plans through internal accruals.

Business Operations

The Company is in the business of generation, transmission and distribution of power. During the year, the Maharashtra Electricity Regulatory Commission extended the distribution

and transmission licence of the Company for a further period of 25 years. 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 through special purpose vehicles in various infrastructural areas.

A detailed review of the operations, performance and outlook of the Company and its business is given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Standby Charges

In the pending litigation on standby charges, The Tata Power Company Limited (TPC) had filed an appeal in the Hon'ble Supreme Court which admitted it and directed TPC to deposit ₹ 227 crore (being 50 per cent of the amount of refund including interest up to December 31, 2006) as per the order of the Appellate Tribunal for Electricity and furnish a bank guarantee for ₹ 227 crore. The Company was permitted to withdraw the amount after giving an undertaking to repay the amount, if required, without demur, on the final order being passed. The Company, after giving such an undertaking received ₹ 227 crore on March 12, 2007. The Company is yet to receive final order from the Hon'ble Supreme Court.

Scheme of Arrangement

The scheme of arrangement envisaging merger of (i) the Company's wholly owned subsidiaries viz. Reliance Energy Limited (REL), Reliance Energy Generation Limited (REGL),

Directors' Report

Reliance Goa and Samalkot Power Limited (RGSPL), Reliance Property Developers Limited (RPDL) and Reliance Infraventures Limited (RInvL) with the Company and (ii) the demerger of the container business undertaking of Reliance Infrastructure Engineers Private Limited (RIEPL) in the Company with effect from merger appointed date of February 1, 2012 and demerger appointed date of April 1, 2011 was sanctioned by the Hon'ble Bombay High Court vide order dated April 20, 2012.

Issue of Securities and Share Capital

(i) Buy-back of shares

Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company made a Public announcement to buy-back the equity shares of the Company at a maximum price of ₹ 725 per equity share, up to an amount not exceeding 10 per cent of the paid-up equity share capital and free reserves (including securities premium) of the Company, i.e. up to ₹ 1,000 crore. The buy-back offer was open from April 11, 2011 up to February 13, 2012 and the Company bought-back 44,30,262 equity shares at an aggregate value of ₹ 234.88 crore. Consequently the paid-up capital of the Company declined from ₹ 267.46 crore to ₹ 263.03 crore as on February 13, 2012.

(ii) Issue of Non-Convertible Debentures

During the year under review, the Company issued 10.50 per cent, 10.25 per cent and 11.15 per cent Secured Redeemable Non-Convertible Debentures (NCDs) aggregating ₹ 1,000 crore (Series 5, 6, 8, 9 and 10) on Private Placement basis to financial institutions, banks, pension fund and insurance companies. The NCDs in series 5 are redeemable on July 27, 2018, series 6 NCDs are redeemable in 3 equal instalments payable on January 27, 2016, January 27, 2017 and January 27, 2018, series 8 NCDs are redeemable on March 30, 2016, series 9 are redeemable on March 30, 2017, and series 10 are redeemable on March 30, 2018. The NCDs are listed on BSE Limited and National Stock Exchange of India Limited. Further during the year under review, the Company issued 11.40 per cent Unsecured Redeemable Non-Convertible Debentures (UNCDs) aggregating ₹ 300 crore (Series 7) on Private Placement basis to banks and financial institutions. The series 7 UNCDs are redeemable on September 29, 2013. The UNCDs are listed on BSE Limited and National Stock Exchange of India Limited.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the stock exchanges in India, is presented in a separate section forming part of this Annual Report.

The Company has entered into various contracts in the area of infrastructure and value added service businesses. Some of them have already been completed and benefits of the same have already been started accruing. Contracts under progress are periodically reviewed by the Board.

Subsidiary Companies

In terms of the general exemption granted by the Ministry of Corporate Affairs vide General Circular No.2/2011 dated

February 8, 2011 under Section 212 (8) of the Companies Act, 1956, copies of the Balance Sheet, Statement of Profit and Loss, Cash flow Statement, Report of the Board of Directors and Auditors thereon, of the Subsidiary Companies are not being attached to the Balance Sheet of the Company. The financial information of the subsidiary companies as required to be disclosed by the Company are provided under the paragraph 'Financial Information of Subsidiary Companies', which forms a part of the Annual Report.

The Company will make available hard copy of Annual Accounts of the subsidiary companies and the related detailed information to the shareholders of the Company seeking the same.

The Annual Accounts of the subsidiary Companies will also be available for inspection by shareholders at the Registered Office the Company and that of the respective subsidiary companies.

Further, pursuant to the provisions of Accounting Standard AS-21 and AS-27 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India, the Consolidated Financial Statements presented by the Company form part of this Annual Report.

Directors

In terms of the provisions of the Companies Act, 1956, Shri Sateesh Seth, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

Shri S S Kohli and Shri C P Jain were appointed as Additional Directors in terms of Section 260 of the Companies Act, 1956 effective from February 14, 2012. Dr V K Chaturvedi was appointed as Additional director of the Company effective from April 21, 2012. They hold office of the Director up to the date of the ensuing AGM. The Company has received a notice in writing from a member proposing the candidatures of Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi for the office of Director of the Company, liable to retire by rotation and accordingly, their candidatures for appointment as Directors has been included in the Notice convening the AGM.

With a view to separating the executive responsibilities from the Board, Shri Lalit Jalan and Shri S C Gupta stepped down from the Board with effect from April 21, 2012. Shri Lalit Jalan has been designated as Chief Executive Officer of Reliance Infrastructure Limited and Shri S C Gupta has been designated as Chief Executive Officer of Engineering, Procurement and Construction (EPC) business of the Company.

In accordance with the corporate governance policy of the Group and in line with recommendatory provisions of listing agreement entered into with the stock exchanges, Gen V P Malik, Shri S L Rao and Dr Leena Srivastava had completed 3 terms of 3 years each aggregating to 9 years and consequently stepped down from the Board of the Company on April 20, 2012. The Board of Directors have placed on record its sincere appreciation for the valuable contribution made by Gen V P Malik, Shri S L Rao and Dr Leena Srivastava, during the period of their association with the Company.

Brief resume of all directors, including those proposed to be appointed at the ensuing AGM, nature of their expertise in specific functional areas and names of companies in which they hold directorships and/or memberships/chairmanship of Committees of the Board, shareholding and relationships between directors,

Directors' Report

inter se, if any, as stipulated under Clause 49 of the listing agreement entered into with the Stock Exchanges in India, is provided in the report on Corporate Governance forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts, for the financial year ended March 31, 2012, the applicable Accounting Standards had been followed along with proper explanations relating to material departures;
- 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, 2012 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 Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for the financial year ended March 31, 2012, on a 'going concern' basis.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiaries, joint ventures and associates, as approved by their respective board of directors have been prepared in accordance with the Accounting Standard (AS) - 21 on 'Consolidated Financial Statements' read with Accounting Standard (AS) - 23 on 'Accounting for Investments in Associates' and Accounting Standard (AS) - 27 on 'Financial Reporting of Interests in Joint Ventures', notified under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Fixed Deposits

The Company has not accepted any deposit from the public during the year.

Auditors and Auditors' Report

M/s. Haribhakti & Co., Chartered Accountants and M/s. Pathak H. D. & Associates, Chartered Accountants, the auditors of the Company hold office until the conclusion of the ensuing AGM and are eligible for re-appointment.

The Company has received letters from M/s. Haribhakti & Co., Chartered Accountants and M/s. Pathak H. D. & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Cost Auditor

Pursuant to the direction of the Central Government that the cost accounts maintained by the Company be audited by a cost auditor, the Company has appointed M/s. V J Talati & Company, Cost Accountants, for conducting the cost audit for the generation, transmission and distribution of electricity businesses and engineering procurement construction business of the Company for the financial year ending March 31, 2013.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at its Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure-A forming 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 Clause 49 of the listing agreement with the Stock Exchanges, forms part of the Annual Report.

A certificate from the Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants and M/s. Pathak H. D. & Associates, Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated under clause 49 of the listing agreement, is attached to this Report.

Acknowledgment

Your directors would like to express their sincere appreciation of 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 successful performance of the Company during the year.

For and on behalf of the Board of Directors



Mumbai
June 5, 2012

Anil Dhirubhai Ambani
Chairman

Annexure A

Disclosure under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988

A. Conservation of Energy

- Ia. Energy conservation measures taken at Distribution Division and offices
 - i. Installation of Light Pipe technology for efficient use of natural light reducing energy consumption for artificial lighting
 - ii. Installation of grid connected solar PV plant on office building roof-top
 - iii. Replacement of 200 W GLS lamps by Insulect Coat Application to all Airbus Switch-gears and CT-PT units
 - iv. Virtualization of Servers, resulting in Energy Conservation
 - v. Awareness of seminars and e-communication for employees and consumers on various aspects of energy conservation opportunities including use of BEE star labeled energy efficient appliances, energy efficient building construction, use of renewable energy sources.
 - vi. Installation of energy efficient lighting technologies such as Light Emitting Diodes (LED) tube lights, higher efficiency T5 FTL lamps, CFL, electronic choke and efficient fixtures with better ergonomics for lighting replacing inefficient lighting technologies.
 - vii. Installation of variable capacitors (APFC panels) at substations and LT fixed capacitors at office buildings for improvement of power factor and loss reduction.
- b. Additional investment and proposals being implemented
 - i. Installation of Smart End Use Management system for chiller system for improved energy efficiency for AC chillers
 - ii. Installation of solar lighting and solar water heating systems in building roof-tops
 - iii. Replacement of old inefficient Air Conditioning units with energy efficient 5star split air Conditioning units
 - iv. Installation of energy saver in split Air Conditioners in offices
 - v. Permafrost Application for older AC units for improved energy efficiency
 - vi. Heat Retardant Paint application proposed on Office Building Terrace for reduction in solar heat gain and heating load on air conditioning
- c. Impact of the measures outlined at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods
 - i. Reduction in energy consumption
 - ii. Demand reduction during peak period
 - iii. Increased energy conservation awareness among employees and customers.
- IIa Energy conservation measures taken at Power Stations and offices
 - i. Dahanu TPS implemented and certified for ISO 50001: 2011

- ii. Energy Audit of Power Plant systems consisting of main process and equipments
- iii. Installation of VFD for in pump motors
- iv. Development of system for monitoring and control of Energy consumption
- v. Replacement of Conventional lighting system by CFLs/LED at various locations including segregation of supply system
- vi. Replacement of Conventional lighting system by CFLs/LED at various locations
- vii. Installation of Variable Frequency Drive (VFD) for HSD Forwarding Pump
- b. Additional investment and proposals being implemented
 - i. Replacement of street lights with energy efficient lights
 - ii. Installation of solar heater system in Colony
 - iii. Addition of Cooling Tower Cell for Efficiency and Heat Rate Improvement
 - iv. Conversion of Naphtha based plant to Gas based plant
- c. Impact of the measures outlined at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods
 - i. Improvement in plant Heat Rate.
 - ii. Reduction in auxiliary power consumption.
 - iii. Improvement in cycle efficiency
 - iv. Improvement in system reliability
 - v. Increased energy conservation awareness among employees and customers

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

FORM 'B'

Research and Development (R&D)

1. Distribution Division

Areas in which R&D was carried out

- i. Distribution Planning Portal
- ii. Development of system based "Outage Management System"
- iii. Pilot on Smart Grid Technologies
- iv. Development of fuse strip pillars & panels
- v. Development of LT theft aversion boxes for utilization in customer FRP meter cabins.
- vi. Introduction of LT bus-ducts at high capacity DT substations of high value consumers.
- vii. Introduction of low loss distribution transformer with special core (delta) design.
- viii. Introduction of cold shrink joints for cable joining at 33 KV level

Benefits derived

- i. Measurement of Online Technical Losses facilitating better & efficient planning
- ii. OMS (Outage Management System) is a system with network intelligence to predict the fault, based on the complaint flow associated with that network.

Directors' Report

With the introduction of, the supply restoration for the customers can be faster which will help to improve the reliability.

- iii. With the view of adapting the know-how available in the market to improve the business performance, R-Infra has initiated the pilot on Smart Grid Project. Benefits accrued range from enhancing reliability, optimizing assets, enhancing power quality, etc.
- iv. Maximum operational safety, compact in dimensions with respect to conventional pillars.
- v. Reduction in theft at incoming supply point of the customer in theft prone slum areas.
- vi. Elimination of LT cables at such locations and associated interruptions due to cable faults. Reduction in losses.
- vii. Lower losses, Lower noise. Compact in size.
- viii. Elimination of 'heat' required for shrinking the tubes, Simplified procedure with improvement in cycle time.

Future plan of action

- i. Use of Compact, Maintenance Free, Unitized S/S
- ii. Smart Grid Technology

2. Transmission Division

Technologies adopted

- i. Design and construction of new generation vertically configured 220/33kV compact EHV Sub-Stations for thickly populated cities in a compact space of approx 3600 sq.mtrs. comprising of multilayered building housing all the major electrical equipments like 220kV GIS, 33kV GIS, 125MVA Transformer etc.
- ii. Implementation of Synchronous Digital Hierarchy (SDH), and 61850 protocol base SCADA in the EHV Sub-Stations.
- iii. In conjunction with vertical EHV Sub-Stations, RInfra has also taken up the task of laying of 220kV cables in the cities with 220kV cable termination at a height of more than 45m on specially designed unique LILO (Loop-In-Loop-Out) towers.
- iv. Implementation of DTS (Distributed Thermal Sensor), DGPS (Differential Global Positioning Service) and X-ray of EHV cables.

Benefits Achieved

- i. With these compact EHV Sub-Station, there is 90% less space requirement as compared to conventional Air Insulated Switchgear (AIS) Sub-Stations.
- ii. Implementation of Synchronous Digital Hierarchy (SDH), and 61850 protocol base SCADA, has resulted in integrated communication and protection system along with bulk data transfer, faster communication and quick response to the system emergencies.
- iii. With 220kV cable termination at a height of more than 45m on specially designed unique LILO (Loop-In-Loop-Out) towers, it has resulted in achieving space optimization and avoiding of gantries.
- iv. With implementation of DTS (Distributed Thermal Sensor), DGPS (Differential Global Positioning Service) and X-ray of EHV cables, assessing the healthiness of cables for maximum capacity utilization is achieved.

Future plan of Action

- i. Automation in Extra High Voltage (EHV) station's operation by deploying Synchronous Digital Hierarchy (SDH) and SCADA

- ii. Deploying Radiography technology for on-line condition monitoring of Gas Insulated Switchgear (GIS)
- iii. Special chemical coating for electronic equipment, to sustain extreme corrosive atmosphere
- iv. Deployment of SF6 gas leakage alarm system in store area

3. Power Plants

Areas in which R&D was carried out

- i. Setting of coarse ash grinding system in order to utilize coarse ash gainfully.
- ii. Study on SCADA Implementation for Goa Electricity Distribution.
- iii. SAP Implementation for Plant and Distribution.
- iv. On-line Energy Monitoring System for Goa Distribution.
- v. Study on GIS (Geographical Interface System) for Goa Distribution.
- vi. Study on GIS (Gas Insulated Switchgear) for 33 KV and 220 KV System.

Benefits derived

- i. Better utilization of fly ash
- ii. Reliability improvements
- iii. Energy savings
- iv. Resource optimisation

Future plan of action

- i. Setting up of hydrogen generation plant
- ii. Interconnection of chillers of inlet air of gas turbine.
- iii. Study on feasibility of LNG, CNG and coal gasification as alternate fuel for gas turbine.
- iv. Design of main control room with modern concepts, including large video displays adopted to enhance ease of operation and enable faster response.
- v. Adoption of wireless for facilities located away from main plant.
- vi. Adoption of "Compact Linear Fresnel Reflector (CLFR)" in the solar thermal power plant.
- vii. Coal transport through pipe conveyor in place of road transport

4. Expenditure incurred on R&D

	₹ in lakh
a. Capital	330.95
b. Recurring	477.31
Total	<u>808.26</u>
Total R & D expenditure as a per cent of total turnover	0.05

C. Technology absorption, adaptation and innovation

a. Power Plants

Efforts in brief, made towards technology absorption, adoption and innovation

- i. Action initiated for upgradation of system by replacement of AVR with DAVR.
- ii. CDMA (Code Division Multiple Access) technology for Automated Remote Metering at Goa Distribution.

Benefits derived as a result of the above efforts

- i. Increase in the reliability and better control

Directors' Report

- ii. Overall reduction in billing system cycle time, manpower, manual errors. Value addition for consumers
- iii. Improved power station reliability

b. EPC Division

Efforts in brief, made towards technology absorption, adoption and innovation

- i. Installation of Glass fiber Reinforced Plastic (GRP) pipes for Cross Country water pipeline in place of conventional MS pipes in Samalkot combined cycle power project and Sasan Ultra Mega Power Project(UMPP).
- ii. Use of light weight Fibre-reinforced plastic (FRP) beams, columns and gratings instead of conventional steel beams and concrete slabs in the cable trenches containing extensive network of 400 kV and 220 kV cables for better reliability and faster construction.
- iii. Extensive installations of Remote control I/O Cabinets for Ash Handling Plant, Coal handling Plant, Raw Water Pump house etc in Project Sasan UMPP for better maintainability, reliability and ease of operations.
- iv. Installation of Radar type Level Transmitter for Acid and Ash Silo Level applications for Accurate and Reliable measurement in project Sasan UMPP.
- v. Use of MPLS VPN (multiprotocol label switching virtual private network) communication technology in place of conventional PLCC (Power line carrier communication) in Butibori switch yard for transfer of plant data to Load Dispatch Centre.
- vi. Implementation of Intergraph's state of art software, Smart plant 3D modeling solutions for modeling of upcoming power plants.
- vii. Use of Geo-spatial Technology in engineering with wide range of GIS based solutions being envisaged for construction of power plant infrastructure.
- viii. Modular cooling tower concept with CW pump house integrated with Cooling Tower basin dispensing CW fore bay in Samalkot CCP (combined cycle power) Project.
- ix. Installation of FRP (Fibre-reinforced plastic) type cooling towers in Samalkot CCP Project and Sasan UMPP which significantly reduces construction period and are aesthetically better.
- x. Use of PPG (Polypropylene glasses) lining for Chemical drains in place of Acid resistant tiles for ease of erection, better reliability and service life.
- xi. Use of power cell bypass feature in Variable frequency drive of OLC to facilitate automatic bypass of faulty cells and provide uninterrupted operation of OLC (overland conveyor).
- xii. ISO 50001 Energy management system has been implemented at Noida offices to reduce the overall energy consumption through Modification/ replacement of existing facilities like Replacement of higher watts Lamps with LEDs, Reducing of LPG, Diesel ,AC and water consumption etc.

- xiii. For Material tracking Logistics automation from Shanghai to Sasan and Samalkot sites for the entire supply chain has been implemented.

Benefits Derived

- i. GRP pipes are corrosion proof, offer better pumping efficiency and require less time for erection.
- ii. Smart plant 3D modeling solutions provide Proactive assessment of space allocation, approachability and possible interferences between various systems.
- iii. Topographical surveys being done through DGPS(Differential global positioning system) to provide high precession engineering.
- iv. Use of FRP cooling Towers resulted in compact layout, reduced construction time, provide better equipment life and require less maintenance.
- v. Fibre-reinforced plastic (FRP) beams and columns are light in weight and provide better reliability and faster construction and require no maintenance.
- vi. Energy saving, better efficiency in lesser cost through Energy management system. Reliance Infrastructure has become the 1st EPC Company which has got ISO 50001 certification by certification body BVQI
- vii. Material tracking has become easy by deploying automated logistics solution

Future Plan of Action

- i. GRP pipes to be installed in all future cross country pipeline applications.
- ii. Gas Insulated Switchgears to be installed wherever applicable.
- iii. Application of Smart Plant 3D modeling to be extended to all future projects coming up.
- iv. GIS based application to be developed for all future projects with extensive use of Geo-spatial technology.
- v. Extensive use of wireless technology for faster response and higher precision.
- vi. Extensive installations of Remote control I/O Cabinet's for remote locations for better maintainability, reliability and ease of operations.

c. Information regarding Imported Technology

The Company has not imported any technology.

D. 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 : ₹ 14 crore
(Previous year ₹ 15 crore)
- ii Total Foreign Exchange outgo : ₹ 199 crore
(Previous year ₹ 96 crore)

Reliance Infrastructure Limited

Management Discussion and Analysis

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 realized. 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 interconnect usage charges, 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, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of Reliance Infrastructure ("Reliance Infrastructure" or "RIInfra" 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 profits 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", "RIInfra", "Reliance" or "Reliance Infrastructure" are to Reliance Infrastructure Limited and its subsidiary companies and its associates.

Economic Outlook

India's economic growth has slowed down to 6.5 per cent in 2011-12 mainly due to weakening industrial growth affected by an uncertain global environment. With agriculture and service sectors continuing to perform well, the slowdown can be attributed almost entirely to the continuous weakening of industrial growth. The service sector continues to be a star performer as its share in Gross Domestic Product has climbed from 58 per cent in 2010-11 to 59 per cent in 2011-12 with a growth rate of 9.4 per cent. Similarly, agriculture and allied sectors are also estimated to achieve a growth rate of 2.5 per cent in 2011-12.

The global economic and financial crisis has had a dampening effect on cross border Foreign Direct Investment flows and in order to maintain earlier levels of foreign investment and attract more, it is imperative to enhance India's competitiveness.

Overall Review

Reliance Infrastructure Limited is India's leading private sector Infrastructure Company, with aggregate group revenues of about ₹ 35,570 crore (US\$ 7 billion) and gross fixed assets

of ₹ 29,830 crore (US\$ 5.9 billion). Reliance Infrastructure is ranked amongst India's leading private companies on all major financial parameters, including assets, sales, profits and market capitalization.

- Total Income of ₹ 18,615 crore (US\$ 3.7 billion), as against ₹ 10,210 crore in the previous financial year
- Cash Profit of ₹ 2,619 crore (US\$ 515 million) against ₹ 1,336 crore in the previous financial year.
- Net Profit of ₹ 2,000 crore (US\$ 393 million) against ₹ 1,081 crore in the previous financial year
- Cash Earnings per Share for the year of ₹ 99 (US\$ 1.9) against ₹ 53 in the previous financial year.
- Earnings per Share (EPS) of ₹ 76 (US\$ 1.5) against ₹ 43 in the previous financial year.

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) Division. The EPC Division had an order book position of ₹ 17,280 crore (US\$ 3.4 billion) as on March 31, 2012.

Financial Review

Reliance Infrastructure's total income for the year ended March 31, 2012 was ₹ 18,615 crore (US\$ 3.7 billion), compared to ₹ 10,210 crore (US\$ 2.0 billion) in the previous year.

The total income includes earnings from sale of electrical energy of ₹ 5,321 crore as compared to ₹ 5,749 crore recorded last year. The sale of electrical energy includes income of ₹ 420 crore (US\$ 82 million) and ₹ 360 crore (US\$ 71 million) from the Samalkot Power Station (SPS) and the Goa Power Station (GPS) respectively.

The income of the EPC business was ₹ 11,678 crore (US\$ 2.3 billion), against ₹ 3,587 crore (US\$ 706 million) in the previous year.

During the year, interest expenditure increased to ₹ 568 crore (US\$ 112 million) as compared to ₹ 250 crore (US\$ 49 million) in the previous year. The Company had, in order to reflect the true value of its prime assets, revalued the assets of its Dahanu Power Station as at April 1, 2003 by ₹ 725 crore (US\$ 163 million). In view of this, the depreciation on such revalued assets is higher by ₹ 30 crore (US\$ 6 million), and the same has been adjusted by withdrawing equivalent amount from the revaluation reserve, which is credited to the profit and loss account.

The generation plants - Samalkot power station, Goa power station and the wind farm in Karnataka are all eligible for tax holiday under Section 80IA of the Income-tax Act, 1961 for a total of 10 consecutive years out of 15 years.

The corporate tax liability for the year was ₹ 498 crore (US\$ 98 million), compared to ₹ 54 crore (US\$ 11 million) in the previous year.

Cash profit for the year was ₹ 2,619 crore (US\$ 515 million) compared to ₹ 1,336 crore (US\$ 263 million) in the previous year.

Operating profit i.e. profit before depreciation, interest and tax (PBDIT) was ₹ 3,334 crore (US\$ 655 million), against ₹ 1,698 crore (US\$ 334 million) in the previous year.

Net profit for the year was ₹ 2,000 crore (US\$ 393 million), against ₹ 1,081 crore (US\$ 212 million) in the previous financial year.

Management Discussion and Analysis

At its meeting held on May 25, 2012, the Board recommended payment of dividend of ₹ 7.30 per share, aggregating to a pay-out of ₹ 192 crore (US\$ 38 million) (excluding dividend tax) for the year ended March 31, 2012.

The capital expenditure during the year was ₹ 844 crore (US\$ 166 million), incurred primarily on modernizing and strengthening of the transmission and distribution network.

Total gross assets increased during the year to ₹ 7,867 crore (US\$ 1.5 billion).

The Company ranks among leading Indian private sector companies in terms of net worth. As on March 31, 2012, the net worth of the Company stood at ₹ 18,541 crore (US\$ 3.6 billion).

Pursuant to the sanction of the Hon'ble High Court of Bombay of arrangement between the Company and Reliance Energy Limited (REL) and Reliance Infraventures Limited (RIInvL) and Reliance Goa and Samalkot Power Limited (RG SPL) and Reliance Energy Generation Limited (REGL) and Reliance Property Developers Limited (RPDL), the wholly owned subsidiaries of the Company, have been merged with the Company with effect from the appointed date February 1, 2012 and the container division of Reliance Infrastructure Engineers Private Limited (RIEPL) has been merged with the parent Company with effect from April 1, 2011.

Resources and Liquidity

The Company continues to maintain its conservative financial profile, as reflected in its credit ratings in current business environment.

The Company's gross debt as at the end of the financial year stood at ₹ 9,189 crore (US\$ 1.8 billion). Of this, nearly 40 per cent represents foreign currency denominated debt. The average final maturity of the Company's long-term debt is about 3.1 years. The average annual interest cost is about 8.5 per cent.

The Company funds its long-term and project related financing requirements from a combination of internally generated cash flows 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.

Infrastructure Industry Structure and Development

India is one of the fastest growing economies of the world. However the fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, roads and highways, railways, ports, airports, urban and rural water supply, etc.

Infrastructure investment requires huge capital outlay which was considered to be big hurdle in the past due to prohibition or lesser private participation. Consequently, the Government is encouraging more private sector participation through Public Private Partnership (PPPs) concept, which is fast evolving in all the aspects of infrastructure development. Such private investments not only help in meeting the funding requirement of projects but it has also other advantages like improvement in competitiveness of the projects, more efficient execution, better offerings, etc.

The gross capital formation in infrastructure should touch ~7.6 per cent during the 11th five year plan compared to only 5.1 per cent in 10th five year plan which constitutes a significant shift in favour of investment in the infrastructure sector. According to the 11th five year plan, investment in infrastructure will be ₹ 20,540 billion which is expected to increase to ₹ 40,990 billion in the 12th five year plan. Out of the total outlay on infrastructure sector during 11th five year plan, ~30 per cent of total investment is expected to come from private participation which is expected to increase to 50 per cent in the 12th five year plan.

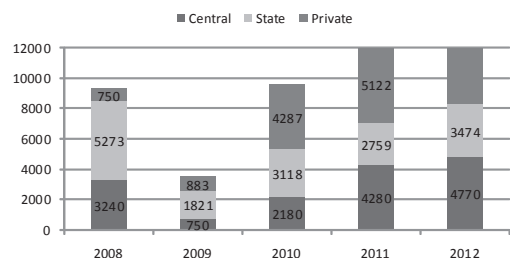
Power

India is the world's 6th largest energy consumer accounting for 3.4 per cent of the global energy consumption. Of the total capacity, 66 per cent is thermal power plants, 21 per cent hydroelectric power plants and balance being a combination of wind, small hydro, biomass, waste-to-electricity and nuclear. The power sector has added a cumulative 70 GW over the last decade [Compounded annual growth rate (CAGR) – 6 per cent]. However, during the same time, the demand has increased by CAGR of 8 per cent resulting in acute power shortage in most parts of the country. The per capita consumption of electricity in India is only 720 kwh compared to global average of 2,300 kwh. In India, power is largely transacted through long term Power Purchase Agreements (PPA) i.e 90 per cent entered into between Generating/Transmission companies and the Distribution utilities. A small portion i.e ~7 per cent is transacted through various short term mechanism like licensee trading, bilateral trading, trading through power exchanges and balance 3 per cent is transacted through unscheduled interchange mechanism. In order to meet the growing demand for power, the government has undertaken a number of progressive steps such as the Electricity Act 2003, Ultra Mega Power Projects, National Tariff Policy 2006, National Electricity Fund, etc. The power sector in India is currently reeling under the pressure of multiple forces—lack of fuel (coal and natural gas), poor financial health of State Electricity Boards (SEBs), land acquisition problems and delay in environmental and forest clearances. According to the Planning Commission, the government has increased its planned investment to ₹ 12,360 billion in 12th Plan from ₹ 6,586 billion in 11th Plan, wherein 55 per cent of the investment is expected from the private sector.

Generation

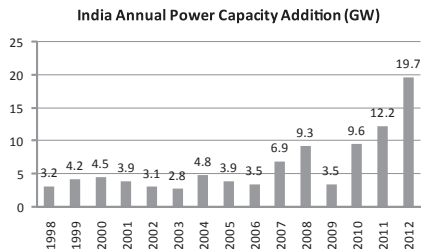
India is the fifth largest generator of power after US, China, Japan and Russia with a total capacity of ~200 GW as on March 31, 2012. In India, power is generated by the state utilities (46 per cent) followed by Central utilities (31 per cent) and private sector (23 per cent).

11th plan capacity addition by sector (MW)



Reliance Infrastructure Limited

Management Discussion and Analysis



Source: Central Electricity Authority

During the financial year ended March 31, 2012, India achieved the highest ever annual capacity of ~19.7 GW. This is mainly due to contribution by the private sector which accounted for 58 per cent of the total addition during the same period and use of supercritical units (660 MW) which has enabled larger execution in the same time frame. One of the key limiting factors for electricity generation and capacity addition in the future will be domestic coal shortages. However, the government is taking adequate measures for development of coal sector such as setting up coal regulatory authority, signing of Long Term PPAs etc. In order to provide impetus to the sector, the government has planned massive investment of ₹ 4,950 billion in the 12th Plan compared to ₹ 4,110 billion in the 11th Plan.

Transmission

The Government of India has ambitious mission of "Power For All by 2012" which would require installed generation capacity to be 200 GW by 2012. Commensurate with the capacity addition, the sector would require transmission line addition of about 100,000 circuit kms, HVDC terminal capacity of 130,000 MW and AC transformation capacity of 270,000 MVA along with inter regional transmission capacity of 37,800 MW to ensure increased availability of power to the end user. State-owned Power Grid Corporation of India Limited, the central transmission utility, alone transmits 50 per cent of the total electricity generated in the country. To achieve the provisioning of quality power at reasonable rates, the Government has consistently improved the competitive framework, where private participation can happen in generation as well as the transmission sectors within a conducive environment. In pursuance of competitive spirit enshrined in the Electricity Act 2003, the Government has notified that all the interstate transmission projects after January 5, 2011 are to be implemented through the process of competitive bidding. So far, ten interstate transmission projects with a capital outlay of ₹ 140 billion, have undergone tariff based competitive bidding process. Out of these ten projects, Reliance Power Transmission Limited, a subsidiary of the Company has bagged four projects worth approximately ₹ 55 billion. According to estimates, India needs about ₹ 2,400 billion for implementation of transmission schemes in the 12th plan, out of which only around ₹ 720 billion is expected to be mobilized by states, banks and financial institutions.

Distribution

Distribution segment is clearly the weakest link in the power segment. The current losses of distribution utilities are to the tune of ₹. 700 billion. This is mainly due to State power regulators lagging in setting power tariffs annually, supply of free or virtually free power to the farm sector, and its mostly un-metered nature resulting into considerable leakage and finally, State-owned power utilities have tolerated large losses, often reflecting collusion between the distribution staff and consumer.

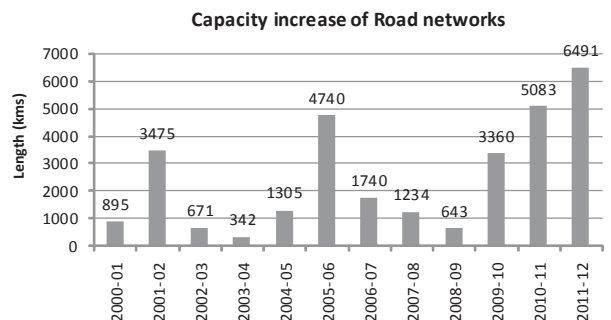
However over the past few months, government has realized this impact of distribution losses and have been instrumental in increasing the tariff ranging from 20 per cent to 40 per cent in a few states. Since the financial viability of the power sector as a whole depends upon the revenues collected at the distribution end, it is utmost important to make it financially viable by bringing in modern systems of management, use of IT, enforcement of accountability. Privatization and franchising model has helped reduce the distribution losses in a few States. For example, Delhi has privatized the distribution segment with good results in terms of reduction in Aggregate Technical and Commercial (AT&C) losses. A few states have resorted to 'franchising' in which a private company takes over the management of the distribution system and collection of revenues on the basis of a predetermined revenue sharing model. Although the introduction of Open Access has been mandated in the Electricity Act, 2003, there has been reluctance in the States to give freedom to customers having requirement of one MVA and above to choose their own sources of supply. This should be expedited so that power markets are widened and deepened. In view of the above, the government has planned increase in its distribution investment from ₹ 2,870 billion in the 11th Plan to ₹ 4,000 billion in the 12th Plan.

Transport Infrastructure

Connectivity is a key component of development. It is the pillar on which economy grows and development is witnessed. Roads, railways and airports formulate the path to the holistic development of the nation and are the most preferred mode of transportation due to easy availability, adaptability to individual needs, etc. Realizing the need for good urban transport, the government has allocated ~25 per cent i.e ₹ 5,150 billion of the total infrastructure spending in roads, railways including metro rails and airports.

India, having the second largest road network in the world of 42.36 lakh kms, consists of national highways, expressways, state highways, major district roads, other district roads and village roads.

Traffic on Indian roads has been increasing by 7-10 per cent per annum which has led to about 25-30 per cent of national and state highways being heavily congested with truck speeds of around 25-40 km/hr. India's road network has witnessed rapid traffic growth.



During the financial year ended on March 31, 2012, NHAI awarded 6,491 kms of roads compared to 5,083 kms of roads in the financial year ended on March 31, 2011 and further plans to award 8,800 kms of roads for FY13. NHAI has cited its ambitious target of building 20,000 kms of roads through EPC contracts for an estimated ₹ 700 billion through the 12th Five

Management Discussion and Analysis

Year Plan. Also 18,000 kms of Greenfield expressway is proposed to be set up by 2022.

The Government of India has highlighted that funding will not be a constraint for the sector since ₹ 304 billion premium with 5 percent escalation every year will be collected from the projects awarded between the financial years March 31, 2010 and March 31, 2012 which will be sufficient to fund another 2,500-3,500 kms of road projects. Also, in the annual budget the government has allocated ₹ 500 billion for National highways and rural development projects. According to the Planning Commission, the roads sector requires an investment of ₹ 6,765 billion in the 12th Five Year Plan period as compared to ₹ 2,790 billion in the 11th Five Year Plan and 50 per cent of this investment is expected to come from the private sector.

Railways

Indian Railways is the backbone of India's transport system and has the distinction of being the largest railway system in Asia and the second largest railway system in the world under single management carrying 22 million passengers every day. The Government has envisaged ₹ 20,800 billion of investment in the 11th five year including metro rail which is expected to increase to ₹ 40,000 billion in the 12th Plan. Recognizing the need for substantial financial and managerial capital, the Railways have been actively seeking and encouraging increased private sector participation. The railways are targeting ~30 per cent of investment from the private sector and will be focused on the modernization of metro rail stations, logistics, parks and container depots, the establishment of manufacturing facilities for modern rolling stock and dedicated freight and high-speed passenger corridors.

Airports

The Indian aviation market is the ninth largest market in India. Currently there are 132 airports in India, including 17 international airports, 9 custom airports, 79 domestic airports and 26 civil enclaves at defence airfields. The 17 international airports account for 85 per cent of passenger traffic and 97 per cent of the cargo handled at all the airports. In 2006, Airport Authority of India (AAI) was mandated to modernize 35 non-metro airports entailing investments of ₹ 61.6 billion, out of which 17 airports have been modernized. In addition, AAI has undertaken to modernize 26 non-metro airports across the country. Over and above, there are 15 greenfield airports approved by AAI, translating into huge opportunity for the private sector. At present, there are only four airports namely, Delhi and Mumbai which are brownfield airports and Hyderabad and Bengaluru which are greenfield airports managed and operated by the private sector. According to the Planning Commission, the airport sector require an investment of ₹ 662 billion in 12th Five Year Plan period as compared to ₹ 361 billion in the 11th Five Year Plan and 65 per cent of this investment is expected to come from the private sector.

Reliance Energy – Energy Distribution Division of Reliance Infrastructure

Mumbai Distribution Business

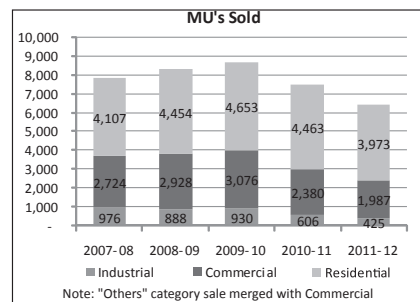
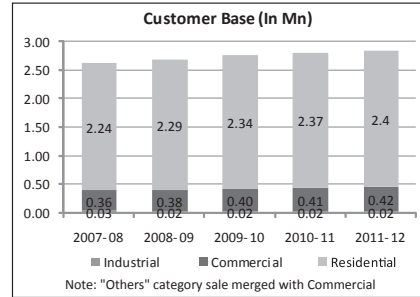
"Reliance Energy", the Distribution business Division of the Company, has been in the field of power distribution for over 82 years and Maharashtra Electricity Regulatory Commission (MERC) granted distribution license to Rinfra for the next 25 years for distributing power in Mumbai suburban area. Reliance

energy consistently operates its distribution network at 99.98 per cent reliability.

Customer profile and units sold

Customers

The number of customers using RInfra network at the end of the year was 28.3 lakh versus 28.05 lakh in the previous year.



Revenue

The billing revenue of Reliance Energy for the year was ₹ 4,527 crore (previous year ₹ 4,956 crore) and wheeling revenue from open access, customers was ₹ 219 crore (previous year ₹ 122 crore) based on the tariff determined by MERC. The increase in open access customers has resulted in lower billing revenue and corresponding lower cost of power purchase. These open access customers continue to contribute towards fixed cost for use of our network resulting in recovery of wheeling charges of ₹ 219 crore (previous year ₹ 122 crore). The tariff provides for approximately 30 per cent of the customers subsidizing the tariff of remaining approximately 70 per cent customers. During the year, the Company levied ₹ 50 crore (previous year ₹ Nil) as Cross Subsidy Surcharge on open access subsidizing customers.

System Demand

The coincident peak demand registered during the year was 1,664 MW as against 1,671 MW during the previous year.

Network Augmentation

In order to meet the rising demand, network augmentation is a continuous process. During the year, High Tension (HT) cable network increased from 3,814 kms to 3,906 kms with addition of 92 kms and total Low Tension (LT) cable network increased from 4,871 kms to 5,123 kms with addition of 252 kms.

Reliance Infrastructure Limited

Management Discussion and Analysis

During the year under review, the installed capacity of Power Transformers increased by 130 MVA to 2,962 MVA. The installed capacity of Distribution Transformers increased by 109 MVA to 4,482 MVA. The Company added 222 new substations, and has 5,818 sub-stations at the end of the year.

Reliance Energy continues to focus on system loss control through a variety of technical and physical means, some of which are as follows:

- Maintenance of network loading at optimum loading level.
- Refurbishment and replacement of old cables and distribution transformers.
- Installation of capacitors to reduce inductive loads in the system.
- Implementation of Distribution Management System (DMS)
- Monthly meter readings at various levels in the system and analysis thereof through the process of energy audit to identify potential areas of improvement.
- Vigilance drives in the areas with higher levels of losses contributed due to power thefts.

RInfra is the first Indian Utility to implement Outage Management System (OMS) which is developed on Geographical Information System (GIS) with entire network right from 33 kV Outlet to the Customer Meter, plotted on it. The new system has an in-built intelligent logic to actually identify the fault in the network by associating the customer calls to the network which helps in reducing the restoration time by 30 per cent.

Meter Modernization

After the notification of the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, it is mandatory that all customer meters shall be of electronic (static) type. Reliance Energy has installed electronic (static) meters with high degree of accuracy and improved features of data recording and theft prevention.

Customer Service

Reliance Energy continues to focus on providing the best-in-class services to its customers in the areas of metering, billing, payment modes, access to billing information, and speedy redressal of grievances. In addition, the company provides energy audit services to its customers.

Billing

The Company's efficient practices ensure monthly billing of its customer based on actual meter reading of 100 per cent accessible meters. The Company has 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.

Reliance Energy offers its customers, bills in their choice of language - English, Hindi, Marathi and Gujarati. For the special needs of the visually challenged customers, the Company offers Braille Bills. E-bills are also simultaneously sent to registered e-mail addresses of customers. In addition, RInfra website allows customers to view and print their energy bill. Also, key bill details are made available as an SMS alert on mobile phone. As a transparent practice, the customers are informed of their next meter reading date in their current month bill, and also

through SMS a day earlier to the actual meter reading date. Other important customer alerts provided via SMS/email include payment acknowledgement, ECS registration alert, Voluntary Deposit Scheme (VDS) registration alert, ECS failure alert, ECS mandate crossed alert, VDS balance replenishment alert and bill delivery confirmation alert. Further, customers are also given the option to avail of the Pull SMS services such as:

- Request for a duplicate bill by sending DB <CA No> to 5545464
- Report a "Bill Not Received" complaint by sending BNR <CA No> to 5545464

Payment

The Customers have access to an array of bill payment options such as collection centres, collecting banks, drop boxes, Easy Bill Outlets, payment using ITZ Cash Card, ECS, VDS and online payment options using Credit Card/Debit Card/Net Banking. The customers receive SMS alerts reminding them to pay their bills by the due date, as well as an SMS alert that acknowledges the payment received.

Reliance Energy customers can also dial the toll free number 1800 200 3030 any time and pay their bills via the Reliance Energy IVR. The payments on phone can be made through credit/debit cards as well as direct debit to bank accounts. Customers can also pay via mobile phone application supported through these channels, which is available on all types of platforms like Android, Blackberry, etc.

Call Centre

The customers have access to our 24-hr Toll Free (1800 200 3030) service which is a single window multi-lingual customer service. In addition to handling complaint and enquiry calls, the Call Centre also extends the "E-Courtesy" service which is an automated follow-up mail communication for information provided during the call to its customers. IVR-based services for requesting billing and payment information are also available to customers. The Call Centre also supports a centralized web desk to handle all email-based queries from customers.

Customer Care Centres

Reliance Energy has eight modern Customer Care Centres across its five divisions, which provide a single-window access to customers for their requirements including new connections, payments and redressal of grievances. In addition, the Internal Grievance Redressal Cell is also functional at each of these Customer Care Centres.

These Customer Care Centres are fully integrated with our Enterprise Resource Planning (ERP) system which enables our customer care representatives to have On-line access to the entire customer data which helps in improved and timely redressal of various customer issues.

Website

RInfra website, www.rinfra.com, is informative, interactive and user-friendly. The website enables the customers to access their consumption profile, present and past billing information, complaint status, optimize their consumption using energy calculator, check meter reading and billing schedules by simply logging on to their customised "My Account". Also, customers having multiple accounts can now view all their accounts through one integrated login by using the "Multi Account" feature of My Account. Customers can learn the use of web options through

Management Discussion and Analysis

detailed video tutorials available on the website. This unique initiative guides customers on the availability and usage of various online features. Customers can also plan energy savings online through "Energy Manager". This tool helps customers in planning energy savings through adoption of energy efficient appliances. In view of the ever increasing popularity and usage of mobile based websites, a WAP site has now been launched by Reliance Energy. Customers can now access "My Account" on their mobile phones by logging on <http://m.rinfra.com>. It is now also possible to make online payment of energy bill via the WAP site.

Regulatory Initiatives, Developments and Issues -

MERC had issued the tariff order for Mumbai Distribution Business of RInfracore on June 15, 2009 for financial year 2009-10. The tariff order for certain consumer categories was stayed by MERC on July 15, 2009 for the purpose of ascertaining the increase in tariffs under the advice of the State Government. For aforesaid categories, tariff rates as per Order dated June 4, 2008 continued to apply. Simultaneously, MERC appointed the Administrative Staff College of India (ASCI), Hyderabad to investigate into certain cost elements of the distribution business such as capital expenditure, power purchase, etc. ASCI, after carrying out its investigation, submitted their findings to MERC and validated the expenditure incurred by the Company for capital expenditure, power purchase and other expenses of regulated business stating:

1. On Tariff Petitions filed by RInfracore-D

"On reconciliation with Books of Accounts it is found that in the data furnished by RInfracore-D for the true-up, there are no significant variations."

2. On Power Procurement Process of RInfracore-D

"It is observed by the Investigating Authority that the process adopted for arriving at the requirement to be purchased from external sources and the procedure followed to procure power by the MPMG from external sources on short term contracts under the prevailing shortage conditions is transparent."

3. On Capital Investment

"...the capital investment is commensurate with demand growth and other requirements for improving the system performance and reliability and it cannot be said it is an over investment.

The capital investments have translated into major physical assets which are available on site and are under beneficial use."

4. On Verification of Physical Vouchers

"The physical vouchers are verified for substantial transactions and they do not indicate any discrepancy with Books of Accounts."

5. On Expenses of Regulated Business vis-a-vis Other Business

"RInfracore's SAP system ensures that various expenses are placed under correct heads of account, hardly there is any possibility of charging the expenses of other business to regulated business except common expenses such as corporate office etc...."

The report was made public by MERC by uploading the same on its website. MERC vacated its tariff stay on September 8, 2010. Consequently, commencing September 2010, tariff rates

as specified by MERC Order dated June 15, 2009 were applied. The same tariff rates continued through out the financial year 2011-12

Aggregate Revenue Requirement (ARR) for 2011-12

The second MERC Regulations on Multi-Year Tariffs are applicable for period of 5 years from 2011-12 to 2015-16. RInfracore had filed a petition for deferment of the Regulations by one year, with MERC and raised issues of difficulty in implementation. MERC stayed the applicability of MYT Regulations, 2011 by one year. RInfracore therefore submitted the ARR petition for 2011-12 in December 2011 under Multi-Year Tariff Regulations 2005. The technical validation sessions and Public hearing have been concluded and order is awaited.

As required, RInfracore has filed Business Plan for the period 2011-12 to 2015-16 with MERC. The Multi-Year Tariff petition for 2012-13 to 2015-16 will be filed on approval of the Business Plan.

Change-over and Issue of loss of Cross Subsidy and Recovery of Regulatory Asset

MERC passed an Interim Order dated October 15, 2009 permitting the consumers in RInfracore area of supply to switchover supply between TPC and RInfracore through Open Access on each others network. In the said Order, MERC mentioned that the issue of Cross Subsidy Surcharge and recovery of Regulatory Assets has wider implications and would be addressed in separate proceedings. Pursuant to the said Order, till March 31, 2012, about 2.5 lakh consumers have started getting supply of electricity from TPC using RInfracore network. The majority of these change over consumers are cross subsidising consumers. In order to prevent the tariff shock to the cross subsidized approximately 21 lakh low tariff consumers, due to loss of cross subsidising sales, RInfracore had filed a petition with MERC for approving the levy of cross subsidy surcharge to consumers who have changed over to TPC supply. MERC had issued Order dated September 9, 2011, approving levy of cross subsidy surcharge on consumers migrating to the other distribution licensee. RInfracore has challenged the said Order in the Appellate Tribunal of Electricity (ATE) on the grounds of inadequate computation. RInfracore has also petitioned MERC in its 2011-12 ARR petition for resetting the cross subsidy surcharge to the current level.

Delay in issuance of MERC order in the matter of cross subsidy by almost two years has contributed in accumulating a revenue gap in the self balancing tariff order issued by MERC. In its Order issued on February 27, 2012, MERC recognised the cumulative revenue gap/ Regulatory Asset till 2010-11 as ₹ 1,831 crore and deferred allowance of part of power purchase related expenses amounting to ₹ 468 crore for 2009-10 and 2010-11 (excluding the amount of accumulated interest calculated at the prime lending rate of State Bank of India) seeking for additional information and justification. RInfracore has submitted all the required additional information and justification and is awaiting MERC approval. Since Regulatory Assets represent deferred recovery of revenue, RInfracore had petitioned MERC for recovery of Regulatory Assets from migrated consumers also. MERC, on directions from ATE for early disposal, in its Order dated July 29, 2011, approved the recovery of Regulatory Assets from all consumers, including those migrated to the other distribution licensee.

Renewable Purchase Obligations

MERC has issued MERC (Renewable Purchase Obligation, Its compliance and Renewable Energy Certificate framework) Regulations 2010. The said regulations stipulate separate

Reliance Infrastructure Limited

Management Discussion and Analysis

Renewable Purchase Obligation (RPO) for Non-Solar and Solar sources for the period from 2010-11 to 2015-16 at the tariff fixed by MERC.

For meeting Non-Solar RPO, RInfra has contracted wind generation, biomass power and small hydro power. The Government of Maharashtra present policy exempts sugar cane purchase tax to generators supplying electricity to only MSEDCL, bagasse based cogeneration generators prefer to supply to MSEDCL. RInfra is exploring all possible options to procure Renewable Energy for meeting its RPO obligation. Shortfall in meeting RPO is being met through procurement of Renewable Energy Certificates (RECs). For meeting Solar RPO, RInfra has contracted 40 MW solar PV Power from Dahanu Solar Power Private Limited, which has been commissioned in March 2012 and is supplying power to RInfra.

Standby Charges

TPC filed a civil appeal before the Hon'ble Supreme Court of India against RInfra claiming that RInfra should pay the standby charges to them at the same rate per KVA as TPC pays to erstwhile MSEB. RInfra has 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 as TPC pays to MSEB. RInfra has received ₹ 227 crore, being 50 per cent of the amount directed by the ATE as refund to RInfra and for balance ₹ 227 crore, TPC has given a 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 RInfra with interest at 24 per cent per annum. Pursuant to this order, TPC raised a claim together with interest for ₹ 324 crore. RInfra has filed an appeal before the ATE, which held that additional energy charges are payable but remanded the issue of Take or Pay to MERC for re-determination. RInfra has filed an appeal with the Supreme Court against the said ATE judgment, 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 matter and thus similar order should be passed against RInfra to deposit the amount. As directed by the Hon'ble Supreme Court, the Company has paid ₹ 25 crore to TPC and provided Bank Guarantee of ₹ 9 crore to the Hon'ble Supreme Court. The matter is admitted and awaits final hearing before the Hon'ble Supreme Court.

Medium Term and Long Term Power Procurement

RInfra had initiated the competitive bidding process for medium term (up to 2013-14) and long term (25 years thereafter) power procurement. As a result of this process, RInfra had concluded Power Purchase Agreements with Wardha Power Company Limited (WPCL) and Abhijeet MADC Nagpur Energy Private Limited (AMNEPL) for supply of power from April 1, 2011 and with Vidarbha Industries Power Limited (VIPL) for supply of power from April 1, 2012 for Medium Term period. However, PPA with WPCL was later terminated due to non-submission of Fuel Supply Agreement by WPCL with Coal India Limited subsidiaries in terms of the PPA. The PPA with AMNEPL also could not be proceeded with. Both parties, however, approached MERC to

direct RInfra to proceed with the PPAs. MERC directed RInfra to procure 260 MW from WPCL, 55 MW from AMNEPL and 134 MW from VIPL. A challenge in ATE against the direction of MERC for procurement of power from WPCL has not been successful as ATE in its judgment dated 23rd March 2012 held that the submission of Alternate Fuel Supply Agreement by WPCL with a coal trader sourcing coal through e-auction can be considered as fulfilment of its obligation to furnish the Fuel Supply Agreement under the PPA. Accordingly, power is being procured under the PPAs as per MERC directions. An appeal against the said ATE judgment is being filed before the Supreme Court.

In the last competitive bidding process for Long Term Power Procurement, the process failed due to successful bidders seeking deviations to Case 1 Standard Bidding Guidelines (issued by the Ministry of Power) to cover their risk of fuel cost variations. This has been informed to MERC.

Licence of RInfra (Mumbai Distribution Business)

MERC (Specific conditions of licence related to Reliance Energy Limited) Regulations, 2008, specified the terminal date of License as August 15, 2011. RInfra had filed a petition with MERC for renewal/extension of its licence term by another 25 years from August 16, 2011 under Section 18 of the Electricity Act, 2003 (corresponding to similar section in the Electricity Act, 1910 used for renewals/extensions). MERC however directed RInfra that there is a need to make fresh license application under Sections 14 and 15 of the Electricity Act, 2003. Accordingly, RInfra submitted an application in April 2011 for issuance of fresh Licenses for Transmission and Distribution. Vide an Order dated 11th August 2011, MERC granted a fresh distribution license (Distribution License No. 1 of 2011) to RInfra for a period of 25 years starting from August 16, 2011 and also granted Transmission License (Transmission License No. 1 of 2011) to RInfra. In the current distribution license, two new areas, namely Chene and Varsova have also been appended to the already existing distribution area of RInfra thereby increasing the licence area from 384 sq Kms to 400 Sq Kms.

Quality

With an objective to build a Sustainable Quality culture, the Company has consolidated its Quality movement further and has increased the participation of employees in this movement. Over 1,300 employees are engaged in over 125 Quality projects, using methodologies such as Small Group Activities and Six-Sigma. In line with the Quality road map, the Company has also successfully piloted the '5-S' movement, at its Central Division.

The Company has successfully trained 28 Six-Sigma Black Belts and 30 executives have been certified in the use of 'Advanced Statistical Process Control Techniques'.

While the projects have been able to generate several financial and environmental benefits, several awards have been won by the RInfra Quality teams at Mumbai level, national level and international level events, organized by the Quality Circle Forum of India (QCFI).

50 Quality projects participated during the Mumbai convention, and the Company bagged 32 Gold and 18 Silver trophies. The Company also received a special award for the largest participation by any private sector company, during the Mumbai Chapter convention of the QCFI, held in August 2011. The Company also received a Certificate of Appreciation for active role played by RInfra and its activists in promoting Quality at

Management Discussion and Analysis

Mumbai and national level. Seven projects nominated for the National convention at Hyderabad, went on to win five 'Par-Excellence' and two 'Excellent' trophies.

It was a moment of pride when two of RInfra Quality project teams - namely Team 'Astra' and Team 'Long Term Performer' went on to win 'Excellent Project' and 'Distinguished Project' recognition respectively, during the International Convention on QC Circles (ICQCC-2011) held at Yokohama, Japan in September 2011. The event was organized by JUSE (Union of Japanese Scientists and Engineers).

The Mumbai Distribution business was also recertified for ISO 9001:2008 by Bureau Veritas Certification (India) Private Limited ("Bureau Veritas"). The certification was achieved without any non-compliance or any observation as notified by the external auditors, i.e. Bureau Veritas.

Demand Side Management:

Value Added Services to consumers for Energy Conservation

The Company has initiated many Energy Conservation and Energy Efficiency (ECandEE) Programmes under the Demand Side Management (DSM) initiative. The objective of ECandEE programme is to create awareness in the society on the importance of energy conservation and smart usage of energy, and to facilitate adoption of energy efficient technology in order to reduce system demand and power purchase cost for protecting the interest of consumers and reducing environmental damage by Green House Gas (GHG) emission reduction. The ultimate goal is to make every citizen of Mumbai a part of this programme and make this programme a Citizens' Movement.

1. T5 Fluorescent Tube Light (FTL) Programme

The Company has launched T5 FTL programme for its consumers in all categories viz. residential, industrial and commercial which involves replacement of existing inefficient FTLs with T5 FTLs for a saving of over 40 per cent energy, by offering 60 per cent discount to market price. Under this Programme, till date 4,000 Tube lights have been replaced with an estimated annual energy saving of 0.15 MU and an estimated demand reduction of 44 kW.

2. Ceiling Fans Programme

The Company has initiated replacement of old ceiling fans with BEE labelled 5 Star rated ceiling fans resulting in savings of 0.36 MUs p.a. for residential consumers. Under this programme, while the total target is to replace 5,000 old fans; till date 3,766 old Fans have been replaced with an estimated annual energy saving of 0.21 MU and an estimated demand reduction of 90 kW.

3. 5 Star Split Air Conditioner (AC) Programme

To target the highest contributor of the ever growing demand in Mumbai, viz. the air conditioning load, the Company has launched a programme for its commercial consumers for replacing the old window ACs with energy efficient 5 star labelled split ACs. Under this programme, while the total target is to replace 200 old window ACs; till date 50 ACs have been replaced with an estimated 0.06 MU saving and an estimated demand reduction of 21 KW.

4. Street Light Conversion Project

This project involves replacement of 37,266 HPMV (125W and 80W) lamps by lower wattage HPSV (70 W) lamps for

street lights. The Company has achieved an annual energy savings of 4.4 MU that translates to CO2 emission reduction of 4,400 tonnes.

5. Capacitor Installation Programme

The Company has launched this programme for reactive power management for approximately 13,800 LT commercial, LT Industrial and HT category consumers, to whom the PF surcharge / incentive clause is applicable. In this programme, the capacitors are made available to consumers at heavily discounted price and extended warranty. Under this programme, till date 2,178 kVAR have been installed at the consumers end with an estimated annual energy saving of 0.015 MU.

Energy Audit Scheme for Commercial / Industrial Consumers

Under this scheme, the consumers have been offered Energy Audit through renowned Energy Audit companies at substantially negotiated rates. To further motivate participation of the consumers, 75 per cent of audit fee has been paid by Reliance Energy. Reliance Energy has received encouraging response from consumers to this scheme and has, now, extended this facility to small commercial consumers wherein the audits are conducted free of cost by the Company's in-house team of certified Energy Managers. Reliance Energy has carried out over 55 energy audits under this programme till date, and the annual potential benefit to consumers through energy saving is 7.85 MUs.

Reliance Energy Knowledge Forum

Through this platform, the Company has introduced latest Energy Efficient technology, trends and products to its esteemed consumers. Eminent guest faculties from India and abroad have been on the dias of this Knowledge Forum to share with the consumers their expertise and experience in their respective fields and to respond to their specific queries.

Urja Samvardhan Upakram

The Company has launched this ongoing energy conservation awareness campaign which is not limited to the Company's licensed supply area. Indeed, through this campaign, an endeavour is to reach out to every citizen of Mumbai and make him a partner in this campaign. In FY 11-12, 67 workshops have been conducted by Company in academic institutions, offices, banks, hospitals, industrial estates and housing societies. This much acclaimed initiative has so far reached to more than 16,000 consumers educating them on "Why to conserve and How to conserve Energy".

Every year, on the occasion of an Energy Conservation Day on 14th December and Energy Conservation Week (14th to 21st December), this awareness campaign is strengthened. Besides, the seminars and workshops on EC&EE, there has been various other programmes like competitions for employees and their wards, consumer meets, audio-visual shows, symbolic walk, vendor stall set-up promoting sale and, in turn, the use of EE products like T5 Tube lights, CFL lamps etc.

Automation and Information Technology

Business and IT today co-exist as one ecosystem and our quest to further improve the existing system capabilities and endeavours towards Green IT continues.

The focus to shift from IT best practices to "Next" practices that include process automation and Business Analytics for proactive equipment monitoring and maintenance has now taken shape.

Reliance Infrastructure Limited

Management Discussion and Analysis

Several systems including GIS based Outage Management System (OMS) are live and running and benefits to the operations teams are immense.

We have initiated and implemented the next phase of our tech savvy approach i.e standardization by extending existing enterprise architecture to our distribution and Metro Business in Delhi along with our roads and cement businesses pan India.

In our external business foray through the Restricted Accelerated Power Development and Reforms Programme (R-APDRP), we have another feather in our cap by being awarded a ₹ 114.44 crore ITIA contract for Chhattisgarh State Electricity Board. Our IT and SCADA consultancy services for various state utilities like Bihar, Chhattisgarh, Haryana, Karnataka and Maharashtra are on full steam.

Delhi Distribution Business

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 are implementing a series of measures aimed at improving customer service, fulfilling our corporate social responsibility and reducing aggregate technical and commercial (AT&C) losses so as to benefit the consumers from all perspectives.

In BRPL, AT&C losses have declined from 19.64 per cent in 2010-11 to 16.94 per cent in 2011-12, a reduction of 2.7 per cent. For BYPL, losses have declined from 23.40 per cent in 2010-11 to 19.21 per cent in 2011-12, a reduction of 4.2 per cent.

The Discoms registered an aggregate total income of ₹ 7,303 crore (i.e BRPL: ₹ 4,740 crore and BYPL: ₹ 2,563 crore) during the year (excluding income from sale of power and regulatory assets) against ₹ 6,058 crore in the previous year, an increase of nearly 20 per cent.

The aggregate power purchase cost increased from ₹ 7,110 crore (16,468 million units at ₹ 4.32 per unit) to ₹ 9,192 crore (BRPL cost: ₹ 5,795 crore and BYPL cost ₹ 3,397 crore), an increase of ₹ 2,082 crore (~29 per cent) due to higher bulk supply tariff (BST). Other operating expenses have either declined, remained constant or have increased marginally. This was achieved through tighter control and monitoring of all operating expenses and processes.

The aggregate capital expenditure incurred during the year amounted to ₹ 292 crore (BRPL ₹ 200 crore, BYPL ₹ 92 crore) for upgradation, strengthening and modernization of the distribution system. The aggregate net block including current work in progress stood at ₹ 4,614 crore (BRPL ₹ 2,966 crore, BYPL ₹ 1,648 crore).

The aggregate consumer base stands at 1.7 million customers for BRPL and 1.2 million for BYPL, bringing combined customers base for the two Discoms to almost 2.9 million.

All the meters are now electronic and all 1,745 feeders and 10,152 distribution transformers are metered with strong analytics in place. On reliability front, average system availability index has gone up from 99.79 to 99.85 in BRPL and from 99.88 to 99.91 in BYPL.

Key Regulatory Developments

1. Tariff increase of 21.7 per cent as per order issued on August 28, 2011.

2. Fuel Adjustment Charges (FAC) in place with 5 per cent flat for the third quarter of 2011-2012 and 6 and 7 per cent for the fourth quarter of 2011-2012 for BRPL and BYPL respectively.
3. DERC has replaced the existing Quarterly Fuel Price Adjustment (FPA) mechanism with Power Purchase Adjustment (PPA) mechanism.
4. Tariff order also allowed 8 per cent surcharge as part of past regulatory asset recovery.

Key functional initiatives of BRPL and BYPL

1. External Interface

- Increased frequency and transparency of interactions with external stakeholders such as resident welfare associations, government officials, the regulator and the media.
- BRPL appointed as technical partner by EPC major, Rockson Engineering for the Nigerian Discom Licensee.

2. Customer Care

- 100 per cent compliance across all consumers (Consumer Grievance Redressal Forum, Consumer Dispute Redressal Forum, Ombudsman, and Delhi Electricity Regulatory Commission)
- Increased payment options and payment reminders
- SMS based complaint registration
- Upgraded website and web - based Bill
- Unified complaint number and queue management system
- Caller Identification
- Hotline Facility for key divisions and outbound calls for customer satisfaction
- Preferential treatment to senior citizens and customer feedback surveys
- "Cool Idea" initiative: ~3,000 energy conservation tips and suggestions from the consumers
- Customer Education : Door step services , anti power theft drive, meters, ELCBs, CFLs, LED Promotion, Earth Leakage, Energy Calculator.

3. Human Resources and Performance Management

- More than 3,000 training man days covering around 1,600 employees
- Concept of root level approach like town hall meets, train the trainer programme
- Rationalized top management information system with focus to assist management in monitoring performance.
- Organized training session for the employees of other utilities.
- External training for local / neighbourhood electricians
- External training for the power industry professionals

Management Discussion and Analysis

4. Key technical side improvements are as follows:

Parameters	BRPL			BYPL		
	2010-11	2011-12	Growth (%)	2010-11	2011-12	Growth (%)
Peak Demand (MW)	1,920	2,045	7	1,131	1,210	7
Distribution Transformer failures (Nos)	13	10	23	11	10	9

5. Other technical Advancements

- Renewable Energy Assisted Pump (REAP) project for solar based water pumping in collaboration with IIT-Delhi.
- Pre-paid meter installation for the Government consumers – 8,700 Prepaid consumers
- Grids remotely operate through the SCADA
- Automated log sheets for all 123 grids
- Automatic switches for street lights across licensee area
- Demand side management in terms of load balancing and Compact Fluorescent Lamps (CFL) promotion
- SAP-ISU implemented for all categories of consumers
- 100 per cent GIS digitization complete for EHV and HT network

6. Corporate Social Responsibility

- Biji Gyan Abhiyan – Energy Conservation quiz with 1,200 schools
- ₹ 50 lakh donation for Bihar flood relief and food packet donation for Yamuna flood relief
- Clothes distribution to poor and eye catching social messages on Discoms assets
- 25 years power purchase agreement for Non Renewable Energy Procurement from solar and waste power
- Energy conservation rally by school children and CFL promotion at discounted price
- 60+ Earth Hour Participation
- Promoting use of electric scooters and 30 free charging points for electric cars
- Technical collaboration with Indian Institute of Technology
- Women bill distributors, citizen's charter, AIDS awareness rallies and tree plantation.

Generation Business

Reliance Infrastructure generates over 941 MW of power through its power stations located in Maharashtra, Andhra Pradesh, Kerala, Karnataka and Goa. The Company's power generation units continue to demonstrate significant improvements across major operational, environmental and safety performance parameters.

The Dahanu Thermal Power Station (DTPS) continues to maintain its numero uno position among the power stations in the country. During the year 2011-12, the station generated 4,451 million units against the target of 4,200 million units set for it by the Central Electricity Authority.

Being the first power station to achieve a Plant Load Factor (PLF) of more than 100 per cent, the power station continued to keep up to its track record this year as well, by achieving an average PLF of 101.3 per cent. Furthermore, the power station has been operating with a PLF of greater than 100 per cent consecutively for the past six years and overall, for eight years. The station has also been maintaining greater than 94 percent plant availability consecutively for the past nine years.

In benchmarking carried out by various statutory bodies, the power station has emerged as the country's best thermal power station with respect to various plant parameters such as PLF, availability, heat rate and auxiliary power consumption.

The power station continues to surge ahead on six sigma quality initiatives with renewed vigour. The projects implemented under such projects have immensely contributed in improving the plant performance.

The station has the distinction of continuing with the Integrated Management System (IMS) for Quality ISO 9001:2008, Environment 14001:2004 and OHSAS 18001:2007 certifications. In addition, the station is certified for Information Security Management System ISO 27001:2005 and Social Accountability SA 8000:2008 certification. The station had the unique distinction of being the first utility globally to get certified for Energy Management system (ISO 50001:2011). This provided a platform for Dahanu Thermal Power Station to increase energy efficiency, reduce costs and improve energy performance.

The Samalkot Power Station operates 220 MW combined cycle power plant at Samalkot in Andhra Pradesh. The station is certified with Integrated Management Systems (IMS) covering ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and SA 8000 standards.

The Goa Power Station operates 48 MW combined cycle power plant in Goa. The power station is certified by DNV for ISO 14001:2004, ISO 9001:2008, ISO 27001:2005 and OHSAS 18001:2007 under the Integrated Management System.

The Kochi Power Station of BSES Kerala Power Limited, the wholly owned subsidiary of the Company, owns and operates the 165 MW naphtha based combined cycle power plant at Kochi in the state of Kerala. The power station is certified for Integrated Management system conforming to ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001-2011 standards. BKPL is the first combined cycle power plant in India to be awarded the ISO 50001 certification.

The Wind Farm Project operates 36 windmills with an aggregate generation capacity of 9.39 MW at Chitradurga in Karnataka. Its performance is constantly monitored through the Supervisory Control and Data Acquisition System (SCADA) at the wind farm.

Key Operational Parameters

Generation stations	Capacity (MW)	Units Generated (Million Units)	Plant Load Factor (per cent)	Plant Availability (per cent)
Dahanu	500	4,451	101.30	97.48
Samalkot	220	1,322	68.39	97.80
Goa	48	277	79.60	94.30
Kochi	165	49	3.30	97.10
Wind Farm	9	21	25.64	97.38
Total	942	6,120	---	---

Transmission Business

Western Region System Strengthening Scheme II (WRSS-II)

Reliance Power Transmission Limited, a subsidiary of the Company is implementing two projects secured through International competitive bidding with approximate project cost of ₹ 1,500 crore on build, own and operate (BOO) basis. These involve construction, maintenance and operation of nine transmission lines of 3,036 ckt kms length (six lines with line length, 2,082 ckt kms to be executed by Western Region Transmission (Maharashtra) Private Limited, and three lines with line length 954 ckt kms by Western Region Transmission (Gujarat) Private Limited.

Six transmission lines associated with the project with a cumulative line length of about 1,460 kms have been commissioned so far and are being successfully operated. Four of the completed lines with an aggregate line length of 974 kms are in the state of Maharashtra and the remaining two lines of 486 kms length are in Gujarat. With commissioning of these lines, Reliance Power Transmission Limited, a subsidiary of the Company, became first ever private transmission licensee to build, own and operate the interstate transmission lines in the country. Substantial progress has been made in the remaining lines of the project and the complete project is expected to be commissioned during 2012-13. In quantitative terms, around 95 per cent of the tower foundation work completed and 72 per cent stringing work has been completed settling more than 25,000 RoW cases so far.

Revenue to the tune of ₹ 50 crore has been realized in 2011-12 with monthly revenue generation standing at ₹ 6.4 crore. These projects are backed by sound payment security mechanism now introduced by the Central Electricity Regulatory Commission (CERC) in the sector for all interstate projects under the Point of Connection charges (PoC) mechanism. During the current year, the rupee debt financing in the Gujarat project was replaced with cheaper External Commercial Borrowings to the tune of \$ 60 million, thereby reducing overall interest cost. The project is expected to be commissioned within 2012.

Parbati Koldam Transmission Corporation Limited

This project is under implementation through a Joint venture with PGCIL under build, own and operate (BOO) structure and cost plus tariff model with an estimated project cost of ₹ 1,000 crore. The project consists of construction, maintenance and operation of 400 kV Transmission lines from 800 MW Parbati-II Hydro Electric Project (HEP) (being constructed by National Hydro Power Corporation Limited) and 800 MW Koldam HEP (being constructed by NTPC Limited) hydro projects in Himachal Pradesh. It entails construction of three lines- two single circuit lines from Parbati-II to Koldam and one double circuit line from Koldam to Ludhiana with total line length 480 Ckt kms. The power evacuated from these stations shall benefit the Northern Region states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh, Delhi, Chandigarh and Uttarakhand. The Company has entered into bulk power transmission agreements with all of these beneficiaries. The necessary transmission license has been granted by CERC. Indemnification Agreement has been signed with the generator i.e. NHPC with December 2012 as zero date. Statutory approvals like approvals under section 68 and section 164 and aviation clearances are in place. Stage - I forest clearance has also been received for all the transmission lines. The first disbursement of Loan from Lenders

was received in August 2011. The engineering activities like tower and foundation designs and type testing of towers have been completed. Till date, around 399 tower foundations have been laid, about 170 towers are erected and stringing is in full swing. Capital investment of about ₹ 287 crore has been infused in the project. This project is also scheduled for commissioning by end of 2012-13.

Mumbai Transmission

During the year, the Company was granted the transmission license for a period of 25 years with effect from August 2011. With this, RInfra would continue to serve customers of its Mumbai Transmission business till August 2036.

Under the Mumbai strengthening project for the augmentation of the Mumbai network, three EHV stations were charged during the previous year. This year, one more EHV station at Borivali along with the scheme of LILO (Loop-In-Loop-Out) of 220 kV MSETCL Boisar- MSETCL Borivali line at Ghodbunder was commissioned. The EHV station at Borivali too is a uniquely designed vertically configured, multistoried, compact, new generation GIS, 220 kV /33 kV EHV station similar to the 3 EHV stations commissioned in the previous fiscal. The LILO scheme provides RInfra with an additional connectivity to the grid. With this, RInfra now has 7 EHV stations with total transformation capacity of 2,600 MVA and 500 ckt kms of line in its transmission network. The balance works for the projects are in full swing and would be commissioned progressively.

A total capital expenditure of ₹ 324 crore was incurred in during 2011-12. Cumulatively, a capital expenditure of ₹ 788 crore has been incurred towards the Mumbai strengthening project with ₹ 530 crore being capitalized. Notwithstanding the new projects and their success, the Company maintained its high standards of availability with a network availability of 99.77 per cent registered for the year, setting it amongst the top performing utilities in the country. This was possible only due to the adoption of the best practices and the tireless efforts of our dedicated team. Fragility of the Mumbai transmission network and the need for its augmentation has been a discussion point for some time and received increased and necessary attention this year. RInfra in its role as a transmission utility participated actively and wholeheartedly in all the relevant forums including the meetings of the Standing Committee constituted by MERC to look into the criticality of the network and envisage a path ahead.

On the policy front, the government is encouraging private participation through emphasis on the PPP model. However, there has been an amendment in the tariff policy which exempted intra-state transmission sector from competitive bidding till January 2013.

Other achievements

- Another front for success of Mumbai Transmission is the Small Group Activity (SGA). Post its success at CCQC, seven SGA Groups (Quality Circles) presented their projects at NCQC-2011 held at Hyderabad. Five SGA groups awarded with Par Excellent and two SGA group with Excellent trophy.
- The Company has successfully undergone second Surveillance Audit for Integrated Management System by Bureau Veritas Certification (India) Pvt. Limited. With this, RInfra is proud to enter into the third year of IMS certification.

Management Discussion and Analysis

North Karanpura Transmission Project

The project is on build, own, operate and maintain (BOOM) basis with approximate project cost of ₹ 1,600 crore. It involves construction of three 765 kV transmission lines of length of approximately 800 Kms and two 400 kV transmission lines of length of approximately 250 Kms. 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.

Financial closure for the project has been achieved. Transmission license, tariff adoption and authorization under section 164 of the Electricity Act, 2003 for the project have been received. Survey and design activities of the project are in progress and the construction is expected to begin soon.

Delay in receipt of enabling statutory clearance, is adversely affecting the project economics. This resulted in a force majeure situation for the project company as the delays were neither attributable to project company nor could have been mitigated by project company. The Company has filed a petition with the Central Electricity Regulatory Commission wherein company has sought various mitigation measures in terms of tariff escalation and time extension for project completion.

Talcher II Augmentation Project

This project is also on build, own, operate and maintain (BOOM) basis with approximate project cost of ₹ 900 crore. The project comprises of three 400 kV Double ckt transmission lines of 670 Km length. Lines would connect Talcher, Rourkela, Behrampur and Gazuwaka. One substation of 400/220 kV at Behrampur is also in scope of execution of project.

Financial closure for the project has been achieved. Transmission license, tariff adoption and authorization under section 164 of the Electricity Act, 2003 for the project have been received. Survey and design activities of the project are in progress and the construction is expected to begin soon.

Here again, delay in receipt of enabling statutory clearances, is adversely affecting the project economics. This resulted in a force majeure situation for the project company as the delays were neither attributable to project company nor could have been mitigated by project company. The Company has filed a petition with the Central Electricity Regulatory Commission wherein company has sought various mitigation measures in terms of tariff escalation and time extension for project completion.

Trading Business

Reliance Energy Trading Limited (RETL), a wholly owned subsidiary of the Company, has positioned itself as a favoured trader for trading of power from captive / independent power plants. In the present tight money condition of the market, RETL also concentrated on power trading through banking that helped in making cashless transactions and maintaining the trading margin at the same level as that with cash transactions. RETL is a professional member of both power exchanges with a significant market share of exchange traded volume. With the implementation of distribution open access, RETL is also targeting industrial / open-access consumers in several states. Trading of renewable energy is another upcoming activity that the company is concentrating upon. In the coming years, RETL is expecting a significant boost in trading volume through trading of merchant power from the Group's upcoming power projects.

During the year, the Company traded 4,060 million units and has registered a CAGR of 41 per cent in trading volume over last 5 years. The Central Electricity Regulatory Commission (CERC) is consistently ranking RETL among the top five trading licensees.

The EPC Business

The EPC Division of Reliance Infrastructure undertakes the Engineering, Procurement and Construction (EPC) turnkey contracts in coal-based thermal and gas-power projects, transmission lines and road projects.

The Division is equipped with the requisite expertise and experience to undertake the EPC projects and execute them successfully on stand alone basis. It employs state-of-the-art technology in engineering, design and project management to execute the projects.

The Division has grown from limited work execution provider to total solution provider in the Indian power sector. The Division gives utmost priority for implementation of projects within the stipulated time frame. The Company's advanced and cost effective Integrated Project Management and Control System has been contributing significantly for project execution.

The Division has continued to perform well during 2011-12 and the order book position as on March 31, 2012 was ₹ 17,280 crore. The turnover for FY 2011 - 12 was at ₹ 11,689 crore against ₹ 3,591 crore in FY 2010 -11, registering a growth of 226 per cent.

Ongoing Projects

6 x 660 MW Sasan Ultra Mega Power Project, Madhya Pradesh

Sasan Ultra Mega Power Project is one of the largest domestic coal based power plants and is executed by the EPC Division of the Company

The major project highlights are as per the following:

- 54 per cent overall work is completed.
- Work is under progress in Boiler, Turbine, and Generator (BTG) area for all six units.
- 400 kV Switchyard is getting ready for receiving start-up power.
- 52,822 MT in BTG erection work in all six units and 22,027 MT in Bunker and power house fabrication work completed.
- Civil work is in progress for Inverse Discrete Cosine (IDCT) 1 and 2. Flue Can Fabrication work is in progress for Chimney-1 and 111.7 meters work completed for Chimney-2.
- Over land conveyor for coal transportation from mines including the bridge, raw water reservoir and pump house construction, coal handling and ash handling works are in progress.

2400 MW Samalkot Combined Cycle Power Plant, Andhra Pradesh

The power project consists of Three modules of 2 Gas Turbine Generator and 1 Steam Turbine Generator. The EPC Division is executing India's largest brown-field gas-based combined cycle power station at Samalkot, Andhra Pradesh. NTP for this project was issued in October 2010.

Major highlights of the project are:

- 50 per cent overall progress achieved.

Reliance Infrastructure Limited

Management Discussion and Analysis

- Gas Turbine-Generator-Heat Recovery and Steam Generator (main plant) civil and erection work General Civil Works package-1(GCW-1) is in progress for Block 3, 2, 4.
- First fire of four Gas Turbines completed out of which two have been synchronised.
- Balance of plant ware house, cooling water pump house, raw water pump house is in progress
- 98 per cent of Switchyard building works completed and finishing is under progress. 400 kV cable termination work is in progress
- Efforts are on with the Government of India for availability of gas to run all commissioned gas turbine power plants

2 x 300 MW Butibori Power Project, Maharashtra

The above project located near Nagpur, Maharashtra is also being executed by the EPC Division.

Status of the project is as per the following:

- 65 per cent overall progress achieved.
- Boiler Unit-1 light up has been done on March 29, 2012. Steam blowing work is in progress.
- Unit 2 - Boiler Hydro test completed on March 10,2012 and preparation are on for Boiler Light up.
- Turbine Box-up work is in Progress for Unit-1
- Chimney - Unit-1 is ready for synchronization and Unit-2 Flue duct erection work is in progress
- Work is in progress for coal handling, ash handling and cooling tower readiness for synchronization of Unit-1
- Railway siding work and Water conveyance for Unit-2 is under progress

2 x 600 MW Raghunathpur Thermal Power Station, West Bengal

The project was awarded to the Company by Damodar Valley Corporation (DVC) for the 2 x 600 MW Thermal Power Plant at Raghunathpur in West Bengal.

Significant highlights and milestones reached in execution of the project by the EPC Group are:

- 83 per cent overall progress achieved
- Boiler Hydro test and turbine box-up completed for Unit-1 and preparation are on for Boiler Light Up of Unit-1
- Boiler Hydro test of Unit-2 completed
- 400 kV Switchyard is getting ready for charging
- Erection of Chimney Flue-1 completed and for Flue-2 is under progress
- Target to achieve Commercial Operation Date (COD) of Unit-1 and Unit-2 within FY 2012-13 subject to availability of water, coal and power from DVC.

2 X 600 MW Rajiv Gandhi Thermal Power Project, Haryana

The project is a turnkey project awarded by Haryana Power Generation Corporation Limited (HPGCL) for generating power in Haryana.

Significant highlights and milestones reached are:

- Project work is in closing stage.
- Both the Units trial run completed and under commercial operation by HPGCL

- Request submitted to client for Provisional take over of Units.
- Performance guarantee tests of the Unit-2 is completed and Unit-1 is under progress.

2 x 250 MW Parichha 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 Parichha Thermal Power Plant Ext-II.

- 96.8 per cent overall progress achieved
- Synchronization of Unit-5 has been achieved on February 5, 2012
- Preparation are on for Boiler Light up and synchronization of Unit-6

New Initiatives

The EPC Division of RInfra has taken the following initiatives in engineering, construction and technology areas for successful accomplishment of mega and ultra mega power projects:

Construction and technological Initiatives

- ✓ Installation of Glass Reinforced Polyester (GRP) pipes for cross country water pipeline in place of conventional MS pipes in Samalkot combined cycle power project and Sasan ultra mega power project.
- ✓ Use of light weight Fibre-reinforced plastic (FRP) beams, columns and gratings instead of conventional steel beams and concrete slabs in the cable trenches containing extensive network of 400 kV and 220 kV cables for better reliability and faster construction.
- ✓ Extensive installations of Remote control I/O (Full form) Cabinet's for ash handling plant, coal handling plant, raw water pump house, etc. in the ultra mega power project Sasan for better maintainability, reliability and ease of operations.
- ✓ Installation of radar type level transmitter for acid and ash silo level applications for accurate and reliable measurement in the ultra mega power project Sasan.
- ✓ Use of MPLS VPN (multi protocol label switching virtual private network) communication technology in place of conventional PLCC (Power line carrier communication) at the Butibori switch yard for transfer of plant data to the Load Dispatch Centre.
- ✓ Implementation of Intergraph's state of art software, smart plant 3D modelling solutions for modelling of upcoming power plants.
- ✓ Use of geo-spatial technology in engineering with wide range of GIS based solutions being envisaged for construction of power plant infrastructure.
- ✓ Modular cooling tower concept with cooling water pump house integrated with cooling tower basin dispensing cooling water fore bay at the Samalkot combined cycle power project.
- ✓ Installation of FRP (Fibre-reinforced plastic) type cooling towers at the Samalkot combined cycle power project and Sasan ultra mega power project which significantly reduces construction period and are aesthetically better.
- ✓ Use of PPG (Poly propylene glass) lining for chemical drains in place of acid resistant tiles for ease of erection, better reliability and service life.

Management Discussion and Analysis

- ✓ Use of power cell bypass feature in variable frequency drive of overland conveyor to facilitate automatic bypass of faulty cells and provide uninterrupted operation of overland conveyor.
- ✓ ISO 50001 Energy management system has been implemented at Noida office to reduce the overall energy consumption through modification/replacement of existing facilities like replacement of higher watts Lamps with LEDs, reducing of LPG, diesel ,air-conditioner and water consumption.
- ✓ For material tracking, logistics automation from Shanghai to Sasan and Samalkot sites for the entire supply chain has been implemented.

Engineering Initiatives

- ✓ **Central core engineering group:** Fully functional to introduce latest technology, enhance engineering quality, standardization of all engineering deliverables, capturing lessons learnt and facilitating knowledge sharing from completed and on going projects. Core engineering group that also closely associated with optimization and new innovation. This group also ensures engineering is done across all projects with best systems and procedures and at the same time ensures maximum repeatability for expansions and new projects in order to minimize the efforts.
- ✓ **Engineering Management Practices :** Best practices in engineering management have been adopted like time sheets for effective resource utilization and productivity analysis for all engineering departments, in order to mobilize and de-mobilize resources as per the project requirements, intelligent document management and process tracking systems, SAP-DMS (full form) with the objective to deliver / transfer deliverables on right time.
- ✓ **Engineering Automation Group:** Incorporates the best and intelligent 3D plant design automation technology by using high end 3D modelling software to facilitate development of 3D plant models for solving major engineering constraints, clash detection and removal, constructability and construction sequencing, bill of material and general arrangement drawings. The Group is working extensively on development of intelligent PandID's, training on Intergraph applications for construction teams at site and young engineers who need to understand power plant in general and engineering in particular. The Group has already developed interactive models for Rosa, Sasan and Samalkot projects and is instrumental in optimizing layouts and designs.
- ✓ **On Line E-Library :** World-class facilities in terms of standard / reference materials have been provided to the engineering staff by RInfra – Library and Resource centre at engineering offices and supported by world class IT infrastructure. Technical Library has latest standards, codes, books, periodicals and journals both hard copies and in soft form. The content of this library is electronically made available to everyone and continuously upgraded based on project requirements.
- ✓ **GIS (Geographic Information System) Group:** Set up to introduce geo-spatial technology in engineering with wide range of GIS based solutions for construction of power plant infra-structure. These innovative solutions in past few years

have become an integral part of power project engineering, developing site-specific scenario using satellite images and DGPS (Differential Global Positioning System) has become instrumental in optimizing layouts and design.

Quality Management

The EPC Group follows extensive quality management processes at construction sites and manufacturing shops. The Company has deployed various executives under field quality cell at project sites to maintain the field quality. The Group generally sends executives for inspection at manufacturing works and third party inspection agencies like Lloyds, Bureau Veritas, DNV, etc to ensure reliability and efficiency of equipment.

Infrastructure Projects

Roads Projects

RInfra is one of the largest developers of road and highway projects for the National Highways Authority of India (NHAI) under the build, own, transfer (BOT) scheme. The Company is developing 11 road projects worth about ₹ 12,000 crore through special purpose vehicles of which five projects have started generating revenues and additional six projects would start generating revenue shortly. Out of the six operational projects, Hosur Krishnagiri (HK) Trichy Dindigul (TD) became operational in last one year. Construction work is in full swing at all the remaining project sites. Two more projects Gurgaon to Faridabad & Salem to Ulundurpet are about to commence tolling operations very shortly.

The details of the projects on hand are given in the table below:

Particulars	Projects name	No. of Projects	Length (kms)	Project Cost (crore)
Projects under operation	NK, DS, TD, GF	3	182	1,319
Projects under execution*	TK, SU, GF, JR, KM, DA, PS, HK	8	786	10,111
Total		11	968	11,430

Abbreviations: NK – Namakkal to Karur, DS – Dindigul to Samynallore, TD – Trichy to Dindigul, GF – Gurgaon to Faridabad, TK – Trichy to Karur, SU – Salem to Ulundurpet, JR – Jaipur to Reengus, KM – Kandla to Mundra, DA – Delhi to Agra, PS– Pune to Satara, HK – Hosur to Krishnagiri,

* PS and HK projects are revenue generating being four to six laning projects

During the year under review, the Company submitted Request for Qualification (RFQ) for 29 projects worth ₹ 35,716 crore and Request for Proposal for six projects. During 2012-13, the Company has shortlisted twenty one projects worth ₹ 40,000 crore for bidding.

Salient features of the Company's road projects being executed under special purpose vehicles and subsidiaries of the Company include:

NK Toll Road Limited was set up to design, build and operate the National Highway 7 for about 43 kms connecting Namakkal to Karur in Tamil Nadu for a concession period of 20 years. The project has been completed and is in operation since August 2009. During 2011-12, the project has seen 23 per cent growth in revenue as compared to the last year. This stretch has been witnessing good traffic growth.

Reliance Infrastructure Limited

Management Discussion and Analysis

Namakkal is known for vehicle body building industry whereas Karur is one of the leading cities for textile industry. NH 7 is one of the busiest sections of the north south corridor of southern India and carries a sizeable number of personalized and commercial passenger traffic apart from regular freight traffic. This stretch crosses river Cauvery through a major bridge. It is also a part of the golden quadrilateral of national highways.

DS Toll Road Limited was set up to design, build and operate the National Highway 7 for about 53 km long 4 lane National Highway (NH 7) road connecting Dindigul to Samynallore near Madurai in Tamil Nadu for a concession period of 20 years. It is in operation from September 2009. During 2011-12, the project recorded 21 per cent growth in revenue as compared to last year. This stretch has been witnessing double digit traffic growth. The project stretches to Karnataka easing traffic flow to IT destinations like Bengaluru and is a part of the golden quadrilateral of national highways.

TD Toll Road Private Limited was set up to design, build and operate 88 km long four lane National Highways (NH45) road connecting Trichy to Dindigul in Tamil Nadu for a concession period of 30 years which came into operation from January 2012. This project connects religious places like Madurai and Kanyakumari which witnesses very high traffic. This stretch, being parallel to river Cauvery is also known as the Sand Bank of India, with huge commercial traffic.

SU Toll Road Private Limited was set up to design, build and operate 136 km long four lane National Highways (NH68) road from Salem to Ulundurpet in Tamil Nadu for a concession period of 25 years. The project is expected to be commissioned in the financial year 2012-13. There has been delay on account of land acquisition.

This was the first project of more than 100 km to be awarded by NHA on build, own and transfer basis. The project corridor connects two important National Highways, NH-7 and NH-45. The entire length of NH-68, between Salem and Ulundurpet carries predominant intra-state traffic in addition to Chennai Cuddalore Port and tourist place of Pudukcherry in east with west bound traffic to Coimbatore and major cities of Pallakad and Thrissur in Kerala. The proposed textile park at Salem is expected to drive traffic on this toll road.

TK Toll Road Private Limited was set up to design, build and operate 80 kms long four lane National Highways (NH67) road from Trichy to Karur in Tamil Nadu for a concession period of 30 years. The project is expected to be commissioned in the financial year 2012-13. There has been delay on account of land acquisition. The project lies along the corridor connecting Coimbatore to eastern parts i.e. Trichy, Kumbakonam, Tanjavur and Nagapatinam. Presence of Trichy temple in the project area is expected to sustain high traffic volumes.

GF Toll Road Private Limited was set up to design, build and operate 66 km long lane road connecting Gurgaon and Faridabad for Haryana Public Works Department in Haryana for a concession period of 17 years. The project scope involves construction and tolling of four lane corridor between Gurgaon and Faridabad of 33.10 km and improvement/reconstruction of Ballabgarh-Sohna road of 33.98 kms. The project is expected to be commissioned in 2012-13.

The presence of crusher zone is expected to provide a lot of 3 axle and MAV traffic and also serve as partial ring road to Delhi connecting two important commercial and residential settlements

in Gurgaon and Faridabad. This stretch would considerably reduce travel time from Faridabad to the international airport at Delhi.

JR Toll Road Private Limited was set up to design, build and operate 52 km long lane National Highways (NH11) road connecting Reengus in northern part of Rajasthan to its capital city Jaipur for a concession period of 18 years. The project is expected to be completed in 2012-13. There has been delay on account of land acquisition.

This road connects the State capital Jaipur with district head quarters, Chomu, Sikar and carries predominant passenger and goods traffic. The presence of Chomu industrial area and the Khatu Shyam temple on the project stretch and gateway to northern India leads to significant traffic growth potential on this project.

PS Toll Road Private Limited was set up for design, engineering, construction, operation and maintenance for 140 km long six lane National Highways (NH4) road between Pune and Satara in Maharashtra for a concession period of 24 years. Tolling for the existing four lane stretch started on October 1, 2010. This project is along the main corridor connecting Mumbai-Pune to southern parts of Maharashtra and southern states of India. The stretch attracts traffic of Mahabaleshwar, Balaji temple and Sugar factories. During 2011-12, the project witnessed significant 24 per cent growth in revenue.

KM Toll Road Private Limited was set up for design, engineering, construction, operation and maintenance for 71 km four / six lane National Highways (NH8A) road between Kandla and Mundra Ports in Gujarat for a concession period of 25 years. This project involves initial construction of four lanes and subsequent widening of the same to six lanes after eight years. This project connects two major ports of India to other parts of India, thus attracting substantial cargo traffic to the corridor. It also caters to the traffic generated by various industries in the project influence area.

HK Toll Road Private Limited was set up for design, engineering, construction, operation and maintenance for 60 km long six lane National Highways (NH7) road between Hosur and Krishnagiri in Tamil Nadu for a concession period of 24 years. Tolling for the existing four lane started from June 7, 2011. This project is along the main corridor connecting Bengaluru and Chennai and Bengaluru to southern parts of India. Tourist traffic of Krishnagiri dams and Hogenakkal falls and traffic from manufacturing industries ply on the project stretch.

DA Toll Road Private Limited was set up for design, engineering, construction, operation and maintenance for 180 km long six lane National Highways (NH 2) road between Delhi and Agra in the states of Haryana and Uttar Pradesh for a concession period of 26 years. Tolling for the existing four lane is expected to start in financial year 2012-13. There has been delay on account of environment clearance. This project is along the main corridor connecting Delhi with other parts of India. The road stretch passes through Faridabad industrial hub, pilgrim locations of Mathura and Palwal and ends at the tourist city of Agra.

Leveraging Technology to add value to business and environment

RInfra has been pioneer in indigenously developing Enterprise Road Business Management System -(ERMS). ERMS leverages IT capabilities to enhance control systems and road user experience. This unique system is a bundled package comprising of real time toll monitoring, accident reporting, enterprise

Management Discussion and Analysis

reporting, environment and operations and maintenance aspects of business. Every business is responsible to the society and its environment and hence environment monitoring vans are also located on our site to monitor levels of noise and air.

Quality Certification –ISO 9001:2008

During 2011-12, as part of Quality System drive, the Quality Group acquired ISO certification for two more new sites, i.e. Jaipur Reengus and Gurgaon Faridabad. At present, seven of our project sites have been certified for ISO 9001:2008.

Bidding Opportunity

Based on NHAI Tentative Work Plan 2012-13, bidding opportunity for applicants is ₹ 80,000 crore having a total length of 10,653 kms. Based on results for "Request for Annual Qualification 2012" process invited by NHAI, RInfra is ranked at 4th position in project experience score as well as network analysis. The Company is pre-qualified to bid for projects worth ₹ 7,300 crore

Based on attractiveness of the projects, RInfra would consider in participating about 50 per cent of the projects. Identified projects for bidding are high traffic corridors with substantial size and scale.

Western Freeway Sealink

Western Freeway Sea Link Project-Phase II-A ("WFSL") has been awarded by Maharashtra State Road Development Corporation Limited (MSRDC) through global competitive bidding process on Public-Private-Partnership framework to the RInfra led consortium in February 2010.

A special purpose vehicle, namely, Reliance Sealink One Private Limited, has been incorporated for implementation of the project and the concession agreement was executed in June 2010. The project envisages operation and maintenance of the existing Bandra – Worli Sealink (BWSL) and construction of Sealink between Worli and Haji Ali in Mumbai for a concession period of 40 years. The necessary preparatory works for take over of BWSL and commencement of construction of new sealink from Worli to Haji Ali are being undertaken by the Company.

Meanwhile, the Company is in discussion with MSRDC and the Government of Maharashtra to address various issues related to (a) availability of the jetty and the casting yard for the Project (b) Government's commitment to provide the Viability Gap Funding (of ₹ 1,392 crore) as per the provisions of the concession agreement, (c) execution of the State Support Agreement and (d) release of the mortgage created on the Bandra Worli Sea Link by MSRDC.

Metro Railways

RInfra is the only private player in the country implementing three metro rail projects (two in Mumbai and one in Delhi) on a build, own and transfer basis, out of which Delhi Airport Express Line is operational. The total cost of the three Metro projects is ₹ 17,000 crore.

Projects under Execution / Operation

Projects	Project Cost (₹crore)	Length (kms)	No of Stations	Concession Period (years)	Shareholding (per cent)
Delhi Airport Express Link [^]	2,885	23	6	30	RInfra – 95 per cent, CAF Spain – 5 per cent
Mumbai Metro Line I	2,500	11	12	35	RInfra – 69 per cent, MMRDA – 26 per cent, Veolia France – 5 per cent
Mumbai Metro Line II	11,550	32	27	35	RInfra – 48 per cent, RCom – 26 per cent, SNC Lavalin – 26 per cent
Total	17,000	66			

Note: [^] – Concession period of Delhi Airport Express Link which is already operational, could be extended to further 10 years

1. Delhi Airport Metro Express Private Limited

Reliance Metro Airport Express Line project has been awarded to a consortium of RInfra (95 per cent) and CAF, Spain (5 per cent) by Delhi Metro Rail Corporation (DMRC) through a global competitive bidding process on Public-Private-Partnerships (PPP) basis. A special purpose company viz. Delhi Airport Metro Express Private Limited (DAMEPL) was incorporated by RInfra to develop, maintain and operate the project for a concession period of 30 years. The entire project had been developed, financed, constructed, operated and maintained by DAMEPL, except for construction of the civil works pertaining to stations, tunnels and viaducts, which were executed by the DMRC. The Reliance Metro Airport Express Line is first PPP project to be operational in Indian metro space, thus setting an example and paving the way for future metro PPP implementation in India.

Reliance Metro Airport Express Line is the first high speed airport link, at design speed of 135 kmph, connecting the airport with the central business district. The line has catapult Delhi to list of select few mega cities across the world having this facility, viz. London, Hong Kong, Kuala Lumpur, etc. The total length of the network is 23 kms with six stations enroute – New Delhi, Shivaji Stadium, Dhaula Kuan, Delhi Aerocity, IGI Airport (Terminal 3) and Dwarka. Out of the six stations, five stations are underground and only the Dhaula Kuan station is elevated.

Reliance Metro Airport Express Line became operational in the last quarter of 2010-11 and was commissioned within a record time of 27 months from the date of signing of the Concession Agreement. The project was completed within the budgeted cost of ₹ 2,885 crore with debt-equity ratio of 70:30.

Reliance Metro Airport Express Line is integrated with all major travel hubs of Delhi that includes the Airport, Indian Railways and DMRC network (yellow and blue lines) and is gradually becoming a preferred mode of travel amongst Delhi commuters. It has reduced the travel time from city centre to airport to a mere 18 minutes. In 2011-12, the line successfully completed more than 50,000 trips and more than 5 million passengers on board.

Reliance Metro Airport Express Line also provides unique services of city – check-in for both domestic and international travellers. Passengers can check in their baggage with the City Airport Terminal (CAT) stations at New Delhi and Shivaji stadium, and take a hassle-free travel to the airport. The baggage handling system is integrated with the system at the Airport for seamless transfer of baggage. The city-check-in facility was started in June 2012 and in 2011-12, more than 50,000 passengers have availed this facility, with no missed baggage till date. In addition, huge retail area of more than one lakh sq ft is coming up at the CAT stations. Various prominent brands have already taken up retail space at the stations.

2. Mumbai Metro One Private Limited

Versova-Andheri-Ghatkopar Corridor Mass Rapid Transit System (MRTS) project (Mumbai Metro Line 1) was awarded by Mumbai Metropolitan Region Development Authority (MMRDA) through a global competitive bidding process on Public-Private-Partnership (PPP) framework to the RInfra led consortium.

A special purpose vehicle, namely, Mumbai Metro One Private Limited (MMOPL) was incorporated for the implementation of the project. RInfra holds 69 per cent of the equity share capital of MMOPL, while MMRDA holds 26 per cent and remaining 5 per cent is held by Veolia Transport, France.

Reducing the vehicular traffic substantially, the system will provide the first east to west connectivity for seven lakh commuters per day with fares comparable to fares charged by local buses of Brihanmumbai Electric Supply and Transport (BEST) Undertaking. The biggest advantage of the system is the reduction in the travelling time from 120 minutes to about 20 minutes along with improved travelling experience.

MMOPL has awarded all the critical and major contracts and the project implementation is going on in full swing. Civil works for both viaduct and station works is in advanced stage of completion with about 92 percent completion achieved. The three bridges i.e., Andheri special bridge (crossing over the Western Railways) and Western Express Highway special bridge (crossing over the busy Western Express Highway) are nearing completion while the Mithi river special bridge is completed. All ancillary and necessary civil related works namely casting yard have been completed. The other critical project activities, namely, completion of depot (at D N Nagar, Andheri) and stations at various locations are being carried out in full swing.

The other critical achievements in terms of project implementation are:-

- All rail systems works including the rolling stock are largely on schedule and the system integration with civil works and other rail systems is being done simultaneously.
- Various testings have been commenced to make the systems ready-to-fit on site as and when the system integration commences
- The train simulator has been successfully made operational and the training has been commenced for the train drivers
- Both the electrical sub-stations are ready to be commissioned; the sub-stations are critical to feed the electricity to the metro corridor.

The project is scheduled to be commissioned by the last quarter of 2012-13. Thereafter, Metro One Operation Private Limited, a joint venture company between Veolia Transport and RInfra, will operate and maintain the line for the concession period of 30 years.

3. Mumbai Metro Transport Private Limited

The Charkop-Bandra-Mankhurd Corridor Mass Rapid Transit System (MRTS) project was awarded by MMRDA through a global competitive bidding process on Public-Private-Partnership (PPP) framework to the RInfra led consortium

in 2009. A special purpose vehicle, namely, Mumbai Metro Transport Private Limited (MMTPL) was incorporated which would carry out design, financing, construction, operation and maintenance of the project. The total project cost is ₹ 11,550 crore which involves viability gap funding of ₹ 2,298 crore to be obtained from MMRDA.

The metro will provide the much needed connectivity between all the suburban lines i.e., VAG corridor at Andheri, Western line at Bandra, Central line at Kurla and Harbour line at Mankhurd and will carry about 12 lakh commuters per day initially at very affordable fares benchmarked to fares charged by buses operated by BEST undertaking. The biggest advantage would be the substantial reduction in travel time along with much improved and comfortable travelling experience.

MMTPL has achieved financial closure of ₹ 7,000 crore for the project. MMTPL has already commenced the initial design and engineering works, appointment of consultants, obtaining necessary approvals, etc. Railways have accorded in-principle approval to the railway crossing over Western and Central railways. Geo-technical investigation work is completed. A detailed estimate of underground utility shifting has been submitted to MMRDA.

Two depots are proposed for the maintenance of the train rakes, namely, at Charkop and Mankhurd respectively. The land earmarked for these depots substantially falls within the Coastal Regulation Zone (CRZ). The permission to site the depots on the CRZ land has been granted by the Ministry of Environment and Forests (MoEF) of the Government of India with such conditions imposed which make the depot unviable/impracticable. Unfortunately, the Government of Maharashtra has been unable to obtain a relaxation from the MoEF, and this is a failure on their part to fulfil its Conditions Precedent. MMTPL has been highlighting our concerns in the matter and seeking expeditious resolution of the matter at all levels of the State Government.

Other issues pending with the State Government like issue of notification modifying the Development Control Regulations (DCR), obtaining clearance from the airport authorities are also some of the issues impacting the project for which civil works have not yet started.

Airport Projects

RInfra bids for and implements airport projects through the subsidiary company Reliance Airport Developers Private Limited (RADPL). It was awarded lease rights to develop and operate five brownfield airports in Maharashtra at Nanded, Latur, Baramati, Yavatmal and Osmanabad for 95 years. These airports are located in regions with strong political, industrial, agricultural and religious activities and play host to many national and international dignitaries.

Project Progress

Nanded and Latur Airports aerodromes are licensed by the Directorate General of Civil Aviation (DGCA). At Baramati airport, the terminal building has been refurbished along with a VIP room facility. The refurbishment work of the Osmanabad terminal building is in progress.

Nanded Airport is connected to Mumbai, Delhi and Nagpur through commercial scheduled flights by GoAir. SpiceJet commenced operations from Nanded in April 2012. Charter/

Management Discussion and Analysis

non-scheduled operations are also increasing at Nanded as well as the other airports. Latur Airport has signed a Memorandum of Understanding with the Automotive Research Association of India (ARAI) for conducting vehicle performance validation trials at the airport.

RADPL has adopted aggressive business development strategies. Both outdoor and indoor advertising opportunities are also being explored at all the airports. Aviation Training academies are being operated from 2 airport locations; Baramati and Osmanabad. Apart from these, RADPL has added innovative non-aeronautical revenue streams at these airports such as automobile testing, film / TV commercials shooting, aero sports events, airshows, etc.

Cement Projects

During the year under review, Reliance Cement Company Private Limited (earlier known as Reliance Cementation Private Limited), the wholly owned subsidiary of RInfra, achieved certain milestones towards setting up two plants, one in Maihar, Madhya Pradesh and the other in Mukutban, Maharashtra. In line with its vision to set up cement plants across India, it has applied for various mining leases / prospecting licences in the states of Karnataka, Orissa, Chattisgarh, Gujarat and Rajasthan.

The following milestones were achieved at the project sites for the first two plants:

Madhya Pradesh

- Land acquisition in mines and plant area is approaching completion
- Environmental Clearance for all the three units (Maihar Integrated Unit, Kundanganj Grinding Unit and Gondawali Blending Unit) has been received
- Mining lease has been executed for a considerable portion of limestone resources
- No-Objection Certificate has been received from the Pollution Control Board
- Orders for major plant and machinery have been issued
- Construction activity at site has been started and civil contractors have been deployed
- Project is expected to be completed by FY14

Maharashtra

- All regulatory clearances received for the project
- Major part of the required plant and mine land has been acquired
- The Ministry of Environment and Forest has approved the project for environmental clearance
- The Grinding and Blending unit at Butibori (Maharashtra) is nearing completion and is expected to be commissioned by FY13

Real Estate

During the year under review, CBD Tower Private Limited (CBDTPL), the SPV implementing the project, obtained the approval from Andhra Pradesh Industrial Investment Corporation Limited (APIIC) for restructuring of its 80 acre Hyderabad Trade Tower and Business District project. Once the procedural formalities are completed, the restructuring agreement would be executed between APIIC and CBDTPL. The Company is currently focusing mainly on internal real estate projects while being cautious in taking external exposure

Major Associate Company – Reliance Power Limited

Reliance Power Limited (RPower), an associate company in which the company has a 38.41 per cent equity stake, has India's largest portfolio of private power generation and resources under development. The portfolio comprises of multiple sources of power generation – coal, gas, hydro, wind and solar energy. The Company is also developing coal mines in India and in Indonesia with a combined resource of over 3 billion tonnes, and thereby intends to become one of the largest integrated power and coal companies in the world.

RPower currently operates a 1,200 MW thermal power plant in Uttar Pradesh and a 40 MW solar photo voltaic power plant in Rajasthan.

RPower is also developing India's largest gas-based project – the 2,400 MW Samalkot Project. Besides, the Company is implementing 300 MW of solar and wind energy projects and is on track to become one of the largest renewable energy companies in India

RPower has also received approval for 5.6 million tonnes of Carbon credits annually from the United Nations Framework Convention on Climate Change, thereby becoming one of the largest emission reduction companies in the world.

The power projects are planned across geographic locations with diverse fuel type, fuel source and off-take arrangements. As a strategic consideration, the projects are either located near an available fuel supply 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 by these projects under long-term power purchase agreements (PPAs) to state-owned and private distribution companies.

RPower targets to become a 5,000 MW company by 2012 with further capacities getting added every year thereafter. The company would also start producing coal from 2012 reaching a total coal production capacity of almost 100 million tonnes per annum in a few years.

Operational projects

1. Rosa – 1,200 MW coal-fired power project, Uttar Pradesh
2. Solar PV – 40 MW solar photo voltaic project, Rajasthan

Projects under implementation

3. Butibori Power Project – 600 MW coal-fired power project, Maharashtra
4. Sasan Ultra Mega Power Project– 3,960 MW pit head coal-fired power project, Madhya Pradesh
5. Chitrangi Power Project – 3,960 MW coal-fired power project, Madhya Pradesh
6. Tilaiya Ultra Mega Power Project– 3,960 MW pit head coal-fired power project, Jharkhand
7. Samalkot Project – 2,400 MW combined cycle gas-fired power project, Andhra Pradesh
8. Vashpet Project – 200 MW wind project, Maharashtra
9. Solar CSP – 100 MW solar thermal project, Rajasthan

Projects under development

10. Hydro Projects in Arunachal Pradesh – 4,220 MW
11. Hydro Project in Uttarakhand – 400 MW
12. Hydro Projects in Himachal Pradesh – 672 MW

Reliance Infrastructure Limited

Management Discussion and Analysis

13. Krishnapatnam Ultra Mega Power Project – 3,960 MW imported coal-fired power project, Andhra Pradesh

Coal Mines under development

1. 25 metric tonne per annum (MTPA) of coal from Moher, Moher-Amlohri, Chatrasal Coal mine blocks located near Sasan Power Project
2. 40 MTPA of coal from Kerandari 'BC' mines blocks located near Tilaiya Power Project
3. 30 MTPA of coal located at Musi Rawas, South Sumatra, Indonesia

CBM Blocks - Sohagpur, Maadhya Pradesh, Kothagudem in Andhra Pradesh, Barmer 4 and Barmer 5 in Rajasthan.

Oil and gas blocks in Mizoram

Risks and Concerns

RInfra is dependent on the domestic market for its business and revenues. 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. The Company has made significant investments in various new businesses in the infrastructure sector in the country.

These factors 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 related to these sectors. 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 can be affected due to various factors including non-availability of fuel, grid disturbances and such other factors in 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 such eventualities.

The Company has been granted fresh license by the MERC under the Electricity Act, 2003 to distribute electricity in the licensed area for the period of 25 years with effect from 16th August 2011 after expiry of the previous license, covering the area in and around the Mumbai suburbs, including the entire area of Mira – Bhayandar Municipal Corporation.

The consumer tariffs are regulated by MERC. 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 and maintain profitability.

Pursuant to the Electricity Act 2003, there is 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 that is difficult to replicate by potential competitors and will endeavour 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, and as such run the risks of (i) longer development period than planned due to delay in statutory clearances, delayed supply of equipment or non-availability of land, non-availability of skilled manpower, etc.,

(ii) financial and infrastructural bottlenecks, (iii) execution delay and performance risk, and (iv) cost over-run. RInfra is currently developing highways for NHAI, Public Works Departments of State Governments and other authorities, transmission system, metro rail, cement and airport projects. The past experience of RInfra in implementing projects without significant time and cost overruns provides confidence about the timely completion of these projects.

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. However, RInfra has adopted conservative foreign exchange risk management policies in this regard. The Company undertakes liability management initiatives on an ongoing basis to manage its foreign exchange rate risks. The Company manages other potential operational risks by adopting suitable policies including human resource development, appropriate health, safety and environment framework.

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 ongoing basis by various process owners across the organization. The risk assessment is carried out by the Management Audit and Risk Assessment Department and it convenes Risk Management Committee (RMC) meetings on quarterly basis to deliberate on various risks faced by the Company. Based on the deliberations during RMC meeting, a risk note is prepared and presented to the Audit Committee and a risk assessment procedure is presented to the Board of Directors annually.

Adequacy of Internal Control

The Company has an adequate system of management-supervised internal control which is aimed at achieving efficiency in operations, optimum utilization of resources, and compliance with all applicable laws and regulations. The internal control mechanism comprises a well-defined organization structure, pre-determined authority levels with segregation of duties, 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, on a regular basis, stores and maintains all the relevant data and information as a back up to avoid any possible risk of losing important business data.

The Management Audit and Risk Assessment Department (MA and RA) reviews the systems and processes along with professional internal audit firms. This is helpful in providing independent and professional opinion on the internal control systems, and the MA and RA Department coordinates and follows up for corrective and preventive action with various process owners based on the audit reports.

A qualified and independent audit committee of the Board comprising of all independent directors of the Company reviews the internal audit reports, adequacy of internal controls and risk management framework.

Management Discussion and Analysis

Environment, Health and Safety

Dahanu Thermal Power Station

At Dahanu Thermal Power Station, necessary steps are regularly taken to ensure the safety of employees and equipment. During the year under review, both external and internal audits were conducted on a regular basis. Mock drills were conducted periodically, to ensure emergency and disaster management preparedness. The safety committee consisting of heads from various departments identifies safety measures to be adopted to continually improve safe working conditions.

All emission parameters were well below statutory limits. Both the Flue Gas Desulphurization (FGD) units were in service throughout the year and SOx absorption of more than 90 per cent was achieved, as stipulated.

Sr. No.	Parameter	M P C B* Limits/Norms	2009-10	2010-11	2011-12
1.	Stack				
	Total Particulate Matter (TPM) mg/Nm ³	150	40.7	42.3	43.9
	Sulphur Dioxide (SO ₂) TPD	8.04	4.0	4.1	4.1
	NO _x (ppm at 15 per cent excess oxygen v/v)	150	75.6	75.9	71.8
2.	Ambient Air Outside Plant Premises				
	Suspended Particulate Matter (SPM) µg/M ³	100	58.6	62.1	64.8
	Sulphur Dioxide (SO ₂) µg/M ³	30	4.2	3.9	4.0
	Oxides of Nitrogen (NO _x) µg/M ³	30	12.6	12.6	12.7

* Maharashtra Pollution Control Board

Samalkot Power Station

The Samalkot power station has been receiving gas from KG-D6 basin from May 2009. Since then, use of naphtha was discontinued and the station is operating, exclusively on natural gas.

The average levels of emission recorded at the power station during the year 2011-12 were much below the limits stipulated by the Andhra Pradesh Pollution Control Board. The station is already certified for ISO 14001 and OHSAS 18001. The power station also carries out regular mock drills on disaster management. "Zero Discharges of Industrial Effluents" for the past 73 months in a row is one of the major milestones of the power station which is achieved by using "Reduce, Recycle and Reuse" concepts.

Emission Parameters at Samalkot Power Station

Sr. No.	Parameters	Unit of Measurement	APPCB* Limits	2009-10	2010-11	2011-12
1.	Particulate Matter in ambient air	µg/m ³	200	113	--	--
2.	Particulate Matter 10µ	µg/m ³	100	33.04	42.10	63.26
3.	Particulate Matter 2.5µ	µg/m ³	60	--	15.64	18.27
4.	Sulphur Dioxide (SO ₂) in ambient air	µg/m ³	80	11.36	11.98	13.23
5.	Nitrogen Oxide (Stack)	PPM	75	43.29	44.52	31.39

*APPCB : Andhra Pradesh Pollution Control Board

Goa Power Station

The Goa Power Station has taken up several initiatives towards conservation of resources and improving environmental performance. Improvement of Cycle of Concentration (COC) and average water consumption were achieved. An area of about 1.6 hectares is covered under forestation in and around the plant premises maintaining the tree density.

The Goa Power Station had maintained a 'Zero Reportable Accident' record since its inception. Steps undertaken to ensure safety of men and machine included internal and external safety audits, Hazard identifications and Risk assessment, periodic inspection of plant areas by safety teams and daily unsafe observation records. The power station also carried out mock drills on disaster management in which experts as observers from neighbouring industries were invited. The Goa Power Station has undertaken many measures and improvement actions in Safety.

Emission Parameters at Goa Power Station

Sr. No	Parameters	Limits	2009-10	2010-11	2011-12
a	NOX	188 mg/Nm ³	38.07	39.44	39.87
b	SOX	50 mg/Nm ³	25.02	26.58	27.59

Kochi Power Station

The Kochi power station of BSES Kerala Power Limited, a wholly owned subsidiary of the Company, also attaches top most priority to safety, health, environment and energy conservation. The safety committee of employees meets on regular basis to evaluate the safety performance and to deliberate and finalize improvements required. Audits, both internal and external, including statutory ones are carried out to assess the safety systems and bring about improvements based on the findings and suggestions. Lost Time Accidents during the year was nil. Internal and external mock drills are conducted on regular intervals to test and enhance the emergency preparedness.

Reliance Infrastructure Limited

Management Discussion and Analysis

One of the major projects executed during the year 2011-12 which relates to plant safety is the automation of water spray and foam system for the naphtha storage tanks. Additional hydrocarbon detectors were installed in Fuel storage area to augment the existing leak detection systems.

There are online systems installed to measure the emissions through gas turbine exhaust. The Company has implemented a zero effluent discharge scheme and a rain water harvest system covering a roof area of 2,682 square metre. A green belt is also maintained. Flow meters are installed at various consumption/discharge points to accurately account water consumption. As part of the improvements in environmental control mechanism, a second delay pond was constructed.

EPC Division

EPC Division of the company is committed to providing healthy and safe environment for our own employees as well as our contractor employees working on our project sites through continual improvement of safety systems and processes. We ensure induction training on safety to all new joiners and also strict compliance of usage of Personal Protective Equipment. The Company has trained executives in the areas of electrical safety, working at height safety, safe material handling and safe entry in confined space, and 572 man days training has been given during the year.

Energy Conservation

Dahanu Thermal Power Station

The Dahanu Thermal Power Station has been operating below 2300 kcal/KWh, successively for the last 9 years. This year the plant achieved an average heat rate of 2,282 Kcal/KWh against the norm of 2,500 Kcal/KWh specified by the Central Electricity Regulatory Commission for the unit of this size.

The Power Station undertook various energy conservation measures. Some of the significant ones are listed below:

- Replacement of conventional blades of air washer with fibreglass reinforced plastic (FRP) blades
- Optimization of cooling water pump running hours
- Conservation of energy by replacement of conventional lighting fixtures by compact fluorescent lamps (CFL) and light emitting diodes (LED) fixtures.
- Implementation of measurement and monitoring of area-wise energy consumption.
- Energy conservation through magna-drive coupling for conveyors and variable frequency drives for LT pump.

Samalkot Power Station

The station has achieved auxiliary power consumption of 2.560 per cent due to best practices adopted and implementation of various energy conservation measures. The station has yearly energy audit programme for monitoring and improving energy intensive equipment performance.

The energy conservation measures undertaken by the station are as under:

- Demineralised (DM) plant lighting - 250 W HPSV lamps replaced with 80 W CFL and 70 W replaced with 23 W CFL lamps

- Workshop lighting - HPSV 150 W replaced with CFL 80 W
- CWPH lighting - HPSV 150 W replaced with CFL 80 W
- To keep the standby lighting transformer in switched-off condition at power block and balance of plant.

Due to implementation of various energy conservation measures till date, the station could save 79,07,014 KWh in the financial year 2011-12. Periodic internal audit of equipment and systems are conducted as per schedule and appropriate actions are initiated to correct the deviation with respect to design performance. The plant operational strategies have been suitably modified for achieving higher efficiencies.

Goa Power Station

The Goa Power Station achieved auxiliary power consumption of 2.81 per cent as compared to the CEA benchmark of 3 per cent for a plant configuration of this size. The initiatives undertaken for conservation of energy include installation of LED Based lighting for plant areas, installation of Variable Frequency Drive for HSD Forwarding Pump, and replacement of CT fills.

Kochi Power Station

The power station has carried out various energy conservation projects. The various projects completed in the year 2011-12 were:

- Cooling tower nozzle and drift eliminator replacement
- Installation of meters for accounting energy consumption building-wise
- Station and auxiliary transformer load re-distribution and switching off stand by station and auxiliary transformer whereby saving on no-load losses during non operating periods
- Increasing the height of variable bleed valve (VBV) duct in Gas Turbine-1
- Replacement of old air conditioners with Five star rated air-conditioners

Human Resources

With a fast paced and distinct transformation in the Company's Business agenda, HR at RInfra has graduated from being a service provider to a business partner. While driving organisational changes, it has closely aligned itself to the business needs, environment and challenges. It is fostering a culture of customer-centricity, transparency, meritocracy, team working and ownership, which uphold the values of the Company.

Recruitment

Depending on the level of expertise and experience, talent acquisition is sourced from different channels like premier institutes, industry, employee referrals. A streamlined recruitment process enables rigorous screening of right talent ensuring role-skill match. As a part of the career planning, certain manpower needs are satisfied by developing internal talent as a growth opportunity

Training and Leadership Development

During the year, nearly 450 training programmes were conducted covering over 8,500 employees at Reliance Energy Management Institute (REMI) and Versova Technical Training Centre (VTTC), the learning arms of RInfra. Adopting varied forms, formats and technologies of learning like virtual classroom, learning management system, web-based training mechanism, have

Management Discussion and Analysis

ensured 24x7 accessibility, customised facilitation and focused administration of learning pan-organisation, across geographies. RInfra Leadership and Development Group (L&D) has also played an active role in capacity building in the power sector by conducting several training programmes for state electricity boards of Maharashtra and Punjab, BEST Undertaking and the Electricity Company of Ghana. Through a structured development and role enhancement process, high potential talent is developed to take critical leadership roles, creating a strong leadership pipeline for a successful and sustainable organization.

Performance Management

To acknowledge and appreciate high performance, the Company has designed a transparent and merit-based performance management framework. The Company's compensation structure has been benchmarked to the market standards. Also, with a highly competitive workforce, the Company institutionalized a special retention plan for retaining key talent. Besides, a comprehensive non-monetary reward and recognition policy is implemented to recognize and reward the significant contributions by individuals and teams.

Employee Relations and Welfare

The Company has established robust processes and policies to ensure health, safety and welfare of its employees. The Company has undertaken various safety measures like Job safety assessment and construction methodologies, adherence to safety norms at project sites, hands-on training on safety, amongst others. Besides, throughout the year, various medical camps, sports and cultural activities were organised for the employees and their families. The Company established sound and proactive industrial relations with all employee bodies.

Corporate Social Responsibility

In line with the Reliance's commitment to take up meaningful and effective Corporate Social Responsibility (CSR) initiatives to empower the local community on different fronts, the Company's power stations and Discoms carried out various community welfare programmes during 2011-12, as detailed hereunder

Dahanu Power Station

Education

- Education kits to Zilla Parishad Primary Schools – More than 7,600 students from 64 schools around the power station were given the educational kits. Also, school uniforms were distributed to more than 1,600 children from 40 Anganwadis
- Best Teacher's Award: Till date 84 teachers have been awarded the Best Teacher's award.
- Dahanu Power Station Merit scholarship was awarded to engineering and medical students.
- Note book distribution was done at concessional rates

Healthcare

- Mobile medical Unit provides curative and preventive treatment to the tribal people. More than 8 Gram Panchayats were covered. A total of 9,730 patients were checked and treated.
- Water supply to the villagers through bore wells and tap water.
- Back changing bore wells through rainwater harvesting.

Environment

- Rain water harvesting programme
- Energy Conservation Week celebrated by organizing awareness programme in local schools.
- Plantation of 15 lakh mangrove trees on Sapta and Dandi creek.
- Mass tree plantations carried out at two schools, one Anganwadi and one public place.

Samalkot Power Station

- Distribution of nearly 10,000 Note books in all the eight primary schools in one high school in Vetlapalem village.
- Construction of drain –phase II at Vetlapalem village.
- Construction of storm water drains for the length of 300 meters near Sri Sai Baba temple at Vetlapalem.
- Construction of four culverts near Shri Sai Baba temple at Vetlapalem.

In addition to the above regular interventions on health and education are being carried out.

Goa Power Station

- Blood donation camp was organized on July 6, 2011 to commemorate the death anniversary of our founder Shri Dhirubhai Ambani.
- Organised health awareness programmes by specialist physicians.
- Promoted better educational aid by sponsoring a projector in a Government school and also supporting the event organised by Padre Conceicao College of Engineering.
- Encouraged health through sports with the sponsorship for the development of sports complex and ground at Cuncolim.
- Promoted the Goa-Art and Culture through sponsorship for the event Sobit Amchem Goem which showcased the uniqueness of Goa.

Kochi Power Station

- Constructed basketball court for a school for the differently abled children.
- Organized exhibitions to propagate awareness related to chemistry in nearby schools as part of the International Year of Chemistry declared by the United Nations.
- Sponsored a computer laboratory with internet facility for the Eloor Youth Library
- Donated cupboards and chairs to a local library
- Conducted blood donation camps
- Conducted first aid awareness session for nearby residential area.
- Provided street lights at Nelson Mandela Road which is adjacent to the plant premises

Mumbai Distribution Business

Young Energy Saver (YES)

YES, an initiative by Reliance Energy to sensitize the young kids about energy conservation. This was done by reaching out to children from 2nd to 9th standard across various types of schools in the Mumbai suburbs and spreading the message of energy conservation in a playful, interactive and

Reliance Infrastructure Limited

Management Discussion and Analysis

interesting manner. This year Reliance Energy conducted "Run to Save" Runathon, 11th Conservation Tip contest, Electricity Donation drive and YES anthem. Total schools covered in the last three years of activity are 144 and total number of children is more than one lakh.

● **Project Dignity**

RInfra has provided support to the Brihanmumbai Municipal Corporation (BMC) in its endeavour to upgrade crematoria in Mumbai under the "Project Dignity". In the first phase, four crematoria in Mumbai i.e. Daulat Nagar (Borivali East), Marve (Malad-West), Teachers Colony (Bandra-East) and Bail Bazar (Kurla) were upgraded. In the second phase, the Company upgraded additional four crematoria at Chunnabatti, Deonar, Borivali West and Dhanukarwadi. In the third phase we have obtained approval for additional six crematoria which we would be upgrading this year.

Delhi Distribution Business:

- Bijli Gyan Abhiyan - Energy Conservation quiz with 1,200 schools
- ₹ 50 lakh donation for Bihar flood relief and food packet donation for Yamuna flood relief
- Clothes distribution to poor and eye catching social messages on Discoms assets
- 25 years Power Purchase Agreement for Non Renewable Energy Procurement from solar and waste power
- Energy conservation rally by school children and compact fluorescent lamp (CFL) promotion at discounted price
- 60+ Earth Hour Participation
- Promote use of electric scooters and 30 free charging points for Reva electric cars
- Technical collaboration with Indian Institute of Technology
- Women bill distributors, Citizen's charter, AIDS awareness rallies and tree plantation, etc.

Awards and Recognitions

Dahanu Power Station

➤ **Operational Performance Awards**

- National awards for Meritorious Performance in Power sector in recognition of Outstanding Performance during 2009-10 - Gold Shield and 2010-11 - Bronze Shield by the Ministry of Power, Government of India.
- MEDA (Maharashtra Energy Development Agency) award for Excellence in Energy Conservation and Management in Thermal Power Station sector for the years 2008-09 and 2009-10.
- QIMPRO - Qualitech for improvement in Business - 2011.
- Confederation of Indian Industry (CII) - National award for Excellence in Energy Management - 2011

➤ **Environmental Awards**

- Greentech Environment Excellence award 2011
- Environmental Best Practices award 2011 for Innovative Environmental Project - CII
- Srishti Good Green Governance award 2011

➤ **Safety Awards**

- Viswakarma Rastriya Puraskar to one employee from the Ministry of Labour and Employment, Government of India
- Golden Peacock award for Occupational Health and Safety Award - 2010

Samalkot Power Station

- Greentech Environment Excellence award 2011 in Gold category.
- Greentech Safety Excellence award 2011 in Gold category.

Goa Power Station

- Green Triangle Society's Gomant Sarvoccha Suraksha Puraskar for 2011.
- 10th Annual Greentech Safety Gold award for 2011.
- Prashansa Patra Award for 2011 in the manufacturing sector under group C by the National Safety Council Awards.

Kochi Power Station

- 12th National award for Excellence in Energy management by the Confederation of Indian Industry recognising BSES Kerala Power Limited (BKPL), as an energy efficient utility-2011
- Safety award constituted by the Department of Factories and Boilers, Government of Kerala -Award for excellence in industrial safety -2011
- BKPL Energy Manager selected as Best Energy Manager of Kerala by the Energy Management Centre, Government of Kerala -2011
- Award for non-polluting industry - constituted by Kerala State Pollution Control Board, Third prize-2010
- BKPL was awarded trophy in appreciation of group effort in voluntary blood donation
- BKPL's chemistry department was honoured by the Municipal Corporation of Eloor for imparting awareness among students regarding chemistry during the international year of chemistry celebrations-2011

EPC Division

- Successfully completed the surveillance audit for the ISO 9001: 2008 and ISO 50001:2011 through Ms Bureau Veritas, OHSAS 18001, ISO -14000 systems through M/s DNV.
- Construction Industry Development Council (established by the Planning Commission, Government of India) has awarded "Chairman Commendation Trophy" to Reliance Infrastructure Limited, EPC Division for its efforts in Safety, Health and Environmental initiatives at Project Sites.
- Construction Industry Development Council (established by the Planning Commission, Government of India) presented 4th CIDC Vishwakarma Awards 2012 to six artisans of Samalkot, Raghunathpur, Rosa projects and Noida offices.
- Information Technology Group of EPC Division was awarded the Supply Chain Automation - EDGE (Enterprises Driving Growth and Excellence using IT) award at INTEROP IT Conference by leading IT magazine Information Week for the logistics automation innovation for material tracking from Shanghai to Sasan and Samalkot sites for the entire supply chain.

Management Discussion and Analysis

Human Resources

- Excellence in Practice award, 2011 by American Society for Training and Development.
- National Award for Innovative Training Practices 2011 by the Indian Society for Training and Development
- UTV Bloomberg - Dream Company to Work For awards, 2011 by World HRD Congress
- Global Excellence awards for Institution Building, 2011
- Star awards for Best Talent Management Strategy, 2011
- Star News Talent Leadership and HR award, 2011
- Global Excellence awards for Promoting Health at Workplace, 2011
- Global HR Excellence award, 2011 for outstanding contribution to the cause of education,
- Employer Branding award, 2011 for excellence in training and best HR strategy in line with business
- HR Leadership award, 2011

Mumbai Transmission

- Bagged Asia's 2nd Best Employer Brand award, 2011, organized at Singapore, by world HRD Congress and CMO Asia as the Strategic Partner. The award was won in two categories, viz. "Best HR Strategy in line with the Business" and "Excellence in HR through Technology".

- Global HR award for a paper presented on "Promoting health at work place"
- Star News awards under the category "Best Talent Management".

Delhi Discoms, BSES Rajdhani Power Limited and BSES Yamuna Power Limited

- British Safety Council International Safety award 2011
- India Power award 2011 ("Energy Conservation")
- Greentech Safety award 2011
- India Power award 2011 ("Overall Utility Performance - Urban Areas")
- National Safety Innovation award 2010 from The Institution of Engineers
- SMART Infrastructure Award from AMD Athlon
- Two awards in Metering India Conference by IEEMA

Auditors' Certificate on 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 March 31, 2012, as stipulated in clause 49 of the listing agreements of the Company with the Stock Exchanges in India.

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 (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of 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 Clause 49 of the above mentioned Listing Agreements.

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 Haribhakti & Co.

Chartered Accountants
Firm Regn. No. 103523W

Rakesh Rathi

Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants
Firm Regn. No. 107783W

Vishal D Shah

Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

Our corporate governance philosophy

Reliance Infrastructure follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes 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 reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance practices beyond regulatory requirements

Our governance practices go beyond the mere letter of statutory and regulatory requirements. With this in mind, we have formulated number of policy documents and introduced 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

Our policy document on 'code of ethics', demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'business policies' cover a comprehensive range of issues such as fair market practices, inside 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 the 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 Chairman and Chief Executive Officer (CEO).

E. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the equity shares 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

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 personnel action.

H. Environment policy

The Company is committed to achieving excellence in

environmental performance, preservation and promotion of clean environment. These are the fundamental concerns in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the 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 clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of Board committees etc.

c. Board committees

The Board has constituted Audit Committee, Nomination / Remuneration Committee and Shareholders / Investors Grievances Committee. The Board rotates the Chairman of these Committees once in two years.

d. Tenure of independent directors

Independent Directors shall hold office up to the age of 75 years and their tenure on the Board of the Company shall not exceed 3 terms of 3 years aggregating nine years, subject to their re-appointment on retirement by rotation as per the statutory provisions.

e. Lead independent director

Recognizing the need for a representative and spokesperson for the independent directors, the Board designated Dr Leena Srivastava, an independent director as the lead independent director for 2011-12. For 2012-13 and 2013-14, the Board designated Shri R R Rai, an independent director as the lead independent director.

The lead independent director performs the following roles in addition to the role of a non-executive independent director:

1. presides over all executive sessions of the Board's independent directors;
2. works closely with the Chairman to finalise the information flow, meeting agenda and meeting schedules;
3. liaises between the Chairman and the independent directors on the Board; and
4. takes a lead role along with the Chairman in the Board evaluation process.

f. Commitment of directors

The meeting dates for the entire financial year are scheduled in 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 attendance at the meetings of the Board and its committees.

Corporate Governance Report

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's accounts are audited by a panel of two leading independent audit firms namely:

M/s. Haribhakti & Co., Chartered Accountants.

M/s. Pathak H D & Associates, Chartered Accountants.

Compliance with the code and rules of London Stock Exchange

The Global Depository Receipts (GDRs) issued by the Company are listed on the London Stock Exchange (LSE). The Company has reviewed the combined code on corporate governance of LSE, though the same is not applicable to the Company. The Company's corporate governance practices substantially conform to these code and rules.

Compliance with clause 49 of the Listing Agreement

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by the Securities and Exchange Board of India.

We present our report on compliance of governance conditions specified in clause 49 of the Listing Agreement

I. Board of Directors

1. Board Composition – Board strength and representation

At present, the Board comprises of six members. The composition and category of directors on the board of the Company are as under:

Category	Particulars of directors
Promoter, Non-executive and Non-independent director	Shri Anil D Ambani, Chairman
Non-executive and Non-independent director	Shri Sateesh Seth, Vice Chairman Dr V K Chaturvedi ^e
Independent directors	Shri R R Rai Shri S S Kohli ^d Shri C P Jain ^d

Notes:

- None of the directors is related to any other director.
- None of the directors have any business relationship with the Company.
- None of the directors have received any loans and advances from the Company during the year.
- Shri S S Kohli and Shri C P Jain were appointed on the Board on February 14, 2012.

- Dr V K Chaturvedi was appointed on the Board on April 21, 2012.
- Shri S L Rao, Gen V P Malik and Dr Leena Srivastava have ceased to be on the Board w.e.f. April 20, 2012.
- Shri Lalit Jalan and Shri S C Gupta have ceased to be on the Board w.e.f. April 21, 2012.

All the independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

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 Chief Executive Officers and the supervision of the Board led by the Chairman. The Board holds minimum 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.

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

- review, monitor and approve major financial and business strategies and corporate actions;
- assess critical risks facing the Company – review options for their mitigation;
- provide counsel on the selection, evaluation, development and compensation of senior management;
- ensure that processes are in place for maintaining the integrity of:
 - the Company
 - the financial statements
 - compliance with law
 - relationship with all the stakeholders
- delegation of appropriate authority to the senior executives of the Company for effective management of operations of the Company.

3. Board meetings

The Board held five meetings during the financial year 2011-12 on May 27, 2011, August 11, 2011, November 8, 2011, December 6, 2011 and February 14, 2012. The maximum time gap between any two meetings was 88 days and the minimum gap was 27 days.

The Board periodically reviews compliance reports of all laws applicable to the Company.

4. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report.

Although these standards are not mandatory, the Company, adheres to them voluntarily.

Reliance Infrastructure Limited

Corporate Governance Report

5. Attendance of directors

Attendance of the directors at the Board meetings held during financial year 2011–2012 and the last Annual General Meeting (AGM) held on September 27, 2011 and the details of directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Committee Chairmanship and the details of Committee memberships held by the directors as on March 31, 2012 are furnished hereunder:

Names of Directors	Number of Board meetings attended out of five meetings held during the tenure	Attendance at the last AGM held on 27.09.2011	Number of directorship (including RInfra)	Committee(s) ^a membership	
				Memberships ^b	Chairmanship
Shri Anil D Ambani	5	Present	6	1	None
Shri Sateesh Seth	3	Present	3	1	1
Shri Lalit Jalan ⁴	5	Present	4	3	2
Shri S C Gupta ⁴	5	Present	2	1	None
Gen V P Malik ³	5	Absent	4	5	1
Shri S L Rao ³	5	Present	6	5	2
Dr Leena Srivastava ³	3	Present	3	2	None
Shri R R Rai ¹	5	Present	2	3	2
Shri S S Kohli ²	1	Not Applicable	8	5	5
Shri C P Jain ²	0	Not Applicable	5	6	2

¹ Shri R R Rai was appointed on the Board on May 10, 2011

² Shri S S Kohli and Shri C P Jain were appointed on the Board on February 14, 2012.

³ Shri S L Rao, Gen V P Malik and Dr Leena Srivastava have ceased to be on the Board w.e.f. April 20, 2012. Shri S L Rao and Dr Leena Srivastava held 7 and 16 equity shares respectively as on March 31, 2012.

⁴ Shri Lalit Jalan and Shri S C Gupta have ceased to be on the Board with effect from April 21, 2012

^{a.} The information provided above pertains to the following committees in all public companies in accordance with the provisions of Clause 49 of the Listing Agreement: i. Audit committee ii. Shareholders/Investors grievances committee.

^{b.} Membership of committees include Chairmanship, if any.

6. Other directorships

None of the directors hold directorships in more than 15 public limited companies.

7. Membership of Board committees

No Director holds membership of more than 10 committees or Chairmanship of more than 5 committees of the Board, across the Companies with which they are associated as Directors.

8. Details of directors

The abbreviated resumes of all Directors is furnished hereunder:

Shri Anil D. Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D Ambani, 53, is the Chairman of Reliance Communications Limited, Reliance Capital Limited, Reliance Infrastructure Limited and Reliance Power Limited. He is also on the board of Reliance Infratel Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. The Group companies are engaged in leading businesses that provide cutting edge services to empower and enrich the lives of one out of every five Indians.

An MBA from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with having pioneered several path-breaking financial innovations in the Indian capital markets. He spearheaded the country's first forays into the overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. Under his Chairmanship, the constituent companies of the Reliance Group had raised nearly US\$ 7 billion from global financial markets in a period of less than 3 years.

Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad.

He is currently a member of:

- Wharton Board of Overseers, The Wharton School, USA
- Board of Governors, Indian Institute of Management (IIM), Ahmedabad
- Executive Board, Indian School of Business (ISB), Hyderabad.

In June 2004, Shri Ambani was elected as an Independent member of the Rajya Sabha – Upper House, Parliament of India, a position he chose to resign voluntarily in March, 2006.

Shri Ambani is also recognized by the Indian government as a visionary and torch bearer for the overall growth and

Corporate Governance Report

development of modern infrastructure in the country. He is a regular invitee to top level consultation programmes that the Prime Minister's Office and other key central ministries conduct with corporate leaders in India towards creating and reforming policies and regulatory frameworks for the infrastructural growth in the country. The Prime Minister has recently nominated Shri Ambani as the Co-Chair from the Indian side of the India-China CEO Forum. In recent years, Shri Ambani has also been a trend setter for Corporate India in achieving multi-billion dollar investments from leading financial institutions in the US and China for infrastructure development in India.

Select Awards and Achievements: As one of the India's youngest business leaders, Shri Ambani has received National and International acclaim for his vision and leadership. Specific awards and recognitions include –

- Ranked in the 4th place amongst India's Top 100 CEOs by The Economic Times, India's most influential newspaper in 2009 as well as in 2010.
- Included in its selection of 50 notable business leaders from emerging markets in 2010 by the UK-based Financial Times.
- Ranked as the third most powerful and influential person of India in its list of 50 such luminaries by India Today magazine in 2009.
- Also included in a similar list by the US-based Business Week magazine in 2009.
- Awarded by Light Readings as the Person of the Year – 2008 for outstanding achievements in the communication industry.
- Voted 'the Businessman of the Year' in a poll conducted by The Times of India – TNS, December, 2006.
- Voted the 'Best role model' among business leaders in the biannual Mood of the Nation poll conducted by India Today magazine, August 2006.
- Conferred with 'the CEO of the Year 2004' award at the Platts Global Energy Awards.
- Conferred 'The Entrepreneur of the Decade Award' by the Bombay Management Association, October 2002.
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, in December, 2001.

As on March 31, 2012, Shri Anil D Ambani held 1,39,473 equity shares in the Company.

Shri Sateesh Seth

Shri Sateesh Seth, 56, is a Fellow Chartered Accountant and a law graduate. He has vast experience in general management. Shri Seth was appointed to the Board on November 24, 2000. Currently, he is the Vice Chairman on the Board of the Company.

Shri Sateesh Seth is also on the Board of Reliance Telecom Limited, Reliance Anil Dhirubhai Ambani Group Limited. He is the Chairman of Audit Committee of Reliance Telecom Limited.

Shri Sateesh Seth does not hold any shares in the Company as on March 31, 2012.

Shri R R Rai

Shri R R Rai, 61, is a graduate in science and law from the University of Delhi. He joined Life Insurance Corporation of India as a direct recruit officer after a short stint in the Ministry of Works and Housing (now named as Ministry of Urban Development), New Delhi. He served the Corporation in various important positions, viz., Marketing Manager, Sr.Divisional Manager, Regional Manager (Public Relations & Publicity) and later (Personnel and Industrial Relations), Principal, Zonal Training Centre, Gurgaon and Director, Management Development Centre, Mumbai, Zonal Manager (In-charge), Western Zone., Executive Director (Corporate Communication & International Operations), Central Office. He retired from the services of the Corporation on August 31, 2010.

During his career, Shri Rai was placed In-charge of two branches, one being rural and other metro. He headed two Divisions in two different States and was In-charge of the largest Zone of the Corporation. He also headed two training centres, one Zonal and other All India. He handled teams ranging from 40 to 50 people and from 20,000 to 25,000 people comprising both of marketing and administrative staff (excluding agents) as in-charge of Branches, Divisions and Zone. He closely interacted with the people inside the industry and outside, viz. dealing with the elite towards the end of the career and poor, downtrodden in the deep rural, semi-urban, urban and metros in the beginning and middle of his career. He made an attempt to contribute towards developing potential and shaping attitudes of personnel during his tenure in the training institutes and aimed at sustaining harmonious relationship among stakeholders.

He participated in premier institute programmes at ISB, Hyderabad; Administrative Staff College of India, Hyderabad and Management Development Institute, Gurgaon. Also attended the Life Insurance Executive Seminar 2006 held at Tokyo and Taipei by Nippon Life Insurance and Cathay Life Insurance.

He is a nominee director on the board of Tourism Finance Corporation of India, New Delhi. He is the Chairman of the Audit Committee of the Company and member of Audit Committee of Tourism Finance Corporation of India Limited. He is the Chairman of Shareholders/Investors Grievance Committee of Tourism Finance Corporation of India Limited.

Shri R R Rai does not hold any shares in the Company.

Shri S S Kohli

Shri S S Kohli, 67, was till recently, the Chairman and Managing Director of India Infrastructure Finance Company Limited (IIFCL), a wholly owned company of the Government of India, 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 Today. Shri Kohli has long experience as a banker, spanning 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, 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. Resultantly, PNB became the Number One bank among the nationalized banks in terms of assets, asset quality, technology, profit after tax and return on assets. PNB also emerged as one of 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 chaired and was member of several committees associated with financial sector policy. The committees he chaired dealt with a variety of issues relating to small/medium enterprise financing, willful 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 Financial Times, London for the year 2000, and also ranked 22nd in the list of India's Best CEOs ranking over the period 1995 to 2011, by the Harvard Business Review recently. He now holds directorship in various institutions in India.

He is also a director on the Boards of SME Rating Agency of India Limited, Infrastructure Development Finance Company Limited, MBL Infrastructure Limited, PTC India Financial Services Limited, IL&FS Financial Services Limited, Trimax IT Infrastructure and Services Limited and ACB (India) Limited.

He is Chairman of the Shareholders/Grievances Committee and Member of Audit Committee of the Company, Chairman of the Audit Committee of SME Rating Agency of India Limited, Chairman of the Shareholders/Grievances Committee of MBL Infrastructure Limited, Chairman of the Audit Committee of IL & FS Financial Services Limited, Member of the Shareholders Grievances Committee of Trimax IT Infrastructure and Services Limited, Chairman of the Audit Committees of ACB (India) Limited.

Shri Kohli does not hold any shares in the Company.

Shri C P Jain

Shri C P Jain, 66, is the former Chairman and Managing Director of NTPC Limited. He had an illustrious career spanning over four decades of contribution in the fields of financial management, general management, strategic management and business leadership. He is a fellow member of the Institute of Chartered Accountants of India with an advanced diploma in Management and is a law graduate. He joined the Board of NTPC in 1993 as Director (Finance), was elevated as Chairman & Managing Director in September 2000 and superannuated in March 2006. He is the winner of the "Ernst & Young Entrepreneur of the Year Award" in the year 2005. He was Chairman of the Global Studies Committee of World Energy Council (WEC), one of the world's largest energy non governmental organization with nearly 94 member-nations during the period 2004

to 2010. He has been on several important committees of the Government of India, latest being the 'Adhoc Group of Experts on Empowerment of Central Public Sector Enterprises' and was also a member of the Audit Advisory Board of the Comptroller and Audit General of India. He was Chairman of Standing Conference of Public Enterprises (SCOPE) during the period between April 2003 and March 2005. He is the Director on the Boards of Reliance Capital Limited, IL&FS Infrastructure Development Corporation Limited, PCI Limited and Reliance Securities Limited. Shri Jain is Member of the Audit Committee and Shareholders/Investors' Grievances Committees of the Company, Chairman of the Audit Committee and Member of Shareholders/Investors' Grievances Committee of Reliance Capital Limited, Member of the Audit Committee of Reliance Securities Limited, Chairman of the Audit Committee of IL & FS Infrastructure Development Corporation Limited and Member of the Audit Committee and Shareholders/Investors Grievance Committee of PCI Limited.

He holds 68,000 equity shares of the Company which includes holding of Shri Jain and his wife and Hindu Undivided Family.

Dr V K Chaturvedi

Dr V K Chaturvedi, 69, is the former Chairman and 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, World Association of Nuclear Operators (WANO), Tokyo Centre and also was a Governor in the International WANO Board, London for two years. Dr Chaturvedi is a gold medalist in mechanical engineering from Vikram University and later he did his post-graduation in nuclear engineering from Bhabha Atomic Research Centre training school, Mumbai. He has over 46 years of experience in 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 a number of other prizes and awards. He is a director on the Board of Reliance Power Limited. He is currently Member of the Shareholders/Investors Grievances Committee of the Company and Member of the Audit and Shareholders / Investors Grievances Committees of Reliance Power Limited.

Dr Chaturvedi does not hold any shares in the Company.

9. Insurance coverage

The Company has obtained Directors and Officers liability insurance coverage in respect of any legal action that might be initiated against directors.

II. Audit Committee

In terms of Clause 49 of the Listing Agreement, as well as Section 292A of the Companies Act, 1956, the Board has constituted the Audit Committee of the Board of Directors. The Audit Committee of the Company was set up way back in May 1986. At present, the committee comprises of Shri R R Rai, Shri S S Kohli and Shri C P Jain. Shri S S Kohli and Shri C P Jain were co-opted as members of the Committee with effect from April 21, 2012. The Audit Committee is chaired by Shri R R Rai, who has a wide experience on economic, financial and taxation issues. with effect from August 10, 2011 All members of the Committee are financially literate.

Corporate Governance Report

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

The terms of reference of the Audit Committee are in accordance with all the items listed in clause 49 (II) of the Listing Agreement.

Attendance at the meetings of the Audit Committee held during 2011-2012

The Audit Committee held its meetings on May 26, 2011, June 2, 2011, August 10, 2011, September 10, 2011, September 27, 2011, November 8, 2011 and February 14, 2012 and the maximum gap between any two meetings was 97 days and the minimum gap was 6 days.

The Audit Committee of the Board was reconstituted on April 21, 2012 upon the ceasing of directorship of Shri S L Rao, Gen V P Malik and Dr Leena Srivastava from the Board on April 20, 2012 and the reconstituted committee comprises of Shri R R Rai, S S Kohli and Shri C P Jain. Shri R R Rai is the Chairman of the Audit Committee.

Members	Meetings held during the tenure of directors	Meetings attended
Shri S L Rao ¹	7	7
Shri R R Rai ²	6	6
Gen V P Malik ³	7	6
Dr Leena Srivastava ³	7	6
Shri S S Kohli ⁴	Not applicable	Not applicable
Shri C P Jain ⁴	Not applicable	Not applicable

¹ Shri S L Rao ceased to be (i) the chairman of the committee with effect from August 10, 2011 and (ii) ceased to be on the Board with effect from April 20, 2012.

² Shri R R Rai was elected as the Chairman of the Committee with effect from August 10, 2011.

² Shri R R Rai was appointed on the Board on May 10, 2011.

³ Gen V P Malik and Dr. Leena Srivastava have ceased to be on the Board with effect from April 20, 2012.

⁴ Shri S S Kohli and Shri C P Jain were inducted in the committee on April 21, 2012.

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

The meetings considered all the points in terms of its reference at periodic intervals.

Shri Ramesh Shenoy, Company Secretary and Manager, (appointed as Manager with effect from April 21, 2012) acts as the Secretary to the Audit Committee.

During the year under review, the Committee discussed with the Company's auditors the overall scope and plans for the independent audit. The Management represented to the Committee that the Company's financial statements were

prepared in accordance with prevailing laws and regulations. The Committee discussed the Company's audited financial statements, the rationality of significant judgments and the 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 fairly presented in conformity with 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. In 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 and the statutory auditors.

Based on the Committee's discussion with the management and the auditors and the Committee's review of the representations of the management and the report of the auditors to the Committee, the Committee has recommended the following to the Board of Directors:

1. The audited annual financial statements of the Company for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. The audited abridged financial statements of the Company for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the Company.
3. The audited consolidated financial statements of the Company and its subsidiaries for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status.

III. Nomination / Remuneration Committee

The Nomination / Remuneration Committee of the Board is constituted to formulate from time to time (a) process for selection and appointment of new directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for directors and the Manager. The Nomination/Remuneration Committee consisting of Dr. Leena Srivastava, Shri S L Rao and Gen V P Malik was reconstituted on April 21, 2012 upon their ceasing to be on the Board of the Company and the reconstituted committee comprises of three directors i.e. Shri C P Jain, Chairman, Shri R R Rai and Shri S S Kohli as members. During the year, the Nomination / Remuneration Committee met on February 14, 2012, wherein all the members attended the meeting.

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

Except Shri Lalit Jalan and Shri S C Gupta, who have ceased as Directors with effect from April 21, 2012, all directors, being non-executive, are paid sitting fees for attending the meetings of the Board and its committees.

Reliance Infrastructure Limited

Corporate Governance Report

Remuneration paid to directors (excluding contribution to gratuity fund and provision for leave encashment on retirement) during the year ended March 31, 2012.

Sr. No.	Name	Position	Sitting Fees	Salary & Perquisites	Commission	Amount in ₹
						Total
1	Shri Anil D Ambani	Chairman	1,00,000	-	-	1,00,000
2	Shri Sateesh Seth	Vice Chairman	60,000	-	8,00,000	8,60,000
3	Shri Lalit Jalan ⁵	Whole-time Director	-	83,65,508	-	83,65,508
4	Shri S C Gupta ⁵	Director(Operations)	-	84,39,019	-	84,39,019
5	Gen V P Malik ³	Director	3,40,000	-	8,00,000	11,40,000
6	Shri S L Rao ³	Director	2,80,000	-	8,00,000	10,80,000
7	Dr Leena Srivastava ³	Director	2,80,000	-	8,00,000	10,80,000
8	Shri R R Rai ¹	Director	2,20,000	-	-	2,20,000
9	Shri S S Kohli ²	Director	20,000	-	-	20,000
10	Shri C P Jain ²	Director	-	-	-	-
11.	Dr V K Chaturvedi ⁴	Director	-	-	-	-
Total			13,00,000	168,04,527	32,00,000	2,13,04,527

¹ Shri R R Rai was appointed on the Board on May 10, 2011.

² Shri S S Kohli and Shri C P Jain were appointed on the Board on February 14, 2012.

³ Shri S L Rao, Gen V P Malik and Dr Leena Srivastava have ceased to be on the Board w.e.f. April 20, 2012.

⁴ Dr V K Chaturvedi was appointed on the Board on April 21, 2012.

⁵ Shri Lalit Jalan and Shri S C Gupta have ceased to be on the Board with effect from April 21, 2012.

Notes:

- The salary and perquisites include all fixed elements of remuneration i.e. salary and other allowances and benefits.
- There were no other pecuniary relationships or transactions of non-executive directors vis-à-vis the Company. The Company has so far not issued any stock options to its directors.
- Pursuant to the limits approved by the Board, all non-executive directors are paid sitting fees of ₹ 20,000 for attending each meeting of the Board and its committees.

Details of service contract

Names	Date of initial appointment	Current tenure	From	To
Shri S C Gupta ¹	January 18, 2003	5 years	January 18, 2008	January 17, 2013
Shri Lalit Jalan ¹	April 25, 2007	5 years	April 25, 2007	April 24, 2012

For any termination of service contract, the Company or the executive director is required to give a notice of three months or pay three months' salary in lieu thereof to the other party.

¹ Shri Lalit Jalan and Shri S C Gupta have ceased to be on the Board with effect from April 21, 2012.

Managerial remuneration policy

The Nomination / Remuneration Committee determines and recommends to the Board, the compensation of directors, whole-time directors and manager. The key components of the Company's remuneration policy are :

- compensation will be a major driver of performance.
- compensation will be competitive and benchmarked with a select group of companies from the utility sector.
- compensation will be transparent, fair and simple to administer.
- compensation will be fully legal and tax compliant.

The Members had, at 81st AGM held on December 22, 2010, approved payment of the commission up to 3 per cent to non-executive directors of the Company under the provisions of Section 309(4) of the Companies Act, 1956 ('Act'), computed in the manner specified in the Act for a period of five years from the financial year commencing 1st April, 2011. The Ministry of Corporate Affairs vide its Circular No. 4/2011 dated March 4, 2011 has decided that a Company shall not require approval of the Central Government for making payment of remuneration by way of commission to its non-whole time director (s) in addition to the sitting fees if the total commission to be paid to all those non-whole time director (s) does not exceed one per cent of the

net profit of the company if it has the whole time director (s) or 3 per cent of the net profit of the company if it does not have a managing director or whole time director (s). In view of above Circular, the Company can pay Commission upto 3 per cent of net profit to the non-whole-time directors of the Company.

The Board of Directors had approved payment of commission of ₹ 32 lakh to the Non-Executive Directors of the Company for the year ended March 31, 2011 based on various parameters, which was paid during the year 2011-12.

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.

IV. Shareholders / Investors Grievance Committee

The Shareholders / Investors' Grievance Committee was reconstituted on April 21, 2012 upon the ceasing of directorship of Gen V P Malik and Dr Leena Srivastava from the Board on April 20, 2012 and Shri Lalit Jalan on April 21, 2012 and the reconstituted committee comprises of

Corporate Governance Report

Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi. Shri S S Kohli is the Chairman of the Committee. The Company has appointed M/s Karvy Computershare Private Limited to act as Registrar and Transfer Agent of the Company.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also monitors redressal of investors grievances. Particulars of investors grievances received and redressed are furnished in the Investor Information Section of this Report. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

During the year, the Shareholders / Investors Grievances Committee held its meetings on May 27, 2011, August 11, 2011, November 8, 2011 and February 14, 2012 and the maximum gap between any two meetings was 97 days and the minimum gap was 75 days.

Attendance of members at the meeting of the Shareholders / Investors Grievances Committee held during 2011-12

Members	Meetings held during the tenure of directors	Meetings attended
Gen V P Malik, ¹ Chairman	4	4
Dr Leena Srivastava ¹	4	3
Shri Lalit Jalan ²	4	4
Shri S S Kohli ³	Not Applicable	Not Applicable
Shri C P Jain ³	Not Applicable	Not Applicable
Dr V K Chaturvedi ³	Not Applicable	Not Applicable

Shri Ramesh Shenoy, Company Secretary and Manager is the Compliance Officer and Secretary to the Committee.

¹ Gen V P Malik and Dr. Leena Srivastava have ceased to be on the Board with effect from April 20, 2012.

² Shri Lalit Jalan ceased to be on the Board with effect from April 21, 2012.

³ Shri S S Kohli, Shri C P Jain and Dr V K Chaturvedi were inducted in the committee on April 21, 2012.

V. Compliance Officer

Shri Ramesh Shenoy, Company Secretary and Manager is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 40. There were no complaints pending as on March 31, 2012. The details of the period taken for transfer of shares and nature of complaints are furnished in the Investor Information section of this Annual Report.

22 requests for transfers and 61 requests for dematerialization were pending for approval as on March 31, 2012, which were approved, processed and dispatched on or before April 4, 2012.

VI. Environment, Health and Safety Committee

The Environment, Health and Safety Committee of the

Board was reconstituted on April 21, 2012 upon ceasing of directorship of Shri S L Rao, Gen V P Malik and Dr Leena Srivastava from the Board on April 20, 2012 and Shri S C Gupta on April 21, 2012 and the reconstituted committee comprises of Shri R R Rai, Shri S S Kohli and Dr V K Chaturvedi. Shri R R Rai is the Chairman of the Committee.

The Environment, Health and Safety Committee held its meeting on January 10, 2012, wherein all members except Shri S C Gupta attended the meeting.

VII. Employees Stock Option Scheme (ESOS) Compensation Committee

The ESOS Compensation Committee comprises of Shri C P Jain as Chairman and Shri R R Rai and Shri S S Kohli as members. Shri Ramesh Shenoy, Company Secretary and Manager acts as Secretary to the ESOS Compensation Committee.

No meeting of ESOS Compensation Committee was held during the year.

VIII. General Body Meetings:

The Company held its last three Annual General Meetings as under :

Year	Date and Time	Whether Special Resolution passed or not
2010-2011	September 27, 2011 4.00 p.m.	Yes Issue of Equity Shares to Qualified Institutional Buyers Raising of resources through issue of securities in the international markets
2009-2010	December 22, 2010 11.00 a.m.	Yes, Payment of commission to Non – Executive Directors
2008-2009	July 21, 2009 2.00 p.m.	No

Above Annual General meetings were held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

IX. Postal Ballot

The Company had not conducted any Postal Ballot during the year and there is no resolution proposed to be passed by postal ballot at the ensuing annual general meeting.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

X. Means of Communication

a. Quarterly Results : Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily Marathi vernacular newspaper and are also posted on the Company's website www.rinfra.com.

b. Media Releases and Presentations: Official media releases are sent to the 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.

- c. Website:** The Company's website www.rinfra.com contains a separate dedicated section '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 investors, in a user friendly manner. The basic information about the Company as called for in terms of Clause 54 of the Listing Agreement with the Stock Exchanges is provided on the Company's website and the same is updated regularly.

- d. Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report and is displayed on the Company's website.

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if service of documents has been made through electronic mode. In such a case, the Company has to obtain e-mail addresses of its members for sending the notices / documents through e-mail giving an advance opportunity to each shareholder to register their e-mail address and changes therein, if any, from time to time with the Company.

The Company has welcomed the Green Initiative and accordingly has e-mailed to all those Members whose e-mail IDs are available with the Company's Registrar and Transfer Agent, the soft copies of the Unabridged Financial Statements for the year ended March 31, 2012.

- e. Corporate Filing and Dissemination System (CFDS):**

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.

- f. National Electronic Application Processing System (NEAPS):** The NEAPS is web based system designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed Electronically on NEAPS.

- g. Unique Investor helpdesk:** Exclusively for servicing our investors, the Company has set up a unique investor Help Desk with multiple access modes as under:

Toll free no. (India) : 1800 4250 999
Telephone nos. : +91 40 4030 8000
Facsimile no. : +91 40 2342 0859
Email : rinfra@karvy.com
Post your request : <http://kcpl.karvy.com/adag>

- h. Designated email-id:** The Company has designated email-id, i.e. rinfra.investor@relianceada.com exclusively for investor servicing.

- i. SEBI Complaint Redress System:**

The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading on line action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

XI. Compliance with other mandatory requirements

1. Management Discussion and Analysis report

A Management Discussion and Analysis Report forms part of this annual report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

2. Subsidiaries

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary Company.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board / Audit Committee.
- Quarterly review of Risk Management process by the Risk Management Committee / Audit Committee / Board.

3. Disclosures

- a.** There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence 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 year 2011-12, no transactions of material nature have been entered into by the Company with the Promoters or Directors or Management, or their relatives, their subsidiaries that may have a potential conflict with the interests of the Company. The related party transactions with subsidiary companies and others are disclosed in Notes to Accounts.

c. Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006, as applicable. The

Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

Merger of five subsidiaries and demerger of container business of Reliance Infrastructure Engineers Private Limited with the Company

In accordance with the Scheme of Arrangement between Reliance Energy Limited (REL), Reliance Infraventures Limited (RInvL), Reliance Goa and Samalkot Private Limited (RG SPL), Reliance Energy Generation Limited (REGL), Reliance Property Developers Limited (RPDL) and Reliance Infrastructure Engineers Private Limited (RIEPL) (wholly owned subsidiaries of the Company) with the Company sanctioned by the Hon'ble High Court of Judicature at Bombay on April 20, 2012 ('Scheme'), the following accounting treatment, inter alia, has been given to give effect to the scheme.

- a. All Assets and Liabilities (Net) amounting to ₹ 1,212.60 crore of the Subsidiaries have been recorded in the books of the Company at their respective book value, and corresponding equivalent amount is credited to the Capital Reserve.
- b. Investments in REL, RInvL, RG SPL, REGL, and RPDL amounting to ₹ 987.00 crore have been written off and an equivalent amount has been withdrawn from the General Reserve. The Company has been legally advised that crediting of the said amount in the Statement of Profit and Loss is in compliance with the Revised Schedule VI to the Companies Act, 1956.

Had the Scheme not prescribed this treatment and the Company followed the accounting treatment prescribed under the Accounting Standard 14 relating to accounting for amalgamations, the General Reserve would have been higher and the Capital Reserve would have been lower by ₹ 1,212.60 crore (Net).

Merger of Reliance Infraprojects Limited with the Company

In accordance with the Scheme of Amalgamation of Reliance Infraprojects Limited (RIInfl) with the Company sanctioned by the Hon'ble High Court of Judicature of Bombay on March 30, 2011, the Company has identified certain Exceptional Items aggregating ₹ 933.42 crore consisting of cancellation of investments in Reliance Infrastructure Engineers Private Limited (RIEPL) of ₹ 54.31 crore, write off of bad debts of ₹ 585.00 crore and income accrued on investment of ₹ 294.11 crore, which have been debited in the Statement of Profit and Loss and an equivalent amount has been withdrawn from the "Provision for Extraordinary and Exceptional Items" created out of the General Reserve and credited to the Statement of Profit and Loss. The Company has been legally advised that crediting of the said amount in the Statement of Profit and

Loss is in compliance with Revised Schedule VI to the Act. Had the Scheme not prescribed the above treatment, the profit before tax for the year would have been lower by ₹ 933.42 crore and the General Reserve would have been higher by an equivalent amount.

d. Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving strategic, technological, operational, financial, organisational, legal and regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

A Risk Management Committee (RMC) consisting of senior executives of the company periodically reviews the robustness of the Risk Management Policy. The periodical update on the risk management practices and mitigation plan of the Company and subsidiaries are presented to the Audit Committee and the Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved.

e. Code of Conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The code had been circulated to all the members of the Board and senior management and the same has been put on the Company's website www.rinfra.com. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the manager of the Company (i.e the CEO within the meaning of clause 49-V of the Listing Agreement) 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 2011-12."

Ramesh Shenoy
Manager

f. CEO and CFO certification

Shri Ramesh Shenoy, Manager (being CEO within the meaning of Clause 49-V of the Listing Agreement) and Shri Madhukar Moolwaney, the CFO provide certifications on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

g. Review of Directors' responsibility statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2012 have been prepared as per applicable

accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

- h. SEBI vide Consent Order dated January 14, 2011 disposed of the proceedings initiated against, inter alia, RInfra, Reliance Natural Resources Limited (RNRL) and their Specified Directors under Sections 11, 11(4) and 11B of SEBI Act, 1992. The Consent Order, inter alia, required payment of settlement charge of ₹ 25 crore jointly and severally by RInfra, RNRL and their specified Directors, which has been paid to SEBI by one of the Specified Directors.

XII. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has appointed Shri Ramesh Shenoy, Company Secretary as the Compliance Officer under the Code is responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, 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 shares 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.

XIII. Compliance of Clause 5A of Listing Agreement

Equity Shares in Suspense Account

- a. In terms of Clause 5A(I) of the Listing Agreement, the Company reports that at the beginning of the financial year on April 1, 2011, there were no equity shares lying in the suspense account pursuant to any public issues or any other issue. As such the prescribed information required to be disclosed pursuant to Sub-Clause (g) of Clause 5A(I) of the Listing Agreement is not applicable.
- b. In terms of Clause 5A(II) of the Listing Agreement, the Company's Registrar & Share Transfer Agent, M/s Karvy Computershare Private Limited sent three reminders to the shareholders at the addresses available on the Company's records. Wherever the shareholders have claimed the shares, after proper verification, the share certificates were dispatched to them. The Company has dematerialized and transferred 3,14,682 equity shares issued in physical form to "Reliance Infrastructure Limited - Unclaimed Suspense Account" in accordance with the requirement of the Listing Agreement.

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

XIV. Compliance with non-mandatory requirements

1. Tenure of independent directors on the Board

The tenure of independent directors on the board of the Company shall not exceed nine years in aggregate.

2. Nomination / Remuneration committee

The Board has set up a Nomination / Remuneration

committee details whereof are furnished at Sr. No. III of this report.

3. Disclosures

The quarterly financial results including summary of significant events of relevant period are published in newspapers and posted on the website of the Company.

4. Audit qualifications

There are no audit qualification on the financial statements of the Company for the year 2011-12.

5. Training of Board members

A programme has been devised to train Board members in the business model of the Company, risk profile of the business parameters and their responsibilities as directors.

6. Whistle blower policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse action against employees, who disclose in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, gross waste or misappropriation of public funds, substantial and specific danger to public health and safety or an abuse of authority. The policy also lays down the mechanism for making enquiry into whistle blower complaint received by the Company.

Employees aware of any alleged wrongful conduct are encouraged to disclose to the Audit Committee. Employees knowingly making false allegations of alleged wrongful conduct to the audit committee shall be subject to disciplinary action. No personnel of the Company have been denied access to the grievance redressal mechanism of the Company.

XV. Corporate Governance Voluntary Guidelines 2009

The Company has ensured substantial compliance with most of the guidelines issued by the Ministry of Corporate Affairs on Corporate Governance in the year 2009, notwithstanding that they are subject to only voluntary compliance by corporates.

XVI. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on 'investor information' elsewhere in this Annual Report.

Auditors' certificate on corporate governance

The Auditors' certificate on compliance of Clause 49 of the Listing Agreement relating to corporate governance is published elsewhere in this report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Infrastructure, as evolved over a 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.

Investor Information

IMPORTANT POINTS

Hold Securities in Dematerialized Format

Investors should hold their securities in dematerialized 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;
- Automatic credit into demat account of shares, arising out of bonus/split/consolidation/merger etc.
- Holding investments in equity, debt instruments, mutual fund and other securities in a single account;

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.

Printing of bank account number, names and addresses of bank branch on dividend warrant provide protection against fraudulent encashment of dividend warrant. Members are requested to provide, the same to the Company's RTA for incorporation on dividend warrant.

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 alerts 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 are held in dematerialized format.

Form may be downloaded from the Company's website, 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 format prescribed by the Depository Participants.

Deal only with SEBI Registered Intermediaries

Investors should deal with SEBI registered intermediary 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. Prescribed form for registration may please be downloaded from the Company's website.

Dividend announcements

The Board of Directors of the Company have recommended a Dividend of ₹ 7.30 (73%) per equity share of the Company for the financial year ended March 31, 2012, subject to the declaration by 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, August 25, 2012 to Tuesday, September 4, 2012 (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, 2012.

Dividend remittance

Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2012, when declared at the AGM will be paid to:

- all those equity shareholders, whose names appear in the Register of Members as on August 24, 2012 and
- those whose names appear as beneficial owners as on close of the day on August 24, 2012 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 Services
 - o ECS (Electronic Clearing Services)
 - o NECS (National Electronic Clearing Services)
 - o NEFT
 - o RTGS
 - o Direct Credit

Reliance Infrastructure Limited

Investor Information

- Dispatch of physical dividend warrant
Shareholders are requested to avail the Electronic Clearing Services for payment of dividend as the same is immensely beneficial to them and considerably reduces risk attached to physical dividend warrants.

Annual General Meeting

The 83rd Annual General Meeting (AGM) of the Company will be held on Tuesday, September 4, 2012, at 4.00 p.m. or soon after the conclusion of the Annual General Meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

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 contains a separate 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.

Registrar and Transfer Agents (RTA)

Karvy Computershare Private Limited
Unit: Reliance Infrastructure Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No 13 & 13C, Madhapur Village
Hyderabad 500 081, Andhra Pradesh
email id: rinfra.investor@relianceada.com
Toll free no. (India) : 1800 4250 999
Telephone : +91 40 4030 8000
Fax No.: +91 40 2342 0859
Email: rinfra@karvy.com
Post your request : <http://kcpl.karvy.com/adag>

Shareholders / Investors are requested to forward share transfer documents, dematerialisation requests (through their Depository Participant (DP)) and other related correspondence directly to Company's RTA at the above address for speedy response.

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 in records of the Company, duplicate warrant will be issued. The Company's RTA would request the concerned shareholder to execute an indemnity 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 duplicate

warrant is issued to them, since the dividend warrants are payable at par at several centres across the country and the banks do not accept 'stop payment' instructions on the said warrants.

Unclaimed Dividend

i. Transfer to the Central Government

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends up to and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government.

The shareholders who have not encashed their dividend warrants relating to financial year(s) up to 1994-95 are requested to claim the amounts from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD Belapur, Near RBI Building, Navi Mumbai 400 614 Telephone: (022) 2757 6802 in the prescribed form which will be furnished by the Company on request.

ii. Transfer to the Investor Education and Protection Fund (IEPF)

The dividends for the years 1995-96 to 2004-05 (Q3) remaining unclaimed for 7 years from the date of declaration have been transferred to IEPF established by the Government of India pursuant to Section 205C of the Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the date they first become due for payment.

iii. Dividend to be transferred to the Investor Education and Protection Fund (IEPF)

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amounts are as under:

Financial year	Dividend per share (₹)	Date of declaration	Due for transfer on
2004-05 (final)	1.40	June 8, 2005	July 15, 2012
2005-06 (Q1)	1.20	July 19, 2005	August 25, 2012
2005-06 (final)	3.80	June 7, 2006	July 13, 2013
2006-07	5.30	July 10, 2007	August 16, 2014
2007-08	6.30	September 16, 2008	October 22, 2015
2008-09	7.00	July 21, 2009	August 27, 2016
2009-10	7.10	December 22, 2010	January 28, 2018
2010-11	7.20	September 27, 2011	November 3, 2018

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach by writing to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited, immediately.

The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, whereby the Company, inter alia, will be required to upload the details of unpaid and unclaimed dividends on the website of the Company. The Company shall comply with the same within the stipulated time frame.

Investor Information

Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that it first became due for payment and no payment shall be made in respect of any such claim.

Share transfer system

Shareholders / investors are requested to send share certificate(s) along with the share transfer deed in the prescribed Form 7B, 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.

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

The Securities and Exchange Board of India (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.

Shareholding Pattern as on March 31, 2012

	As on 31.03.2012		As on 31.03.2011	
	Number of Shares	Per cent	Number of Shares	Per cent
(A) Shareholding of Promoter and Promoter Group				
(i) Indian	12,76,26,990	48.53	12,76,28,646	47.73
(ii) Foreign	NIL	NIL	NIL	NIL
Sub Total (A)	12,76,26,990	48.53	12,76,28,646	47.73
(B) Public shareholding				
(i) Institutions:				
Insurance Companies	4,63,93,615	17.64	4,62,38,774	17.29
Foreign Institutional Investors	3,98,30,050	15.15	4,21,53,462	15.76
Mutual Funds /UTI	78,86,163	3.00	1,05,52,952	3.95
Financial Institutions/Banks	14,38,499	0.55	16,61,196	0.62
Others	76,918	0.02	77,001	0.03
(ii) Non-institutions	3,83,37,471	14.58	3,81,20,262	14.25
Sub Total (B)	13,39,62,716	50.94	13,88,03,647	51.9
(C) Shares held by Custodian and against which Depository Receipts have been issued - Sub Total (C)	14,00,294	0.53	9,87,969	0.37
GRAND TOTAL (A) + (B) + (C)	26,29,90,000	100.00	26,74,20,262	100

Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2012		Total shares as on 31.03.2012		Number of Shareholders as on 31.03.2011		Total shares as on 31.03.2011	
	Number	%	Number	%	Number	%	Number	%
1 - 500	14,04,312	99.55	2,35,54,467	8.96	14,47,645	99.58	2,38,19,487	8.91
501 - 5,000	5,576	0.40	67,05,357	2.55	5,484	0.38	65,59,511	2.45
5,001 - 1,00,000	552	0.04	1,18,52,758	4.50	481	0.03	1,09,02,904	4.08
1,00,001 and above	138	0.01	22,08,77,418	83.99	134	0.01	22,61,38,360	84.56
Total	14,10,578	100.00	26,29,90,000	100.00	14,53,744	100.00	26,74,20,262	100.00

Dematerialization of shares

The Company was among the first few 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 INEO36A01016. The Company was the first to admit its shares and 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, 2012, 97.79% of the Company's shares are held in Dematerialised form.

Investors' grievances attended

Received from	Received during		Redressed during	
	2011-12	2010-11	2011-12	2010-11
SEBI	7	23	7	23
Stock Exchanges	13	8	13	8
NSDL/CDSL	1	0	1	0
Direct from investors	19	17	19	17
Total	40	48	40	48

Reliance Infrastructure Limited

Investor Information

Analysis of grievances

	2011-2012		2010-11	
	Numbers	Percentage	Numbers	Percentage
Non-receipt of dividends	17	43	21	44
Non-receipt of share certificates	10	25	21	44
Others	13	32	6	12
Total	40	100	48	100

Notes :

- Investors' queries / grievances are normally attended to 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.
- There was no complaint pending as on March 31, 2012.
- The shareholder base was 14,10,578 as of March 31, 2012 and 14,53,744 as of March 31, 2011.

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.

Equity History

Dates	Particulars	No. of shares	Cumulative (No. of Share)
01.04.2002	Outstanding Equity Shares		13,77,25,666
28.07.2003	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 49,336	13,77,75,002
07.10.2003	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 49,336	13,78,24,338
07.11.2003	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 1,50,00,339	15,28,24,677
24.02.2004	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 51,00,036	15,79,24,713
23.03.2004	Allotment of shares on a preferential basis ²	+ 1,35,80,000	17,15,04,713
24.03.2004	Allotment of shares on a preferential basis ²	+ 36,50,000	17,51,54,713
02.04.2004	Allotment of shares on a preferential basis ²	+ 91,95,622	18,43,50,335
30.04.2004	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 9,99,009	18,53,49,344
29.07.2004	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 1,97,346	18,55,46,690
13.12.2004	Annulment and re-issue of forfeited shares	+ 25,909	18,55,72,599
13.12.2004	Allotment of equity shares from 15% FCDs which was kept under abeyance ³	+ 200	18,55,72,799
02.05.2005	Allotment of equity shares on conversion of warrants ⁴	+ 97,50,000	19,53,22,799
21.07.2005	Allotment of shares on a preferential basis ⁵	+ 41,84,000	19,95,06,799
05.08.2005	Allotment of equity shares against conversion of warrants ⁴	+ 1,11,228	19,96,18,027
19.08.2005	Allotment of equity shares on conversion of 0.5% FCCBs ¹	+ 22,86,224	20,19,04,251
31.03.2006	Allotment of equity shares on conversion of warrants ⁶	+ 1,04,16,000	21,23,20,251
07.08.2006	Allotment of shares to shareholders of Reliance Energy Ventures Limited (REVL) pursuant to the scheme of amalgamation between RInfra and REVL	+ 9,17,34,781	30,40,55,032
07.08.2006	Shares held by REVL in the Company extinguished pursuant to the scheme of amalgamation between RInfra and REVL in the ratio of 15 shares of RInfra for 200 shares of REVL	- 9,09,24,724	21,31,30,308
30.01.2007	Allotment of shares on conversion of warrants ⁶	+ 1,54,00,000	22,85,30,308
15.10.2007	Allotment of shares on conversion of FCCBs ⁷	+ 79,99,954	23,65,30,262
01.04.2008	Extinguishment of shares consequent to Buy-back ^{8 & 9}	- 1,12,60,000	22,52,70,262
31.03.2010	Allotment of shares on conversion of warrants ¹⁰	+ 1,96,00,000	24,48,70,262
07.01.2011	Allotment of shares on conversion of warrants ¹⁰	+ 2,25,50,000	26,74,20,262
21.04.2011	Extinguishment of shares consequent to Buy-Back ¹¹	- 44,30,262	26,29,90,000
to			
13.02.2012			
31.03.2012	Total Number of equity shares		26,29,90,000

11 Extinguishment of shares consequent to Buy-back (Board Approval)

Dates	No. of Shares	Total No. of Shares	Dates	No. of Shares	Total No. of Shares
21.04.2011	2,99,979	2,67,120,283	16.06.2011	25,000	2,655,95,262
27.04.2011	2,99,926	26,68,20,357	24.06.2011	1,25,000	26,53,70,262
04.05.2011	4,00,095	26,64,20,262	01.07.2011	50,000	26,53,20,262
13.05.2011	4,00,000	26,60,20,262	07.07.2011	25,000	26,53,95,262
20.05.2011	1,00,000	26,59,20,262	13.07.2011	25,000	26,53,70,262
26.05.2011	1,00,000	26,58,20,262	22.07.2011	25,000	26,52,45,262
02.06.2011	2,00,000	26,57,20,262	03.08.2011	50,000	26,52,95,262
10.06.2011	1,00,000	26,56,20,262	10.08.2011	25,000	26,52,70,262

Investor Information

Dates	No. of Shares	Total No. of Shares
25.08.2011	7,04,503	26,44,65,759
03.09.2011	5,25,000	26,40,40,759
09.09.2011	1,36,140	26,39,04,619
16.09.2011	34,357	26,38,70,262
23.09.2011	1,00,000	26,36,70,262
08.10.2011	1,50,000	26,35,20,262
15.10.2011	25,000	26,34,95,262
21.10.2011	25,000	26,34,70,262
04.11.2011	50,000	26,34,20,262
12.11.2011	25,000	26,33,95,262
17.11.2011	2,00,000	26,31,95,262
25.11.2011	25,000	26,31,70,262
03.12.2011	25,000	26,31,45,262
09.12.2011	25,000	26,31,20,262
16.12.2011	25,000	26,30,95,262
27.12.2011	25,000	263070,262
05.01.2012	35,000	26,30,35,262
13.01.2012	10,000	26,30,25,262
20.01.2012	10,000	26,30,15,262
27.01.2012	10,000	26,30,05,262
04.02.2012	10,000	26,29,95,262
18.02.2012	5,262	26,29,90,000

Notes:

- Equity Shares were allotted on conversion of 0.5 per cent Foreign Currency Convertible Bonds (FCCBs). These FCCBs were convertible into Equity Shares at a pre-determined price of ₹ 245 from September 25, 2002 to September 25, 2007 at pre-determined exchange rate of US\$ 1 = ₹ 48.35. The entire outstanding 0.5 per cent FCCBs were converted into equity shares during the year 2005-06.
- Issued at ₹ 640 per share.
- Allotment of these shares was kept in abeyance to meet contingencies arising out of shares held by notified persons, pending court cases etc., and the allotments were made upon orders passed by courts / with the approval of stock exchanges.
- Warrants converted into Equity Shares at a price of ₹ 640 per share.
- Issued at ₹ 573 per share.
- Warrants converted into Equity Shares at a price of ₹ 573 per share.
- 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, AAA Project Ventures Private Limited (AAPVP). 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, AAPVP 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 up to February 13, 2012.

Stock Price and Volume

2011-2012	BSE Limited			National Stock Exchange of India Ltd.			GDRs	
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)	High	Low
	₹	₹	Nos.	₹	₹	Nos.	US \$	US\$
April, 2011	710.00	650.00	58,72,977	689.95	648.50	1,94,75,108	47.17	44.43
May, 2011	669.75	527.55	54,92,903	669.90	526.50	2,24,46,754	44.83	35.11
June, 2011	586.40	516.60	64,55,242	586.40	515.45	3,02,67,079	38.84	34.78
July, 2011	600.45	536.30	42,42,884	601.00	353.60	1,85,91,583	39.82	36.49
August, 2011	577.00	403.20	58,66,088	578.80	402.00	2,67,16,239	38.10	27.04
September, 2011	491.95	366.80	65,37,701	492.00	366.10	3,13,55,132	31.69	22.88
October, 2011	481.80	366.30	51,41,919	481.90	365.35	2,12,96,956	28.60	22.90
November, 2011	490.95	386.60	70,89,908	490.70	386.50	3,04,29,782	28.84	22.53
December, 2011	421.00	335.55	58,78,630	421.30	335.65	2,76,01,344	24.30	19.25
January, 2012	540.75	328.35	1,39,97,629	541.00	328.30	5,48,28,390	32.51	19.84
February, 2012	653.70	533.25	1,36,95,679	653.65	532.90	5,73,14,729	38.94	32.98
March, 2012	679.70	554.80	1,71,33,821	679.75	554.25	7,23,96,615	39.58	33.16

Issue Price per GDR US\$ 14.40.

Each GDR represents 3 Equity Shares.

1US\$ = ₹ 50.875 as on March 31, 2012.

Reliance Infrastructure Limited

Investor Information

Stock Exchange listings

The Company's equity shares are actively traded on BSE and NSE, the Indian Stock Exchanges.

Listings on Stock Exchanges

Equity Shares

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001
e-mail : corp.relations@bseindia.com
Website : 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
e-mail : cmlist@nse.co.in
Website : www.nseindia.com

Stock Codes :

BSE (Equity Shares) : 500390
NSE (Equity Shares) : RELINFRA
ISIN : INE036A01016

An Index Scrip: Equity Shares of the Company are included in the indices viz. BSE-100, BSE-200, BSE-500, BSE-Power, BSE GREEN CX, BSE Dollex, CNX Infrastructure, CNX Service Sector, S&P CNX 500, S&P CNX Nifty Index, S&P CNX Defty.

Global Depository Receipts (GDRs)

The London Stock Exchange (LSE)
10, Paternoster Square,
London EC4M 7 LS, United Kingdom
Telephone : 0044-020-7797 1000
Fax : 0044-020-7334 8954
e-mail : irinfo@londonstockexchange.com
Website : www.londonstockexchange.com

Debt Securities

Following Debt Securities are listed on the Wholesale Debt Market (WDM) segment of NSE and F Group Instrument Segment of BSE.

Sr No	Debentures (in series)	ISIN	Date of Allotment	Date of Maturity	Total Issue Size (₹ crore)
1	6.70% Non Convertible Debentures – Series 3	INE036A07039	19.08.2003	19.08.2018	125
2	6.35% Non Convertible Debentures – Series 1	INE036A07021	28.07.2003	28.07.2013	250
3	5.95% Non Convertible Debentures – Series 2A	INE036A07047	28.07.2003	28.07.2013	100
4	5.60% Non Convertible Debentures – Series 2B	INE036A07054	28.07.2003	28.07.2013	150
5	11.55% Non Convertible Debentures – Series 4	INE036A07096	24.02.2009	24.02.2019	850
6	10.50% Non Convertible Debentures – Series 5	INE036A07104	27.01.2012	27.07.2018	585
7	10.25% Non Convertible Debentures – Series 6	INE036A07112	27.01.2012	27.01.2018	50
8	11.40 % Unsecured Non Convertible Debentures –Series 7	INE036A08052	29.03.2012	29.09.2013	300
9	11.15 % Secured Redeemable Non Convertible Debentures – Series 8	INE036A07120	30.03.2012	30.03.2016	121
10	11.15 % Secured Redeemable Non Convertible Debentures – Series 9	INE036A07138	30.03.2012	30.03.2017	120
11	11.15 % Secured Redeemable Non Convertible Debentures – Series 10	INE036A07146	30.03.2012	30.03.2018	124

1. Depository

The Bank of New York Mellon
No. 35 & 36, 3rd floor, Building No.3
North Avenue, Maker Maxity
Bandra Kurla Complex
Bandra (East), Mumbai 400 050

The Bank of New York Mellon
101 Barclay Street 22nd Floor
West New York NY 10286

2. Custodian

ICICI Bank Limited
Securities Market Services
Empire Complex,
F7/E7 1st Floor, 414 S B 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

Note:

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 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, 2012 represents 14,00,294 equity shares constituting 0.53 per cent of the paid-up equity share capital of the Company.

Investor Information

Debenture Trustees

Axis Bank Limited	IDBI Trusteeship Services Limited
Axis House	Asian Building, Ground Floor 17,
Bombay Dyeing Mills	R Kamani Marg
Compound	Ballard Estate,
Pandurang Budhkar Marg	Mumbai 400 001
Worli, Mumbai 400 025	

Payment of Listing Fees

Annual Listing fees for the year 2012-13 (as applicable) has been paid by the Company to the stock exchanges in India.

Buy-back of Equity Shares of the Company

The Board at its meeting held on February 14, 2011, had approved buy-back of its fully paid up equity shares of ₹ 10 each to the extent of less than 10 per cent of the total paid up equity share capital and free reserves of the Company from the existing owners of equity shares from the open market through stock exchanges at a price not exceeding ₹ 725 per share for an aggregate amount of not exceeding ₹ 1000 crore. The buy-back commenced from April 11, 2011 and remained opened up to February 13, 2012.

Since the opening of buy-back offer from April 11, 2011, the Company has bought – back 44,30,262 equity shares till the closure of buy-back (February 13, 2012) for a total consideration of ₹ 234.32 crore, at an average price of ₹ 528.91 per share.

Share Price Performance in a comparison with broad based indices – BSE Sensex and NSE Nifty

	RInfra	Sensex BSE	Nifty NSE
FY 2011-12	- 14.62	- 10.50 per cent	- 9.23 per cent
2 years	- 41.18	- 0.70 per cent	0.88 per cent
3 years	13.95	79.27 per cent	75.29 per cent

Key Financial Reporting Dates for the Financial Year 2012-13

Quarter ending June 30, 2012	: On or before August 14, 2012
Quarter ending September 30, 2012	: On or before November 14, 2012
Quarter ending December 31, 2012	: On or before February 14, 2013
Audited results for the financial year 2012-13	: On or before May 30, 2013

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, 4th and 5th Floors, Kamala Mills Compound, Senapati Bapat

Marg, Lower Parel, Mumbai 400 013. Telephone : +91 22 24994200, Fax: +91 22 24972993/24976351, e-mail : info@nsdl.co.in, website: www.nsdl.co.in or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400 001 Telephone: +91 22 2272 3333 Fax: +91 22 22723199/2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com

Communication to members

The quarterly financial results of the Company were announced within 45 days of the end of the respective quarter during the year under review. The Company's media releases and details of significant developments are made available on the Company's website: www.rinfra.com. These are also published in leading newspapers.

Reconciliation of share capital

The Securities and Exchange Board of India has directed that all issuer Companies shall submit a certificate 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.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company.

Queries relating to financial statements of the Company may be addressed to:

The Chief Financial Officer
Reliance Infrastructure Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Telephone : +91 22 3038 6290
Fax : +91 22 303 86178
Email : rinfra.investor@relianceada.com

Correspondence on investor services may be addressed to :

The Company Secretary
Reliance Infrastructure Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Telephone : +91 22 3038 6290
Fax : +91 22 303 86178
Email : rinfra.investor@relianceada.com

Plant Locations

Dahanu Power Plant

BSES Nagar
Rajiv Ghandhi Marg
Dahanu Road 401 602
Thane District
Maharashtra

Samalkot Power Plant

Industrial Devp. Area
Pedapuram
Samalkot 533 440
Andhra Pradesh

Goa Power Plant

Opp. Sancoale
Industrial Estate
Zuarinagar 403 726
Sancoale
Mormugao, Goa

Wind Farm

Near Aimangala
577 558
Chitradurga District
Karnataka

Reliance Infrastructure Limited

Report of the Independent Auditors on the Abridged Financial Statements

To,
The Members of Reliance Infrastructure Limited

The accompanying Abridged Financial Statements, which comprise the Abridged Balance Sheet as at March 31, 2012, the Abridged Statement of Profit and Loss, and Abridged Cash Flow Statement for the year then ended, and related notes, are derived from the Audited Financial Statements of Reliance Infrastructure Limited ("the Company") for the year ended March 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated May 25, 2012. Those financial statements, and the Abridged Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The Abridged Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") [applied in the preparation of the Audited financial statements of the Company]. Reading the Abridged Financial Statements, therefore, is not a substitute for reading the Audited Financial Statements of the Company.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of the Abridged Financial Statements prepared pursuant to Rule 7A of the of the Companies (Central Government) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 from the Audited Financial Statements of the Company prepared in accordance with [Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and accounting principles generally accepted in India].

Auditors' Responsibility

Our responsibility is to express an opinion on the Abridged Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Emphasis of matter paragraph in the Auditors Report on the Audited Financial Statements

The auditors' report on the Audited Financial Statements contains an Emphasis of Matter paragraph, the description of which is as under:

1. Without qualifying our opinion, we draw attention to Note no. 10 of the Abridged Financial Statements regarding the Scheme of amalgamation 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 order dated March 30, 2011, wherein the Company, as determined by its Board of Directors, is permitted to adjust the exceptional items debited to the Statement of Profit and Loss by a corresponding withdrawal from 'Provision for Extraordinary and Exceptional items' created out of General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Company has during the year identified exceptional items aggregating to ₹ 933.42

Crore which has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from the Provision for Extraordinary and Exceptional items and credited to Statement of Profit and Loss as per the Scheme. Had the Scheme not prescribed the above treatment, profit before tax would have been lower by ₹ 933.42 Crore and General Reserve would have been higher by equivalent amount.

2. Without qualifying our opinion, we draw attention to Note no. 9 of the Abridged Financial Statements detailing the accounting treatment given to the Scheme of arrangement between five wholly owned subsidiaries and the Company and demerger of container business of another wholly owned subsidiary with the Company, sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated April 20, 2012. Pursuant to the Scheme, all assets and liabilities (Net) amounting to ₹ 1,212.60 Crore, of the subsidiaries have been recorded in the books of the Company at their respective book value, and corresponding equivalent amount is credited to the Capital Reserve and the Company has written off the investments held in five subsidiaries amounting to ₹ 987 Crore in the Statement of Profit and loss and an equivalent amount has been withdrawn from General reserve. Had the Scheme not prescribed the above accounting treatment, General Reserve would have been higher by ₹ 1,212.60 Crore and Capital Reserve would have been lower by an equivalent amount.

Opinion

In our opinion, the Abridged Financial Statements prepared pursuant to Rule 7A of the Companies (Central Government) General Rules and Forms 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 is derived from the Audited financial statements of the Company for the year ended March 31, 2012 and are a fair summary of those financial statements in accordance with [Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and accounting principles generally accepted in India]; as referred above, the Company has exercised the option available as per court orders which overrides the relevant provisions of Accounting Standard 5 (AS- 5).

For Haribhakti & Co.

Chartered Accountants
Firm Regn. No. 103523W

Rakesh Rathi

Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants
Firm Regn. No.107783W

Vishal D. Shah

Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

Auditors' Report on Financial Statements

To the Members of Reliance Infrastructure Limited

1. We have audited the attached Balance Sheet of Reliance Infrastructure Limited (the "Company") as at March 31, 2012, the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Without qualifying our opinion, we draw attention to Note no. 35 of the financial statements regarding the Scheme of amalgamation 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 order dated March 30, 2011, wherein the Company, as determined by its Board of Directors, is permitted to adjust the exceptional items debited to the Statement of Profit and Loss by a corresponding withdrawal from 'Provision for Extraordinary and Exceptional items' created out of General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Company has during the year identified exceptional items aggregating to ₹ 933.42 Crore which has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from the Provision for Extraordinary and Exceptional items and credited to Statement of Profit and Loss as per the Scheme. Had the Scheme not prescribed the above treatment, profit before tax would have been lower by ₹ 933.42 Crore and General Reserve would have been higher by equivalent amount.
5. Without qualifying our opinion, we draw attention to Note no. 34 of the financial statements detailing the accounting treatment given to the Scheme of arrangement between five wholly owned subsidiaries and the Company and demerger of container business of another wholly owned subsidiary in the Company, sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated April 20, 2012. Pursuant to the Scheme, all assets and liabilities (Net) amounting to ₹ 1,212.60 Crore, of the subsidiaries have been recorded in the books of the Company at their respective book value, and corresponding equivalent amount is credited to the Capital Reserve and the Company has written off the investments held in five subsidiaries amounting to ₹ 987 Crore in the Statement of Profit and loss and an equivalent amount has been withdrawn from General reserve. Had the Scheme not prescribed the above accounting treatment, General Reserve would have been higher by ₹ 1,212.60 Crore and Capital Reserve would have been lower by an equivalent amount.
6. Further to our comments in the Annexure referred to in paragraph 3, 4 & 5 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act; as referred in paragraph (4) above, the Company has exercised the option available as per court orders which overrides the relevant provisions of Accounting Standard 5 (AS- 5).
 - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
Firm Regn. No. 103523W

Rakesh Rathi
Partner
Membership No. 45228
Date : May 25, 2012
Place : Mumbai

For Pathak H. D. & Associates
Chartered Accountants
Firm Regn. No.107783W

Vishal D. Shah
Partner
Membership No. 119303

Reliance Infrastructure Limited

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of Reliance Infrastructure Limited on the financial statements for the year ended March 31, 2012

- (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 3 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) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) 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.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has neither granted nor taken any loan, secured or unsecured, from any company, firm or other party covered in the register maintained under Section 301 of the Act. Accordingly, provisions of clause 4(iii)(b)(c)(d)(f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and 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.
- (ix) (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, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (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, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2012 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	129.96*	2004-2005	Divisional Bench of Delhi High Court
Works Contract Act, 1999	Works Contract Tax	0.05	2004-2005	Deputy Commissioner (Appeal IV) of Sales Tax, New Delhi
Orissa Sales Tax Act, 1947	Sales Tax	3.46 **	2001-2002	Sales Tax Tribunal, Cuttack
Finance Act, 1994	Service Tax	2.71	2004-2006	Customs, Excise and Service Tax Appellate Tribunal, New Delhi

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of Reliance Infrastructure Limited on the financial statements for the year ended March 31, 2012

Name of the statute	Nature of dues	Amount (₹ Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,276.03 (for which the tax authorities are the appellant)	A.Y. 1978-1979, 1988-1989, 1996-1997, 1998-1999, 1999-2000, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2007-2008	Bombay High Court
Income Tax Act, 1961	Income Tax	382.16	A.Y 2006-2007 and 2008-2009	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.02	A.Y 1999-2000	Income Tax Appellate Tribunal, Hyderabad
The Water (Prevention and Control Pollution) Cess Act, 1977	Water Cess	0.73	1998-1999	Bombay High Court
* Includes amount of ₹ 7.50 crore paid under protest. * As per the terms of the contract the amount is recoverable from the customers. ** Includes amount of ₹ 0.55 crore paid under protest.				

- (x) The Company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) 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 dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xvi) 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 obtained except for term loans aggregating ₹ 600 Crore obtained from banks for capital expenditure which, as explained, pending utilization is invested in fixed deposit with banks and in mutual fund units.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has created security or charge in respect of debentures issued and outstanding at the year-end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management except in case of theft of electricity reported by the vigilance department of the Company, the amount of which, as informed to us, is not material.

For Haribhakti & Co.
Chartered Accountants
Firm Regn. No. 103523W

For Pathak H. D. & Associates
Chartered Accountants
Firm Regn. No.107783W

Rakesh Rathi
Partner
Membership No. 45228
Date : May 25, 2012
Place : Mumbai

Vishal D. Shah
Partner
Membership No. 119303

Reliance Infrastructure Limited

Abridged Balance Sheet as at March 31, 2012

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

	As at March 31, 2012 ₹ Crore	As at March 31, 2011 ₹ Crore
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Paid-up Share Capital		
(i) Equity	263.03	267.46
(b) Reserves and Surplus		
(i) Capital Reserves	2,289.59	1,057.77
(ii) Revaluation Reserve	504.48	481.88
(iii) Statutory Reserves	425.87	414.75
(iv) Debenture Redemption Reserve	205.14	156.38
(v) Other Reserves	-	563.45
(vi) Securities Premium Reserve	8,825.09	9,055.54
(vii) Revenue Reserve	5,408.74	5,270.14
(viii) Surplus in the Statement of Profit and Loss	618.94	400.14
	<u>18,540.88</u>	<u>17,667.51</u>
(2) Non-current Liabilities		
(a) Long term borrowings	4,599.38	2,143.93
(b) Deferred tax liabilities (Net)	449.52	99.03
(c) Other Long term liabilities	4,929.87	6,335.07
(d) Long term provisions	380.00	610.00
	<u>10,358.77</u>	<u>9,188.03</u>
(3) Current Liabilities		
(a) Short term borrowings	4,548.35	219.96
(b) Trade payables	3,824.62	1,829.42
(c) Other current liabilities	5,879.70	5,931.04
(d) Short-term provisions	227.27	676.06
	<u>14,479.94</u>	<u>8,656.48</u>
	<u>43,379.59</u>	<u>35,512.02</u>
II. ASSETS		
(1) Non-current Assets		
(a) Fixed assets		
(i) Tangible assets (Original cost less depreciation)	4,645.96	3,788.81
(ii) Intangible assets (Original cost less depreciation/amortisation)	2,426.01	2,417.16
(iii) Capital work-in-progress	681.91	637.68
(b) Non-current investments		
(i) Quoted [Market Value ₹ 12,718.70 Crore (₹ 14,163.37 Crore)]	1,811.12	1,828.42
(ii) Unquoted	8,048.19	7,067.13
(c) Long term loans and advances	1,655.69	3,994.75
(d) Other non-current assets	3,996.92	3,499.70
	<u>23,265.80</u>	<u>23,233.65</u>
(2) Current Assets		
(a) Current investments		
(i) Quoted [Market Value ₹ 426.62 Crore (₹ 3,697.63 Crore)]	425.75	3,688.53
(ii) Unquoted	2,500.00	-
(b) Inventories	309.40	290.35
(c) Trade receivables	4,565.59	2,793.13
(d) Cash and Bank Balances	686.07	371.06
(e) Short-term loans and advances	10,141.49	4,802.14
(f) Other current assets	1,485.49	333.16
	<u>20,113.79</u>	<u>12,278.37</u>
	<u>43,379.59</u>	<u>35,512.02</u>

Refer Notes forming part of the Abridged Financial Statements.

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.infra.com

Compiled from the Audited Financial Statements of the Company

referred to in our Report dated May 25, 2012

As per our attached Report of even date

For Haribhakti & Co.

Chartered Accountants
Firm Registration No. 103523W

Rakesh Rathi

Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants
Firm Registration No. 107783W

Vishal D. Shah

Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

For and on behalf of the Board

Anil D Ambani

Sateesh Seth

R R Rai

S S Kohli

C P Jain

Dr V K Chaturvedi

Ramesh Shenoy

Date : June 5, 2012

Place : Mumbai

Chairman

Vice Chairman

Director

Company Secretary and Manager

Abridged Statement of Profit and Loss for the year ended March 31, 2012

(Statement containing salient features of Statement of Profit and Loss as per Section 219(1)(b)(iv) of the Companies Act, 1956)

	Year ended March 31, 2012 ₹ Crore	Year ended March 31, 2011 ₹ Crore
Operating Income		
Revenue from Electricity Business	5,675.31	5,936.97
Revenue from EPC & Contracts Business	11,678.14	3,586.97
Write back of depreciation	227.18	-
Other Operational Revenue	326.04	36.09
Net Revenue from operations	17,906.67	9,560.03
Other Income		
Dividend	55.85	105.86
Interest	513.99	396.24
Miscellaneous Income	138.84	147.81
Other Income	708.68	649.91
Total Revenue	18,615.35	10,209.94
Expenditure		
Cost Of Electrical Energy Purchased	2,459.17	2,802.17
Cost of Fuel consumed	1,548.67	1,301.14
Construction Material Consumed and Sub-Contracting Charges	9,737.69	2,837.16
Employee benefits expense	740.48	762.28
Finance costs	568.10	249.50
Depreciation and amortisation expense	304.61	376.28
Less: Transferred from Revaluation Reserve	29.71	53.96
Less: Transferred from Service Line Contribution	7.13	8.91
	267.77	313.41
Other expenses	1,782.71	809.23
Less : Withdrawn from General Reserve	987.00	-
	795.71	809.23
Total Expenditure	16,117.59	9,074.89
Profit before tax and exceptional items	2,497.76	1,135.05
Exceptional Items	933.42	-
Less: Withdrawal from Provision for Extra-ordinary and exceptional items	933.42	-
	-	-
Profit before tax	2,497.76	1,135.05
Tax expense:		
Current tax	130.00	227.15
Deferred tax (net)	478.37	74.10
Less : Net tax to be recovered in future tariff determination	127.88	132.78
Income Tax for earlier years (net)	17.01	(114.33)
Profit for the year	2,000.26	1,080.91
Earnings per equity share: (Face value of ₹ 10 per share)	Rupees	Rupees
Basic	75.70	43.23
Diluted	75.70	40.51

Refer Notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the Company referred to in our Report dated May 25, 2012

As per our attached Report of even date

For Haribhakti & Co. Chartered Accountants Firm Registration No. 103523W	For Pathak H. D. & Associates Chartered Accountants Firm Registration No. 107783W
---	--

Rakesh Rathi
 Partner
 Membership No. 45228
 Date : June 5, 2012
 Place : Luzern

Vishal D. Shah
 Partner
 Membership No. 119303
 Date : June 5, 2012
 Place : Mumbai

For and on behalf of the Board

Anil D Ambani Sateesh Seth R R Rai S S Kohli C P Jain Dr V K Chaturvedi Ramesh Shenoy	Chairman Vice Chairman } Director Company Secretary and Manager
--	--

Date : June 5, 2012
 Place : Mumbai

Reliance Infrastructure Limited

Abridged Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 ₹ Crore	Year ended March 31, 2011 ₹ Crore
Cash flows from Operating activities	(446.12)	1,613.06
Cash flows from Investment activities	(3,097.53)	(2,449.59)
Cash flows from financing activities	3,858.58	905.76
Net Increase in cash and cash equivalents	314.93	69.23
Cash and cash equivalents as at the commencement of the year (Opening Balance)	371.06	301.82
Cash and cash equivalents received on Scheme of Arrangement	0.08	0.01
Cash and cash equivalents as at the end of the year (Closing Balance) *	686.07	371.06
Net Increase as disclosed above	314.93	69.23

* Including Cash Collateral of ₹ Nil (₹ 107.93 Crore) and Fixed Deposit of ₹ 50 crore (₹ Nil) held as security deposit with banks at March 31, 2012.

Compiled from the Audited Financial Statements of the Company referred to in our Report dated May 25, 2012

As per our attached Report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration No. 107783W

Rakesh Rathi
Partner
Membership No. 45228

Vishal D. Shah
Partner
Membership No. 119303

Date : June 5, 2012
Place : Luzern

Date : June 5, 2012
Place : Mumbai

For and on behalf of the Board

Anil D Ambani
Sateesh Seth
R R Rai
S S Kohli
C P Jain
Dr V K Chaturvedi
Ramesh Shenoy

Chairman
Vice Chairman

} Director

Company Secretary and Manager

Date : June 5, 2012
Place : Mumbai

Notes to Abridged Financial Statements

1. Significant Accounting Policies:

(a) Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), the relevant provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006 (as amended). Assets and Liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in Note No.2 and accounting for foreign currency transactions as explained in Note 1(e) below.

(b) Financial Statements: Presentation and Disclosures

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. Except for accounting for dividend on investments in subsidiary companies (Refer Note 2(a)), the adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Financial Statements contain the information and disclosures mandated by Revised Schedule VI, applicable Accounting Standards, other applicable pronouncements and regulations.

(c) Use of Estimate:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

(d) Revenue Recognition Policy:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognized.

(i) Electricity Business:

Revenue from sale of electrical energy 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 unbilled revenue carried forward in the Balance Sheet as Regulatory Assets. 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.

The Company determines revenue gaps (i.e. surplus / shortfall in actual returns over assured returns) in respect of its regulated operations 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. In respect of such revenue gaps, appropriate adjustments 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 representing revenue gaps are carried forward as Regulatory Assets / Regulatory Liabilities and are classified as Current/ Non Current Assets / Liabilities, as the case may be, which would be recovered / refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

(ii) EPC and Contracts Business:

In respect of construction contracts, revenue is recognised on the percentage of completion method based on the stage of completion of a contract upto the reporting date.

The stage of completion of a contract is determined as a proportion that the progress billings raised by the Company on the basis of joint measurement and works certified by the customers up to the reporting date as per the terms of the contract, bear to the total contract value.

Revenue from Construction Contract is recognised by adding the aggregate cost incurred on the contract till reporting period and the proportionate profit using the Percentage Completion Method. Profit proportionate to the value of work done upto reporting date is determined as a percentage of the Profit estimated to arise on completion of the entire contract, after deduction of Contingency.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

Profit is recognised only when the outcome of the contract can be estimated reliably. When the construction contract is expected to result in a loss on completion of the entire contract, the entire loss is recognized as an expense immediately in the same reporting period.

Contract in progress is valued at cost plus recognised profit (less recognised losses) upto the reporting date.

In respect of operation and maintenance contracts, revenue proportionate to value of work done or the period elapsed as the case may be, is recognised.

(iii) Others:

Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Income on investments is recognised based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments.

(e) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items (assets and liabilities) are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognised in the Statement of Profit and Loss except in case of gains or losses arising on long term foreign currency monetary items, the accounting treatment for which is as under:

In accordance with Government of India, Ministry of Corporate affairs notification (GSR No.914(E) dated December 29, 2011) in respect of accounting year commencing on or after April 1, 2011, the Company has exercised the option and 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.

- (iii) In respect of integral foreign operations of the Company, its fixed assets are translated at the rate on the date of acquisition, monetary assets and monetary liabilities are translated at the rate on the date of the balance sheet and income and expenditure are translated at the average of month-end rates during the year.
- (iv) 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 losses on an overall basis (including reversal of losses for earlier periods), if any, are recognised in the Statement of Profit and Loss. Net gain, if any, is ignored.

(f) Fixed Assets:

Tangible Assets

- (i) Cost comprises cost of acquisition or construction of assets (excluding revalued assets) including borrowing costs attributable to bringing the assets to their intended use.
- (ii) All project related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under Capital Work-in-Progress (CWIP). These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. Acquisition cost of residual interest in the monthly cash flow of the toll road businesses have been accounted as intangible assets.

(g) Depreciation / Amortisation:

- (i) Electricity Business:

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed as per the Electricity Regulations relating to license business and other electricity business. The depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the contributions received from consumers.

Notes to Abridged Financial Statements

Depreciation on revalued assets is charged over the balance residual life of the assets considering the life prescribed as per the Electricity regulations.

(ii) EPC and Contracts Business:

Fixed assets of EPC Business have been depreciated under the reducing balance method at the rates and in the manner prescribed in Schedule XIV to the Act.

(iii) Other Activities:

Fixed assets of other activities have been depreciated under the straight line method at the rates and in the manner prescribed in Schedule XIV to the Act.

(iv) Intangible Assets:

(i) Softwares pertaining to the electricity 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) Intangible Assets representing acquisition of Residual Interest in Toll Businesses are amortised over a contract period ranging from 12 to 15 years, on the basis of projected revenue which reflects the pattern, which is beyond the maximum period of 10 years, as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Company over such period as per the agreements entered.

(iii) The container trains license fee is amortised over 20 years being the life of the license which is beyond the maximum period of 10 years, as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Company over such period.

(h) Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are recognised at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(i) 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 realisable 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.

(j) Allocation of Indirect Expenses:

(i) Electricity 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.

(k) Employee Benefits:

Contributions to defined contribution schemes such as provident fund, superannuation funds etc. are charged to Statement of Profit and Loss / Capital Work-in-Progress, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to Statement of Profit and Loss / Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries.

(l) Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(m) Accounting for Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(n) Provisions:

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(o) 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(p) Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(q) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash on hand and demand deposits with bank.

(r) Accounting for Oil and Gas Activity:

The Company follows "successful efforts method" for accounting of oil and gas exploration activities as set out by the guidance note issued by the Institute of Chartered Accountants of India on 'Accounting for Oil and Gas Producing Activities'. The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred.

(s) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Act.

2. Change in accounting policy:

(a) Dividend on investment in subsidiary company:

Till the year ended March 31, 2011, the Company, in accordance with the pre-revised Schedule VI requirement was recognizing dividend declared by subsidiary companies after the reporting date in current year's Statement of Profit and Loss if such dividend pertained to the period ending on or before the reporting date. The Revised Schedule VI, applicable for financial years commencing on or after April 01, 2011, does not contain this requirement. Hence, the Company has changed its accounting policy for recognition of dividend income from subsidiary companies. In accordance with the revised policy, which is also in compliance with AS 9 Revenue Recognition, the Company recognizes dividend as income only when the right to receive the same is established by the reporting date.

(b) Depreciation on Fixed Assets pertaining to Electricity Business:

Pursuant to the General Circular No. 31 / 2011 (No.51/23/2011-CL-III) dated May 31, 2011 from Ministry of Corporate Affairs, it was clarified that the rates of depreciation and methodology notified under Electricity Act, 2003 for electricity business prevails over the rates notified under Schedule XIV to the Companies Act, 1956. As the rates prescribed under the Electricity Act being a special Act and specific for the industry prevails over the general rates prescribed under Schedule XIV to the Companies Act, 1956 applicable to all types of industries, the Company has revised its accounting policy and

Notes to Abridged Financial Statements

methodology relating to charging of depreciation with effect from April 1, 2009 following the rates and methodology notified by the respective electricity regulators. The Company has obtained legal opinion in support of adopting revised accounting policy. Accordingly, accumulated depreciation of ₹ 227.18 Crore, after transfer of ₹ 52.31 Crore to revaluation reserve and ₹ 4.97 Crore to service line contribution reserve being the write back pertaining to the revalued portion / service line assets for the years 2009-10 and 2010-11 has been written back during the current financial year and included in Other Operating Income. Similarly, the depreciation charge for the current year ended March 31, 2012 is lower and profit before tax is higher by ₹ 55.96 Crore on account of such change.

3. (Note No.27 of Notes to Financial Statements)

(a) Contingent Liabilities:

- (i) Counter guarantees given to banks against guarantees issued by the banks on behalf of the jointly controlled operations aggregate to ₹ 9.58 Crore (₹ 19.91 Crore) and for subsidiaries and associates ₹ 385.75 Crore (₹ 385.75 Crore).
- (ii) Corporate Guarantees given to banks and other parties aggregating ₹ 2,620.74 Crore (₹ 2,923.97 Crore) in respect of financing facilities granted to subsidiaries /associates/ other body corporates (including in respect of joint venture ₹ 2.45 Crore (₹ 2.45 Crore).
- (iii) Claims against the Company not acknowledged as debts and under litigation aggregates to ₹ 1,947.94 Crore (₹ 1,459.82 Crore). These include claim from suppliers aggregating to ₹ 293.53 Crore (₹ 268.48 Crore), income tax claims ₹ 1,524.99 Crore (₹ 1,061.92 Crore), other claims ₹ 6.95 Crore (₹ 6.95 Crore) and claims of ₹ 122.47 Crore (₹ 122.47 Crore) from sales tax authorities which, if materialised, will be recovered from the customers.
- (iv) 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. The Company is legally advised that it is in compliance with the regulations under the Foreign Exchange Management Act, 1999. Accordingly, no provision is considered necessary in this regard.

(b) Capital and Other Commitments:

- (i) Estimated amount of contracts remaining unexecuted on capital account and not provided for ₹ 299.81 Crore (₹ 53.55 Crore).
- (ii) Uncalled liability on partly paid shares ₹ 10.70 Crore (₹ 83.83 Crore).
- (iii) The Company has given equity / fund support 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.

4. Deferred Tax Liabilities (Net)

(Note No.6 of Notes to Financial Statements)

Particulars	As at March 31, 2012 ₹ Crore	As at March 31, 2011 ₹ Crore
Deferred Tax Liability on account of:		
Depreciation difference	793.08	481.93
Regulatory Income	82.47	-
	<u>875.55</u>	<u>481.93</u>
Deferred Tax Assets on account of:		
Provisions	164.72	250.05
Disallowance under section 40(a) of the Income Tax Act, 1961	0.65	0.07
	<u>165.37</u>	<u>250.12</u>
	710.18	231.81
Less : Tax to be recovered in future tariff determination	260.66	132.78
Net Deferred Tax Liability	<u>449.52</u>	<u>99.03</u>

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

5. Related Party Disclosure :

(Note No.30 of Notes to Financial Statements)

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

(a) Parties where control exists:

Subsidiaries (including step down subsidiaries)	(a)	Reliance Power Transmission Limited (RPTL)
	(b)	Western Region Transmission (Gujarat) Private Limited (WRTG)
	(c)	Western Region Transmission (Maharashtra) Private Limited (WRTM)
	(d)	Talcher – II Transmission Company Limited (TTCL)
	(e)	North Karanpura Transmission Company Limited (NKTCCL)
	(f)	Reliance Infraventures Limited (RInvL)*
	(g)	BSES Kerala Power Limited (BKPL)
	(h)	Noida Global SEZ Private Limited (NGSPL)
	(i)	Reliance Energy Trading Limited (RETL)
	(j)	Mumbai Metro One Private Limited (MMOPL)
	(k)	Parbati Koldam Transmission Company Limited (PKTCL)
	(l)	Delhi Airport Metro Express Private Limited (DAMEPL)
	(m)	CBD Tower Private Limited (CBDTPL)
	(n)	Tulip Realtech Private Limited (TRPL)
	(o)	Reliance Energy Generation Limited (REGL)*
	(p)	Reliance Energy Limited (REL)*
	(q)	Reliance Property Developers Limited (RPDL)*
	(r)	Reliance Goa and Samalkot Power Limited (RGSPL)*
	(s)	DS Toll Road Limited (DSTL)
	(t)	NK Toll Road Limited (NKTL)
	(u)	SU Toll Road Private Limited (SUTL)
	(v)	TD Toll Road Private Limited (TDTL)
	(w)	TK Toll Road Private Limited (TKTL)
	(x)	GF Toll Road Private Limited (GFTL)
	(y)	KM Toll Road Private Limited (KMTL)
	(z)	PS Toll Road Private Limited (PSTL)
	(aa)	HK Toll Road Private Limited (HKTL)
	(bb)	DA Toll Road Private Limited (DATL)
	(cc)	Reliance Cement Company Private Limited (Formerly Reliance Cementation P. Ltd) (RCPL)
	(dd)	Reliance Cement and Infra Private Limited (RCIPL)
	(ee)	Reliance Cement Corporation Private Limited (RCCPL)
	(ff)	Reliance Cement Works Private Limited (RCWPL)
	(gg)	Utility Infrastructure and Works Private Limited (UIWPL)
	(hh)	Reliance Concrete Private Limited (RCOPL)
	(ii)	Reliance Airport Developers Private Limited (RADPL)
	(jj)	Latur Airport Private Limited (LAPL)
	(kk)	Baramati Airport Private Limited (BAPL)
	(ll)	Nanded Airport Private Limited (NAPL)
	(mm)	Yavatmal Airport Private Limited (YAPL)
	(nn)	Osmanabad Airport Private Limited (OAPL)
	(oo)	Reliance Infrastructure Engineers Private Limited (RIEPL) w.e.f. March 25, 2011
	(pp)	Reliance Sealink One Private Limited (RSOPL)

Notes to Abridged Financial Statements

(b) Other related parties where transactions have taken place during the year:

- | | |
|--|---|
| (i) Associates
(including subsidiaries of associates) | <ul style="list-style-type: none"> (a) Reliance Infrastructure and Consultants Limited (RICL) (upto March 19, 2012) (b) Reliance Power Limited (RePL) (c) Urthing Sobla Hydro Power Private Limited (USHPPL) (d) Rosa Power Supply Company Limited (ROSA) (e) Sasan Power Limited (SPL) (f) Vidarbha Industries Power Limited (VIPL) (g) Chitrangi Power Private Limited (CPPL) (h) Tato Hydro Power Private Limited (THPPL) (i) Siyom Hydro Power Private Limited (SHPPL) (j) Jharkhand Integrated Power Limited (JIPL) (k) Coastal Andhra Power Limited (CAPL) (l) Reliance Coal Resources Private Limited (RCRPL) (m) Samalkot Power Limited (SaPoL) (n) Rajasthan Sun Technique Energy Private Limited (RSTEPL) (o) Dahanu Solar Power Private Limited (DSPPL) (p) Reliance Clean Gen Limited (RCGL) (q) JR Toll Road Private Limited (JR TL) (r) Mumbai Metro Transport Private Limited (MMTPL) (s) Metro One Operation Private Limited (MOOPL) |
| (ii) Joint Ventures | <ul style="list-style-type: none"> (a) BSES Rajdhani Power Limited (BRPL) (b) BSES Yamuna Power Limited (BYPL) (c) Tamilnadu Industries Captive Power Company Limited (TICAPCO) (d) Utility Powertech Limited (UPL) |
| (iii) Investing Party | AAA Project Ventures Private Limited (AAPVPL) |
| (iv) Persons having control over investing party | Shri Anil D. Ambani |
| (v) Key Management Personnel | <ul style="list-style-type: none"> (a) Shri S.C.Gupta (b) Shri Lalit Jalan |
| (vi) Enterprises over which person described in (iv) has significant influence | <ul style="list-style-type: none"> (a) Reliance Communications Limited (RComm) (b) Reliance Innoventures Private Limited (REIL) (c) Reliance Webstores Limited (RWeb) (d) Reliance General Insurance Company Limited (RGI) (e) Reliance Capital Limited (RCap) (f) Reliance Infratel Limited (RInfTL) (g) Reliance Infocomm Infrastructure Private Limited (RIIPL) (h) Reliance Big Entertainment Private Limited (RBig) (i) AAA Sons Private Limited (AAASPL) (j) Reliance Natural Resources Limited (RNRL) (upto October 14, 2010) |

* Merged with the Parent Company

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

(c) Details of transactions during the year and closing balances as at the year end:

Particulars	₹ Crore			
	Subsidiaries	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence	Key Managerial Personnel/ Persons having control over investing party
(a) Statement of Profit and Loss Heads:				
(I) Income:				
(i) Sale of Electricity	150.42	-	-	-
	-	-	-	-
(ii) Gross Revenue from EPC and Contracts Business	830.05	11,601.56	-	-
	958.76	1,615.78	-	-
(iii) Dividend Received	-	1.19	-	-
	-	0.40	-	-
(iv) Rent / Lease Rent earned	-	0.04	0.84	-
	-	-	0.51	-
(v) Interest earned	11.24	5.57	-	-
	12.65	6.09	-	-
(vi) Other Income	-	7.83	0.04	-
	2.05	7.34	4.75	-
(II) Expenses:				
(i) (a) Purchase of Electricity (including Open Access Charges)	61.53	1.09	32.38	-
	541.21	-	-	-
(b) Purchase of Electricity -Compensation Bills / IEX	82.84	-	-	-
	170.33	-	-	-
(ii) Purchase/Services of other items on revenue account	0.39	68.20	15.09	-
	-	1.51	107.03	-
(iii) Purchase of other items on Capital account	0.05	-	-	-
	-	-	0.90	-
(iv) Receiving of Services	-	1.97	-	-
	0.31	29.01	58.63	-
(v) Rent paid	0.01	0.77	4.16	-
	0.01	0.76	1.93	-
(vi) Dividend Paid	-	90.47	0.62	0.10
	-	73.20	0.62	0.10
(vii) Salaries, Commission and Other benefits	-	-	-	7.18
	-	-	-	12.94
(b) Balance Sheet Heads (Closing Balances):				
(i) Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account	1,445.66	2,152.83	28.29	-
	1,605.86	5,304.31	30.85	-
(ii) Investment in Equity Shares / Preference Shares	2,758.80	2,502.47	-	-
	2,649.55	2,012.96	-	-
(iii) ICDs Placed	153.22	-	-	-
	997.41	68.40	-	-
(iv) Subordinate Debts	1,522.38	54.43	-	-
	1,909.57	46.00	-	-
(v) Advance against Investments	22.20	63.98	-	-
	296.58	53.45	-	-
(vi) Trade Receivables, Advance given and other receivables for rendering services	209.35	2,731.07	2.51	-
	278.77	20.78	4.33	-

Notes to Abridged Financial Statements

Particulars	₹ Crore			
	Subsidiaries	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence	Key Managerial Personnel/ Persons having control over investing party
(c) Contingent Liabilities (Closing balances):				
Guarantees and Collaterals	2,155.71	704.84	-	-
	<i>2,101.14</i>	<i>704.84</i>	-	-
(d) Transactions During the Year:				
(i) Guarantees and Collaterals provided	148.69	-	-	-
	<i>208.18</i>	<i>389.00</i>	-	-
(ii) Deposits Given to	166.62	99.32	-	-
	<i>1,034.41</i>	<i>10.95</i>	-	-
(iii) Deposits Returned by	1,013.96	105.20	-	-
	<i>46.36</i>	<i>83.17</i>	-	-
(iv) Recoverable Expenses:-				
(a) incurred for related parties	11.74	2.50	0.01	-
	<i>96.59</i>	<i>1.38</i>	<i>0.20</i>	-
(b) incurred by related parties on our behalf	0.16	10.02	0.04	-
	<i>0.32</i>	-	<i>1.73</i>	-
(v) Investment in Equity Shares / Preference Shares	1,140.55	499.80	-	-
	<i>1,511.40</i>	-	-	-
(vi) Subordinate Debts	251.11	8.43	-	-
	<i>1,210.53</i>	<i>46.00</i>	-	-
(vii) Subordinate Debts received back	871.13	-	-	-
	-	-	-	-
(viii) Advance against Investments	22.50	10.53	-	-
	<i>256.39</i>	<i>53.10</i>	-	-
(ix) Advance against Investments received back	73.29	17.15	-	-
	<i>17.25</i>	-	-	-
(x) Reduction / Cancellation of Investments	54.30	10.29	-	-
	-	-	-	-
(xi) Purchase of Intangible Assets	-	-	-	-
	<i>2,410.00</i>	-	-	-
(xii) Advance received	-	-	-	-
	-	<i>3,137.37</i>	-	-
(xiii) Advance returned	-	100.00	-	-
	-	-	-	-
(xiv) Purchase of Fixed Assets	0.05	-	-	-
	-	-	-	-
(xv) Tax collected at source	-	-	-	-
	<i>48.20</i>	-	-	-
(xvi) Warrants money received	-	-	-	-
	-	<i>1,570.99</i>	-	-
(xvii) Warrants money converted into Equity Shares	-	-	-	-
	-	<i>2,094.65</i>	-	-

Figures in italics represent previous year

Note: The above disclosure does not include transactions with/as public utility service providers, viz, electricity, telecommunications, in the normal course of business.

(d) Details of Material Transactions with Related Party

(i) Transactions during the year (Balance Sheet heads)

Guarantees and Collaterals provided to MMOPL ₹ 148.69 Crore. Deposit given to RICL ₹ 99.32 Crore, RSOPL ₹ 33.74 Crore and MMOPL ₹ 99.73 Crore. Deposits returned by DATL ₹ 630.15 Crore and KMTL ₹ 193.00 Crore, and HKTL ₹ 177.00 Crore. Recoverable Expenses incurred for RCPL ₹ 2.21 Crore and NGSPL ₹ 3.98 Crore. Recoverable Expenses incurred by SPL ₹ 4.03 Crore and SaPoL ₹ 5.77 Crore. Investment in Equity Shares of RCPL ₹ 296.99 Crore, RPTL ₹ 165.73 Crore, BRPL ₹ 284.20 Crore, BYPL ₹ 215.60 Crore and RInVL ₹ 302.83 Crore. Subordinate debt given to DAMEPL ₹ 208.00 Crore. Subordinate debt received back from HKTL ₹ 181.41 Crore, DATL ₹ 493.01 Crore and KMTL ₹ 196.71 Crore. Advance against Investments paid to JRTL ₹ 10.53 Crore and PKTCL ₹ 22.20 Crore. Advance against Investments received back from BYPL ₹ 17.15 Crore, PKTCL ₹ 22.20, RPTL ₹ 16.50 Crore and SUTL ₹ 11.00 Crore. Advances returned to JIPL ₹ 100 Crore. Purchase of Fixed assets from LAPL ₹ 0.05 Crore. Reduction / cancellation of Investments RIEPL ₹ 54.30 Crore and RICL ₹ 10.29 Crore.

(Previous Year: Guarantees and Collaterals provided to JRTL ₹ 389.00 Crore and DATL ₹ 107.89 Crore. Deposit given to HKTL ₹ 177.00 Crore, DATL ₹ 627.00 Crore and KMTL ₹ 193.00 Crore. Deposit returned by RICL ₹ 83.17 Crore and RETL ₹ 35.75 Crore. Recoverable Expenses incurred for REGL ₹ 24.71 Crore and REL ₹ 55.10 Crore. Recoverable Expenses incurred by RComm ₹ 1.67 Crore and BKPL ₹ 0.29 Crore. Investment in Equity Shares of RCPL ₹ 165.14 Crore, RPTL ₹ 376.55 Crore, SUTL ₹ 171.59 Crore and GFTL ₹ 168.62 Crore. Warrants money received from AAAPVPL ₹ 1,570.99 Crore. Warrants money of AAAPVPL converted into equity shares ₹ 2,094.65 Crore. Subordinate debt given to HKTL ₹ 261.60 Crore, DATL ₹ 664.32 Crore and KMTL ₹ 284.60 Crore. Advance against Investments paid to JRTL ₹ 53.10 Crore and PSTL ₹ 237.92 Crore. Advance against Investments received back from RCPL ₹ 17.25 Crore. Purchase of Intangible Assets from DSTL ₹ 355 Crore, NKTL ₹ 275 Crore and PSTL ₹ 1,780 Crore. Tax collected at source from DSTL ₹ 7.10 Crore, NKTL ₹ 5.50 Crore and PSTL ₹ 35.60 Crore. Advances received from CPPL ₹ 1,240.36 Crore, JIPL ₹ 1,000.00 Crore and SaPoL ₹ 787.44 Crore.)

(ii) Balance sheet heads (Closing balance)

Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account CPPL ₹ 1,214.47 Crore, PSTL ₹ 890.00 Crore and CAPL ₹ 726.38 Crore. Investment in Equity RPTL ₹ 542.33 Crore and RePL ₹ 1,720.00 Crore. ICDs placed RSOPL ₹ 33.74 Crore and MMOPL ₹ 99.73 Crore. Subordinate debt PSTL ₹ 259.91 Crore, DATL ₹ 187.35 Crore and DAMEPL ₹ 819.95 Crore. Advance against Investments JRTL ₹ 63.98 Crore and PKTCL ₹ 22.20 Crore. Trade Receivables, Advance given and other receivables for rendering services SaPoL ₹ 2,076.46 Crore and RPTL ₹ 11.83 Crore and SAPL ₹ 529.73 Crore.

(Previous Year: Trade payables, Advances received and other liabilities for receiving of services on revenue and capital account CPPL ₹ 1,220.22 Crore, JIPL ₹ 996.10 Crore, SPL ₹ 1,244.88 Crore, PSTL ₹ 890.00 Crore, SaPoL ₹ 767.94 Crore and CAPL ₹ 732.26 Crore. Investment in Equity RInVL ₹ 568.57 Crore and RePL ₹ 1,720.00 Crore. ICDs placed HKTL ₹ 177.00 Crore, DATL ₹ 627.00 Crore and KMTL ₹ 193.00 Crore. Subordinate debt HKTL ₹ 261.60 Crore, DATL ₹ 664.32 Crore, KMTL ₹ 284.60 Crore and DAMEPL ₹ 611.95 Crore. Advance against Investments JRTL ₹ 53.45 Crore, MMOPL ₹ 36.86 Crore and PSTL ₹ 237.92 Crore. Trade Receivables, Advance given and other receivables for rendering services WRTG ₹ 209.68 Crore, WRTM ₹ 67.03 Crore, REGL ₹ 42.94 Crore and REL ₹ 128.06 Crore.)

(iii) Income heads

Sale of Electricity from RETL ₹ 150.42 Crore. Gross Revenue of EPC and Contracts Division from SPL ₹ 4,269.15 Crore and SaPoL ₹ 5,652.57 Crore. Dividend received from UPL ₹ 1.19 Crore. Rent / Lease rent earned from RComm ₹ 0.76 Crore. Interest earned from WRTG ₹ 5.76 Crore, WRTM ₹ 2.66 Crore, MMOPL ₹ 2.81 Crore and RICL ₹ 5.57 Crore. Other Income RePL ₹ 6.89 Crore.

(Previous Year: Gross Revenue of EPC and Contracts Division from WRTM ₹ 401.04 Crore, SPL ₹ 547.29 Crore, CAPL ₹ 599.43 Crore, GFTL ₹ 278.60 Crore and VIPL ₹ 336.43 Crore. Dividend received from UPL ₹ 0.40 Crore. Rent / Lease rent earned from RComm ₹ 0.51 Crore. Interest earned from WRTG ₹ 5.06 Crore, WRTM ₹ 6.00 Crore and RICL ₹ 6.09 Crore. Other Income RePL ₹ 4.86 Crore, PSTL ₹ 1.88 Crore and RNRL ₹ 4.72 Crore.)

(iv) Expenses heads

Purchase of electricity (including Open access charges) from RETL ₹ 61.53 Crore and REIL ₹ 31.13 Crore. Purchase of Electricity- Compensation Bills / IEX from RETL ₹ 82.84 Crore. Purchase / Services on Revenue account from RGI ₹ 14.82 Crore and RePL ₹ 62.75 Crore. Purchase of other items on Capital account from LAPL ₹ 0.05 Crore. Receiving of Services from RICL ₹ 1.97 Crore. Rent paid to RICL ₹ 0.77 Crore and RIPL ₹ 4.16 Crore. Dividend paid AAAPVPL ₹ 90.47 Crore.

(Previous Year: Purchase / Services on Revenue account from REIL ₹ 27.87 Crore, RNRL ₹ 76.49 Crore. Purchase of electricity (including Open access charges) from RETL ₹ 541.20 Crore. Purchase of Electricity- Compensation Bills / IEX from RETL ₹ 170.33 Crore.)

Notes to Abridged Financial Statements

Purchase of other items on Capital account from RComm ₹ 0.89 Crore. Receiving of Services from REIL ₹ 11.78 Crore, RNRL ₹ 28.71 Crore, RePL ₹ 23.18 Crore and RGI ₹ 18.13 Crore. Rent paid to RICL ₹ 0.76 Crore and RIPL ₹ 1.93 Crore. Dividend paid AAAPVPL ₹ 73.20 Crore.)

- (v) Salaries, Commission and Other Benefits paid / payable to Shri Anil D Ambani ₹ 5.50 Crore (₹ 11.01 Crore), Shri S.C. Gupta ₹ 0.84 Crore (₹ 1.12 Crore) and Shri Lalit Jalan ₹ 0.84 Crore (₹ 0.81 Crore).

6. Segment Reporting:
(Note No.31 of Notes to Financial Statements)

Basis of Preparation: The Company operates in two Business Segments: Electrical Energy and Engineering, Procurement and Contracts (EPC). Business segments have been identified as reportable primary segments in accordance with Accounting Standard-17 Segment Reporting, as prescribed under Companies (Accounting Standards), Rules, 2006, taking into account the organisation and internal reporting structure as well as evaluation of risks and returns from these segments. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Company.

In the case of electrical energy, 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 7.59 MW Windfarm at Chitradurga and also purchases power from third parties and supplies the power through the Company's own distribution grid. The Company supplies power to residential, industrial, commercial and other consumers. EPC segment renders comprehensive value-added services in construction, erection and commissioning.

Geographical Segments: The Company's operations are mainly confined within India. The Company does not have material earnings from business segments outside India. As such there are no reportable geographical segments.

Information about Business Segments – Primary

₹ Crore

Particulars	March 31, 2012			March 31, 2011		
	Electrical Energy	EPC	Total	Electrical Energy	EPC	Total
External Sales	6,217.80	11,688.87	17,906.67	5,969.53	3,590.50	9,560.03
Inter-segment sales	-	-	-	-	-	-
Total Revenue	6,217.80	11,688.71	17,906.67	5,969.53	3,590.50	9,560.03
Result						
Segment Result	1,063.25	1,480.82	2,544.07	552.75	374.30	927.05
Unallocated Income net of unallocable expenses			7.80			61.26
Interest Income (net of Interest Expense)			(54.11)			146.74
Profit before taxation			2,497.76			1,135.05
Taxes			497.50			54.14
Profit after Tax			2,000.26			1,080.91
Other Information						
Segment Assets	8,794.44	15,445.22	24,239.66	8,375.32	11,367.96	19,743.28
Unallocated Assets			19,139.93			15,768.74
Total Assets			43,379.59			35,512.02
Segment Liabilities	1,546.32	12,641.27	14,187.59	1,880.76	10,861.76	12,742.52
Unallocated Liabilities			10,651.12			5,101.91
Total Liabilities			24,838.71			17,844.51
Capital Expenditure *	561.10	246.32		776.14	2,420.21	
Depreciation *	235.92	61.77		360.84	10.48	
Non Cash expenses other than depreciation *	9.43	75.16		4.73	41.97	

(* Only pertaining to the segment)

7. (Note No.32 of Notes to Financial Statements)

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, the Appellate Tribunal of Electricity (ATE) determined the total

Notes to Abridged Financial Statements

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 the Maharashtra Electricity Regulatory Commission (MERC) dated December 12, 2007 in case No. 7 of 2002, TPC has claimed an amount of ₹ 323.87 Crore towards the following:

- (a) 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
- (b) 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) is 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.

8. Revenue from Sale of Electrical Energy and Regulatory Matters:

(Note No.33 of Notes to Financial Statements)

(a) Regulatory Assets

In accordance with accounting policy (Refer Note 1 (d) (i)) the Company has accrued ₹ 254.13 Crore (₹ 461.97 Crore) during the year as unbilled revenue under 'Income from Sale of Electricity' and the cumulative revenue gap as on March 31, 2012 of ₹ 2,318.88 Crore (₹ 2,064.75 Crore) has been shown under assets in the balance sheet. Based on management estimate, an amount of ₹ 300 Crore (₹ 32.34 Crore) being recoverable in the subsequent year has been included in Other Current Assets and the balance amount of ₹ 2,018.88 Crore (₹ 2,032.41 Crore) has been included in Other Non Current Assets.

- (b) 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 ₹ 45.41 Crore (₹ 132.78 Crore) of deferred tax liability for the year arising out of differences in rates of depreciation between MERC and income-tax as "Net tax to be recovered in future tariff determination". Similarly, the deferred tax liability of ₹ 82.47 Crore (₹ Nil) on account of timing difference on taxability of regulatory income accounted in the books is treated as "Net tax to be recovered in future tariff determination".

9. (Note No.34 of Notes to Financial Statements)

Scheme of Arrangement between the Company and Reliance Energy Limited (REL) and Reliance Infraventures Limited (RInvl) and Reliance Goa and Samalkot Power Limited (RGSPL) and Reliance Energy Generation Limited (REGL) and Reliance Property Developers Limited (RPDL) and Reliance Infrastructure Engineers Private Limited (RIEPL)

Pursuant to the approval of Board vide circular resolution dated January 17, 2012 and the sanction of Scheme of Arrangement between REL, RInvl, RGSPL, REGL, RPDL and RIEPL with the Company by the Hon'ble High Court of judicature at Bombay on April 20, 2012, the assets and liabilities of the erstwhile companies REL, RInvl, REGL, RGSPL, RPDL, the wholly owned subsidiaries of the Company were transferred and vested in the Company with effect from the appointed date February 1, 2012 and the assets and liabilities of the Container business of RIEPL, a wholly owned subsidiary were transferred and vested in the Company with effect from the appointed date April 1, 2011.

Notes to Abridged Financial Statements

In accordance with the scheme so sanctioned, the following accounting treatment, inter alia has been given to give effect to the scheme.

- (a) All Assets and Liabilities (Net) amounting to ₹ 1,212.60 Crore, of the Subsidiaries have been recorded in the books of the Company at their respective book value, and corresponding equivalent amount is credited to the Capital Reserve.
- (b) Investments in REL, REGL, RInvl, RGSPL and RPDL amounting to ₹ 987.00 Crore have been written off and an equivalent amount has been withdrawn from the General Reserve. The Company has been legally advised that crediting of the said amount in Statement of Profit and Loss is in compliance with Revised Schedule VI to the Act.

Had the Scheme not prescribed this treatment and the company followed the accounting treatment prescribed under Accounting Standard 14 relating to Accounting for amalgamations, General Reserve would have been higher and Capital Reserve would have been lower by ₹ 1,212.60 Crore (Net).

There were no significant difference in the accounting policies followed between the erstwhile Companies and the Company as on the appointed date.

The figures for the previous year do not include figures for the erstwhile REL, REGL, RInvl, RGSPL and RPDL and accordingly the current year figures are not comparable to those of the previous year.

10. Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Company:

(Note No.35 of Notes to Financial Statements)

The Hon'ble High Court of Judicature of Bombay had sanctioned the above Scheme on March 30, 2011 with appointed date being April 1, 2010. The clause 2.3.8 of the Scheme states that the Board of Directors can withdraw an amount not exceeding ₹ 3,000 Crore out of the General Reserve and which may be reorganised as "Provision for Extraordinary & Exceptional items" to meet up any extraordinary and exceptional items upto March 31, 2013. Any balance remaining in the said account shall be credited back to General Reserve.

During the year, the Company has identified certain Exceptional Items aggregating to ₹ 933.42 Crore consisting of Cancellation of Investments in RIEPL of ₹ 54.31 Crore, Write off of Bad Debts of ₹ 585.00 Crore and Income Accrued on Investment of ₹ 294.11 Crore, which have been debited in the Statement of Profit and Loss and pursuant to the above clause, an equivalent amount has been withdrawn from the "Provision for Extraordinary and Exceptional Items" created out of General Reserve and credited to Statement of Profit and Loss. The Company has been legally advised that crediting of the said amount in Statement of Profit and Loss is in compliance with Revised Schedule VI to the Act. Had the scheme not prescribed the above treatment, the profit before tax for the year would have been lower by ₹ 933.42 Crore and the General Reserve would have been higher by an equivalent amount.

11. (Note No.36 of Notes to Financial Statements)

During the year, in line with the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has exercised the option given in the Paragraph 46A of the Accounting Standard-11 "The Effect of Change 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 Company has carried forward the unamortised portion of ₹ 109.55 Crore as on March 31, 2012 and the same is grouped under 'Other long term liabilities'. Had the Company followed earlier practice of accounting the exchange difference in Statement of Profit and Loss, the profit before tax for the year ended March 31, 2012 would have been higher by ₹ 109.55 Crore.

12. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":

(Note No.37 of Notes to Financial Statements)

The Company has classified various employee benefits as under:

- (A) Defined contribution plans
 - a. Provident fund
 - b. Superannuation fund
 - c. State defined contribution plans
 - Employers' 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. These funds are recognized by the Income tax authorities.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

		₹ Crore	
Sr. No.	Particulars	2011-12	2010-11
(i)	Contribution to Provident Fund	24.03	23.10
(ii)	Contribution to Employee's Superannuation Fund	6.12	6.18
(iii)	Contribution to Employee's Pension Scheme 1995	4.93	4.71
(iv)	Contribution to Employees' State Insurance	1.25	0.28

(B) Defined Benefit Plans

- a. Provident Fund (Applicable to certain employees)
- b. Gratuity
- c. Leave Encashment

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board states benefit involving employee established provident funds, which require interest shortfalls to be recompensed 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 payment liability, if any, gets duly provided for. Pending the issuance of guidance note from the Actuary Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities.

Leave encashment is payable to eligible employees who have earned leave, during the employment and/or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(i)	Discount Rate (Per annum)	8.50%	8.25%	8.50%	8.25%
(ii)	Rate of increase in Compensation levels	7.50%	7.50%	7.50%	7.50%
(iii)	Rate of Return on Plan Assets	8.50%	8.25%	8.50%	8.25%
(iv)	Expected Avg. remaining working lives of employees in no. of Years	15	15	15	15

₹ Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(i)	Changes in present value of obligation				
	Opening Balance of Present Value of Obligation	165.75	146.43	136.51	107.76
	Liability on transfer in / (out) of Employees (Net)	(0.85)	(1.55)	(0.78)	(1.51)
		164.90	144.88	135.73	106.25
	Interest Cost	13.67	12.04	11.26	8.89
	Current Service Cost	10.00	9.39	5.68	4.44
	Benefits Paid	(7.99)	(8.31)	(13.17)	(9.89)
	Actuarial (Gain) / Loss	(2.32)	7.75	2.04	26.82
	Closing Balance of Present Value of Obligation	178.26	165.75	141.54	136.51
(ii)	Changes in Fair Value of plan assets				
	Opening Balance of Present Value of Plan Assets	168.88	137.63	112.53	95.59
	Expected return on Plan assets	13.81	11.33	9.17	7.89
	Contributions	9.85	30.96	31.16	19.89
	Benefits Paid	(7.99)	(8.31)	(13.17)	(9.89)
	Actuarial Gain / (Loss) on Plan assets	(3.18)	(2.73)	(0.79)	(0.95)
	Closing Balance of Fair Value of Plan Assets	181.37	168.88	138.90	112.53
	Plan assets transfer / pending transfer	(2.40)	(1.90)	(1.51)	(1.51)
	Closing Balance of Fair Value of Plan Assets net of pending transfer	178.97	166.98	137.39	111.02
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at March 31, 2012				
	Administered by Reliance Life Insurance Co. Limited / Life Insurance Corporation of India	100%	100%	100%	100%

Notes to Abridged Financial Statements

		₹ Crore			
Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	178.26	165.75	141.54	136.51
	Closing Balance of Fair Value of Plan Assets net of pending transfers	178.97	166.98	137.39	111.02
	(Asset) / Liability recognised in the Balance Sheet	(0.71)	(1.23)	4.15	25.49
(v)	Amounts recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	178.26	165.75	141.54	136.51
	Closing Balance of Fair Value of Plan Assets net of pending transfers	178.97	166.98	137.39	111.02
	Funded (Asset)/ Liability recognised in the Balance Sheet	(0.71)	(1.23)	4.15	25.49
(vi)	Expenses recognised in the statement of Profit and Loss				
	Current Service Cost	10.00	9.39	5.68	4.44
	Interest Cost	13.67	12.04	11.26	8.89
	Expected Return on Plan Assets	(13.81)	(11.33)	(9.17)	(7.89)
	Net Actuarial (Gain) / Loss	0.87	10.48	2.83	27.77
	Expenses recognised in the statement of Profit and Loss	10.73	20.58	10.60	33.21
(vii)	Expected Employer's Contribution for the next year	10.37	10.71	15.00	30.00

Disclosure as required under para 120(n):

		₹ Crore									
Sr. No.	Particulars	Gratuity					Leave Encashment				
		2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
(i)	Present Value of the Defined Benefit Obligation	178.26	165.75	146.43	113.86	95.72	141.54	136.51	107.76	94.98	83.88
(ii)	Fair Value of the Plan Assets	178.97	166.98	137.28	114.39	97.90	137.39	111.02	95.59	72.90	57.66
(iii)	Surplus/ (Deficit) in the Plan	0.71	1.23	(9.15)	0.53	2.18	(4.15)	(25.49)	(12.17)	(22.08)	(26.23)
(iv)	Experience adjustments on Plan Liabilities (Gain) / Loss	1.70	7.75	(1.43)	3.56	8.08	5.78	26.82	3.15	(2.48)	24.41
(v)	Experience adjustments on Plan Assets (Gain) / Loss	3.18	2.73	(4.02)	6.92	(1.13)	0.79	0.95	(2.22)	4.37	2.34

13. (Note No.38 of Notes to Financial Statements)

The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Act, is not applicable to the Company.

14. Revaluation of Tangible Assets: (Note No.39 of Notes to Financial Statements)

The Company had, based on a valuation made by approved valuers, revalued as at April 1, 2003 the Plant and Machinery located at Dahanu. The revaluation of the same was based on the technological obsolescence, the year of purchase, the maintenance levels and the currency and customs duty variations as applicable. The resultant appreciation aggregating to ₹ 752.17 Crore has been added to the Gross Block of the Fixed Assets and credited to Revaluation Reserve. Consequent to the revaluation, there is an additional charge for depreciation for the year of ₹ 29.71 Crore (₹ 53.96 Crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss. Pursuant to the change in depreciation policy of Assets of Electricity business as explained in Note No 2(b) above, the Company has recalculated the depreciation as per the manner prescribed under the Electricity Regulations and accordingly reversed the additional depreciation on revalued assets amounting to ₹ 52.31 Crore pertaining to the years 2009-10 and 2010-11 in the Statement of profit and loss and an equivalent amount has been transferred to revaluation reserve.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

15. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006: (Note No.40 of Notes to Financial Statements)

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 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.

Particulars	As at March 31, 2012 ₹ Crore	As at March 31, 2011 ₹ Crore
Principal amount due to suppliers under MSMED Act,2006	0.34	-
Interest accrued,due to suppliers under MSMED Act on the above amount,and unpaid	-	-
Payment made to suppliers(other than interest) beyond the appointed day/due date during the year	0.33	-
Interest paid to suppliers under MSMED Act(other than Section 16)	-	-
Interest paid to suppliers under MSMED Act(Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	0.01	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.01	-
Amount of further interest remaining due and payable in succeeding years	-	-

16. Provision for Disputed matters / Contingency: (Note No.41 of Notes to Financial Statements)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance	610.00	629.68
Less: Provision reversed	230.00	19.68
Closing Balance*	380.00	610.00

*Represents provision made for disputes / contingencies in respect of electricity business and other corporate matters. No further information is given as the matters are sub-judice and may jeopardize the interest of the Company.

17. Buy back of Equity Shares: (Note No.3.4 of Notes to Financial Statements)

Pursuant to the approval of the Board of Directors of the Company, for buy-back of equity shares under Section 77A of the Act to the extent of less than 10% of the paid-up equity share capital and free reserves of the Company aggregating not exceeding ₹ 1,000 Crore, the Company bought-back 44,30,262 (Nil) equity shares of ₹ 10 each during the year ended March 31, 2012 through open market transactions at an aggregate value of ₹ 234.88 Crore (₹ Nil), by utilising the Securities Premium account to the extent of ₹ 230.45 Crore (₹ Nil) and the Capital Redemption Reserve has been created out of the General Reserve for ₹ 4.43 Crore (₹ Nil) being the nominal value of shares bought- back in terms of Section 77A of the Act.

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date - 1,56,90,262 (1,12,60,000)

18. Disclosure of Loans and Advances to Subsidiaries, Associates, Joint Ventures and Others (Pursuant to Clause 32 of the Listing Agreement): (Note No.42 of Notes to Financial Statements)

Sr. No.	Name	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		Subsidiaries:			
1.	Reliance Power Transmission Limited	11.83	11.83	140.93	374.56
2.	Western Region Transmission (Gujarat) Private Limited	@	-	0.03	0.03
3.	Western Region Transmission (Maharashtra) Private Limited	-	-	0.04	0.05
4.	Talcher- II Transmission Co. Limited	0.02	-	0.03	0.01
5.	North Karanpura Transmission Co. Limited	0.02	-	0.02	@
6.	BSES Kerala Power Limited #	-	0.41	0.93	14.31
7.	Noida Global SEZ Private Limited	3.98	-	28.07	168.69

Notes to Abridged Financial Statements

₹ Crore

Sr. No.	Name	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
8.	Mumbai Metro One Private Limited	99.73	36.86	121.30	90.12
9.	Reliance Infraventures Limited*	-	-	313.21	68.81
10.	Reliance Energy Trading Limited #	-	-	27.57	-
11.	Reliance Energy Limited *	-	128.07	128.07	128.07
12.	Reliance Energy Generation Limited *	-	42.94	42.96	42.94
13.	Reliance Goa and Samalkot Power Limited *	-	19.42	19.42	19.42
14.	Parbati Koldam Transmission Co. Limited	22.20	-	22.25	48.43
15.	Delhi Airport Metro Express Private Limited	-	-	0.63	662.02
16.	CBD Tower Private Limited	-	3.20	3.20	3.78
17.	DS Toll Road Limited	-	-	0.01	7.10
18.	NK Toll Road Limited	-	-	0.02	0.01
19.	SU Toll Road Private Limited	-	-	13.22	3.16
20.	TD Toll Road Private Limited	4.00	-	4.00	1.18
21.	TK Toll Road Private Limited	14.50	-	14.59	4.23
22.	GF Toll Road Private Limited	1.26	-	10.01	165.74
23.	KM Toll Road Private Limited	-	193.00	193.00	197.70
24.	PS Toll Road Private Limited	-	237.92	237.92	429.82
25.	HK Toll Road Private Limited	-	177.00	188.00	178.80
26.	DA Toll Road Private Limited	-	627.00	633.15	706.91
27.	Reliance Airport Developers Private Limited	-	-	2.38	0.23
28.	Latur Airport Private Limited	-	0.76	1.32	2.42
29.	Baramati Airport Private Limited	-	-	4.69	1.18
30.	Nanded Airport Private Limited	-	2.85	6.16	19.42
31.	Yavatmal Airport Private Limited	-	-	0.38	0.91
32.	Osmanabad Airport Private Limited	-	-	1.87	0.16
33.	Reliance Cement Company Private Limited	-	-	196.30	30.15
34.	Utility Infrastructure & Works Private Limited	-	0.25	3.00	1.15
35.	Reliance Infrastructure Engineers Private Limited	-	-	0.01	-
36.	Reliance Sealink One Private Limited	33.74	14.74	33.74	14.74
	Associates including Subsidiaries of Associates:				
1.	Reliance Power Limited	-	3.72	0.26	9.20
2.	Reliance Infrastructure and Consultants Limited (upto March 19, 2012) #	62.52	68.40	105.20	140.62
3.	Mumbai Metro Transport Private Limited	-	-	0.04	46.58
4.	Urthing Sobla Hydro Power Private Limited	-	0.67	0.67	0.67
5.	Rosa Power Supply Co. Limited	-	@	@	0.18
6.	Vidarbha Industries Power Limited	-	-	0.26	0.26
7.	Tato Hydro Power Private Limited	-	0.89	0.89	0.89
8.	Siyom Hydro Power Private Limited	-	0.47	0.47	0.47
9.	JR Toll Road Private Limited	63.98	53.45	63.98	121.55
10.	Coastal Andhra Power Limited	-	-	-	0.13
11.	Reliance Coal Resources Private Limited	-	0.01	0.01	0.05
	Joint ventures:				
1.	Tamilnadu Industries Captive Power Company Limited	0.67	0.67	0.67	0.67
2.	BSES Yamuna Power Limited	-	-	232.75	0.31
3.	BSES Rajdhani Power Limited	-	-	284.45	0.20

@ less than ₹ 50,000

Except for these companies, all loans and advances stated above are interest free.

Loans to employees have been considered to be outside the purview of disclosure requirements.

* Merged with the Company

As at the year-end, the Company-

(a) has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years and (b) has no loans and advances in the nature of loans to firms / companies in which directors are interested. (c) The above amounts exclude subordinate debts.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

19. Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts": (Note No.43 of Notes to Financial Statements)

		₹ Crore	
Sr. No.	Particulars	2011-12	2010-11
1	Contract Revenue Recognised for the financial year	11,541.77	3,389.23
2	Aggregate amount of costs incurred and recognised profits (Less recognised losses) as at end of the financial year for all contracts in progress as at that date (including construction work in progress ₹ 502.52 Crore(Previous Year : ₹ 297.46 Crore))	24,628.96	13,147.37
3	Amount of customer advances outstanding for contracts in progress as at end of the financial year	4,413.79	6,421.43
4	Retention amount due from customers for contracts in progress as at end of the financial year	2,340.47	1,087.92
5	Gross amount due from customers for contract works as an asset	502.52	297.46

20. (Note No.44 of Notes to Financial Statements)

(a) Interest in Joint Ventures:

Company	Proportion of ownership interest as on	
	March 31, 2012	March 31, 2011
Utility Powertech Limited	19.80 %	19.80 %
BSES Rajdhani Power Limited	49.00 %	49.00 %
BSES Yamuna Power Limited	49.00 %	49.00 %
Tamilnadu Industries Captive Power Company Limited	33.70 %	33.70 %

- (b) The above joint venture companies are incorporated in India. The Company's share of the assets and liabilities as on March 31, 2012 and income and expenses based on financial statements audited by other independent Chartered Accountants for the year ended on that date are given below:

		₹ Crore	
Particulars	March 31, 2012	March 31, 2011	
A Assets			
Tangible Assets	2,106.81	2,118.75	
CWIP	175.53	154.55	
Intangible Assets	3.88	4.70	
Long Term Loans and Advances	16.28	23.85	
Investments	9.25	13.45	
Other Non Current Assets	4,263.51	2,208.29	
Current Assets	1,318.31	755.32	
Total	7,893.57	5,278.91	
B Liabilities			
Long Term Borrowings	1,595.99	2,185.95	
Long Term Provisions	4.55	3.60	
Other Long Term Liabilities	521.54	371.35	
Trade Payables	2,122.13	625.68	
Short Term Provisions	39.39	72.20	
Short Term Borrowings	1,237.76	350.17	
Other Current Liabilities	1,143.31	1,020.38	
Total	6,664.67	4,629.33	
C Contingent Liabilities	173.31	57.30	
D Capital Commitments	206.29	157.05	
E Income	6,358.80	5,424.63	
F Expenses	6,275.21	5,105.88	

The above figures do not include the share of the assets, liabilities, income and expenses etc. pertaining to the share holding of the Company's associates / group companies.

Notes to Abridged Financial Statements

21. Derivative Instruments:

(Note No.45 of Notes to Financial Statements)

- (a) The Company has entered into contracts for derivative instruments, which are not intended for trading or speculative purposes. The details of the derivative instruments are as follows:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2012)	
			US \$ million	₹ Crore
1.	Currency Swap	15	108.10	550.00
2.	Libor Based Callable Range Accrual	2	50.00	254.37
3.	Forward Contract	-	-	-

- (b) Details of the contracts for derivative instruments of previous year 2010-11 were as under:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2011)	
			US \$ million	₹ Crore
1.	Currency Swap	15	123.33	550.00
2.	Libor Based Callable Range Accrual	7	300.00	1,337.85
3.	Forward Contract	2	2.64	11.79

- (c) Pursuant to the clarification issued by the Institute of Chartered Accountants of India on March 29, 2008 on accounting of derivatives, the Company has for the year ended March 31, 2012 reversed / (provided) unrealised loss of ₹ 58.68 Crore (Previous Year ₹ 39.32 Crore) on account of revaluation of foreign exchange derivative instruments at fair values as at the reporting year end. The provision for mark to market losses towards the same as on March 31, 2012 amounts to ₹ 69.74 Crore (Previous Year ₹ 128.42 Crore).

- (d) Commodity Contracts:

The Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. There are no outstanding aluminum future contracts of the Company as on March 31, 2012.

Outstanding as on	Number of Contracts	Contractual Quantity	Buy / Sell
March 31, 2012	-	-	-
March 31, 2012	-	-	-
March 31, 2011	35	24,425 MT	Buy
March 31, 2011	15	15,175 MT	Sell

- (e) Net Foreign Currency exposures that are not covered by derivative instruments or otherwise are ₹ 1,416.56 Crore (₹ 1,264.77 Crore).

22. Interest in Jointly Controlled Operations:

(Note No.46 of Notes to Financial Statements)

The Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited *(the consortium) has been 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 has entered into a production sharing agreement with Government of India for exploration and production of these four CBM blocks. The Company is a non-operator and has 45% share in each of the four blocks.

Also the Company along with M/s. Geopetrol International Inc, Naftogaz India Private Limited and Reliance Natural Resources Limited *(the consortium) has been allotted oil block from Ministry of Petroleum and Natural Gas (Mo PNG), 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 has signed an agreement with the Government of India for exploration and production of an Oil and Gas block. The Company is a non-operator and has 70% share in the block.

Reliance Infrastructure Limited

Notes to Abridged Financial Statements

Disclosure of the Company's share in Joint Venture operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) March 31, 2012
SP-(North) – CBM – 2005 / III	Sohagpur, Madhya Pradesh	45 %
KG(E)- CBM – 2005 /III	Kothagudem, Andhra Pradesh	45 %
BS(4) – CBM – 2005 /III	Barmer, Rajasthan	45 %
BS(5) –CBM – 2005 /III	Barmer, Rajasthan	45 %
MZ-ONN-2004 / 2	Mizoram	70 %

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, the Company's share in respect of assets and liabilities as at March 31, 2012 and expenditure for the year ended on that date has been accounted as under.

Item	₹ Crore	
	2011-12 (Audited)	2010-11 (Audited)
Expenses	10.05	6.07
Fixed Assets including Capital work-in-progress	-	-
Other Assets	3.77	4.39
Current Liabilities	2.20	1.47
Contingent Liability	-	-

(* Share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).

23. Power Banking: (Note No.47 of Notes to Financial Statements)

The cost of electricity purchased is net of cost incurred towards units purchased and banked with other parties and / or units banked by other parties with us, both on loan basis. Such transactions remaining unsettled at the year end, is carried forward under Short Term Loans and Advances at the value of purchase on the date of the transactions when the units are banked.

24. Disclosure as required under AS – 19: (Note No.48 of Notes to Financial Statements)

Disclosure as required under AS – 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

- The Company 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 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	40.19	21.17	35.14	-	Various

*The Lease terms are renewable on a mutual consent of Lessor and Lessee.

25. Earnings Per Equity Share: (Note No.26 of Notes to Financial Statements)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
(i) Profit for Basic and Diluted Earnings per Share (a) ₹ Crore	2,000.26	1,080.91
(ii) Weighted average number of Equity Shares		
For Basic Earnings per share (b)	26,42,51,356	25,00,59,851
Add : Adjustment for conversion / Issue of shares / Warrants	-	1,67,40,113
For Diluted Earnings per share (c)	26,42,51,356	26,67,99,964
(iii) Earnings per share (Face Value of ₹ 10 per share)		
	Rupees	Rupees
Basic (a/b)	75.70	43.23
Diluted (a/c)	75.70	40.51

Notes to Abridged Financial Statements

26. Cash and Bank Balances:
(Note No.18 of Notes to Financial Statements)

Particulars	As at March 31, 2012 ₹ Crore	As at March 31, 2011 ₹ Crore
Cash and cash equivalents		
(a) Balances with banks in		
Current Account	294.18	145.21
Fixed Deposits *	380.00	105.00
Unpaid Dividend Account	8.73	7.77
(b) Cheques, drafts on hand	1.06	1.34
(c) Cash on hand	2.10	3.81
Other Bank balances		
(a) Margin Money	-	107.93
	686.07	371.06

* ₹ 50 Crore is given as security to a bank against loan given to a subsidiary.

27. (Note No.49 of Notes to Financial Statements)

The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated February 08, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Act, subject to conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

28. (Note No.50 of Notes to Financial Statements)

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 @.

29. (Note No.51 of Notes to Financial Statements)

The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act, 1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to the current year's classification. The adoption of revised schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

As per our attached Report of even date

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W

Rakesh Rathi

Partner

Membership No. 45228

Date : June 5, 2012

Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants

Firm Registration No. 107783W

Vishal D. Shah

Partner

Membership No. 119303

Date : June 5, 2012

Place : Mumbai

For and on behalf of the Board

Anil D Ambani

Chairman

Sateesh Seth

Vice Chairman

R R Rai

S S Kohli

C P Jain

Dr V K Chaturvedi

Ramesh Shenoy

Date : June 5, 2012

Place : Mumbai

} Director

Company Secretary and Manager

Reliance Infrastructure Limited

Report of the Independent Auditors on the Abridged Consolidated Financial Statements

To,
The Board of Directors of Reliance Infrastructure Limited

The accompanying Abridged Consolidated Financial Statements, which comprise the Abridged Consolidated Balance Sheet as at March 31, 2012, the Abridged Consolidated Statement of Profit and Loss, and Abridged Consolidated Cash Flow Statement for the year then ended, and related notes, are derived from the Audited Consolidated Financial Statements of Reliance Infrastructure Limited ("the Company") and its subsidiaries, jointly controlled entities and associate companies, hereinafter referred to as "Group", for the year ended March 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 25, 2012. Those consolidated financial statements, and the Abridged Consolidated Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The Abridged Consolidated Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") [applied in the preparation of the Audited Consolidated Financial Statements of Reliance Infrastructure Limited]. Reading the Abridged Consolidated Financial Statements, therefore, is not a substitute for reading the Audited Consolidated Financial Statements of the Group.

Management's Responsibility for the Abridged Consolidated Financial Statements

Management is responsible for the preparation of the Abridged Consolidated Financial Statements prepared pursuant to Rule 7A of the of the Companies (Central Government) General Rules and Forms 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 from the Audited Consolidated Financial Statements of the Group prepared in accordance with [Accounting Standard 21- "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006 and accounting principles generally accepted in India.].

Auditors' Responsibility

Our responsibility is to express an opinion on the Abridged Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Emphasis of matter paragraph in the Auditors Report on the Audited Consolidated Financial Statements

The auditors' report on the Audited Consolidated Financial Statements contains an Emphasis of Matter paragraph the description of which is as under:

1. Without qualifying our opinion, we draw attention to Note no. 12 of the Abridged Consolidated Financial Statements regarding the Scheme of amalgamation 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 order dated March 30, 2011, wherein the Company, as determined by its

Board of Directors, is permitted to adjust the exceptional items debited to the Statement of Profit and Loss by a corresponding withdrawal from 'Provision for Extraordinary and Exceptional items' created out of General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Company has during the year identified exceptional items aggregating to ₹ 879.11 Crore which has been debited to Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from the Provision for Extraordinary and Exceptional items and credited to Consolidated Statement of Profit and Loss as per the Scheme. Had the Scheme not prescribed the above treatment, profit before tax would have been lower by ₹ 879.11 Crore and General Reserve would have been higher by equivalent amount.

2. Without qualifying our opinion, we draw attention to Note no. 11 of the Abridged Consolidated Financial Statements detailing the accounting treatment given to the Scheme of arrangement between five wholly owned subsidiaries and the Company and the demerger of container business of another wholly owned subsidiary with the Company, sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated April 20, 2012. Since the Scheme of arrangement is between wholly owned subsidiaries and the Company, there is no impact on consolidated financial statements on account of the said arrangement as these transactions get eliminated in the consolidated financial statements, except for decrease in General Reserve by ₹ 1,041.31 Crore, decrease in balance of Surplus as per Statement of Profit and Loss by ₹ 180.69 Crore and increase in Capital Reserve by ₹ 1,222.00 Crore pursuant to the accounting treatment followed as per Scheme.

Opinion

In our opinion, the Abridged Consolidated Financial Statements prepared pursuant to Rule 7A of the Companies (Central Government) General Rules and Forms 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 are derived from the Audited Consolidated Financial Statements of the Group for the year ended March 31, 2012 and are a fair summary of those Consolidated Financial Statements in accordance with the requirements of [Accounting Standard 21- "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006 and accounting principles generally accepted in India.]

For Haribhakti & Co.
Firm Regn. No. 103523W
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

For Pathak H. D. & Associates
Firm Regn. No. 107783W
Chartered Accountants

Vishal D. Shah
Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

Auditors' Report to the Board of Directors on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Reliance Infrastructure Limited (the Company) and its subsidiaries, jointly controlled entities and associate companies, hereinafter referred to as the "Group" as at March 31, 2012, the related Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note no. 34 of the Consolidated Financial Statements regarding the Scheme of amalgamation 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 order dated March 30, 2011, wherein the Company, as determined by its Board of Directors, is permitted to adjust the exceptional items debited to the Statement of Profit and Loss by a corresponding withdrawal from 'Provision for Extraordinary and Exceptional items' created out of General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Company has during the year identified exceptional items aggregating to ₹ 879.11 Crore which has been debited to Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from the Provision for Extraordinary and Exceptional items and credited to Consolidated Statement of Profit and Loss as per the Scheme. Had the Scheme not prescribed the above treatment, profit before tax would have been lower by ₹ 879.11 Crore and General Reserve would have been higher by equivalent amount.
4. Without qualifying our opinion, we draw attention to Note no. 33 of the Consolidated Financial Statements detailing the accounting treatment given to the Scheme of arrangement between five wholly owned subsidiaries and the Company and demerger of container business of another wholly owned subsidiary in the Company, sanctioned by Hon'ble High Court of Judicature at Bombay vide order dated April 20, 2012. Since the Scheme of arrangement is between wholly owned subsidiaries and the Company, there is no impact on consolidated financial statements on account of the said arrangement as these transactions get eliminated in the consolidated financial statements, except for decrease in General Reserve by ₹ 1,041.31 Crore, decrease in balance of Surplus as per Statement of Profit and Loss by ₹ 180.69 Crore and increase in Capital Reserve by ₹ 1,222.00 Crore pursuant to accounting treatment followed as per the Scheme.
5. The Consolidated Financial Statements include amounts in respect of 16 subsidiaries and one Jointly controlled entity whose financial statements reflect total assets of ₹ 2,744.94 Crore as at March 31, 2012, total revenue of ₹ 502.34 Crore and net cash inflows amounting to ₹ 75.71 Crore for the year then ended and 2 Associate Companies included in these consolidated financial statements which constitute net profit of ₹ 2.20 Crore, which have been audited by one of the joint auditors and reliance has been placed by other auditor for the purpose of this report.
6. We did not audit the financial statements and other financial information of 22 subsidiaries and 3 jointly controlled entities included in these consolidated financial statements, whose financial statements together comprise total assets of ₹ 18,661.57 Crore as at March 31, 2012, total revenue of ₹ 6,605.81 Crore and net cash inflows amounting to ₹ 352.15 Crore for the year then ended and 4 associate companies included in these consolidated financial statements which constitute net profit of ₹ 329.75 Crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our audit opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the reports of such auditors.
7. The Consolidated Financial Statements includes amounts in respect of 5 subsidiaries, which has been merged with the Company pursuant to the Scheme of Arrangement as explained in note no.4 above w.e.f. appointed date February 1, 2012 which reflects total revenue of ₹ 40.79 Crore for the period upto February 1, 2012 based on the management certified accounts of such companies.
8. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006.
9. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
Firm Regn. No. 103523W

Rakesh Rathi
Partner
Membership No. 45228

Date : May 25, 2012
Place : Mumbai

For Pathak H. D. & Associates
Chartered Accountants
Firm Regn. No.107783W

Vishal D. Shah
Partner
Membership No. 119303

Reliance Infrastructure Limited

Abridged Consolidated Balance Sheet as at March 31, 2012

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

	As at March 31, 2012		As at March 31, 2011	
	Share in Joint Ventures (included in Consolidated figures)	Consolidated	Share in Joint Ventures (included in Consolidated figures)	Consolidated
₹ Crore				
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Paid-up Share Capital				
(i) Equity		263.03		267.46
(b) Reserves and Surplus				
(i) Capital Reserves	466.51	7,609.50	400.95	6,128.06
(ii) Revaluation Reserve	-	504.48	-	481.88
(iii) Statutory Reserves	14.33	440.20	14.33	429.07
(iv) Debenture Redemption Reserve	-	205.14	-	156.38
(v) Other Reserves	-	-	-	563.45
(vi) Securities Premium Reserve	-	8,825.09	-	9,055.54
(vii) Revenue Reserve	6.33	5,415.09	6.03	5,276.17
(viii) Surplus as per Statement of Profit and Loss	140.11	872.13	(2.74)	1,249.60
		23,871.63		23,340.15
(2) Minority Interest		205.66		187.64
(3) Non-current Liabilities				
(a) Long term borrowings	1,595.10	11,700.30	2,185.44	8,266.45
(b) Deferred tax liabilities (Net)	(0.36)	451.09	(0.09)	98.79
(c) Other long term liabilities	381.21	5,599.14	272.62	6,926.56
(d) Long term provisions	5.44	389.60	4.10	620.88
		18,140.13		15,912.68
(4) Current Liabilities				
(a) Short term borrowings	1,237.76	6,416.09	349.93	1,593.77
(b) Trade payables	2,128.57	4,978.30	623.23	1,405.39
(c) Other current liabilities	1,143.30	7,263.15	1,020.38	7,375.03
(d) Short term provisions	39.40	271.92	72.19	752.47
		18,929.46		11,126.66
		61,409.91		50,834.59
II. ASSETS				
(1) Non-current Assets				
(a) Fixed assets				
(i) Tangible assets (Original cost less depreciation)	2,061.95	7,505.73	1,981.34	6,271.29
(ii) Intangible assets (Original cost less depreciation/amortisation)	3.88	3,714.43	4.70	2,474.65
(iii) Capital work-in-progress	218.89	2,732.88	180.33	2,422.95
(iv) Intangible assets under development	-	4,751.10	-	3,884.70
(b) Non-current investments				
(i) Quoted [Market Value ₹ 12,728.12 Crore (₹ 14,176.74 Crore)]	9.27	6,263.03	13.45	6,561.39
(ii) Unquoted	-	2,984.77	-	2,758.19
(c) Long term loans and advances	16.28	3,366.93	23.85	5,208.32
(d) Other non-current assets	4,263.51	8,260.58	2,208.28	5,708.13
		39,579.45		35,289.62
(2) Current Assets				
(a) Current investments				
(i) Quoted [Market Value ₹ 559.90 Crore (₹ 4,486.90 Crore)]	4.02	553.71	-	4,474.32
(ii) Unquoted	-	2,500.00	-	-
(b) Inventories	27.67	377.86	62.08	395.81
(c) Trade receivables	340.42	4,894.24	274.61	2,883.06
(d) Cash and bank balances	503.40	1,377.03	99.44	635.75
(e) Short term loans and advances	99.08	10,439.86	89.11	6,522.98
(f) Other current assets	300.37	1,687.76	200.68	633.05
		21,830.46		15,544.97
		61,409.91		50,834.59

Refer Notes forming part of the Abridged Consolidated Financial Statements

Note : Complete Balance Sheet, Statement of Profit and Loss, Other Statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956 are available at the Company's website at www.rinfra.com

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated May 25, 2012

As per our attached Report of even date

For Haribhakti & Co.

Chartered Accountants
Firm Registration No. 103523W

Rakesh Rathi

Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants
Firm Registration No. 107783W

Vishal D. Shah

Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

For and on behalf of the Board

Anil D Ambani

Sateesh Seth

R R Rai

S S Kohli

C P Jain

Dr V K Chaturvedi

Ramesh Shenoy

Date : June 5, 2012

Place : Mumbai

Chairman

Vice Chairman

Director

Company Secretary and Manager

Reliance Infrastructure Limited

Abridged Consolidated Statement Profit and Loss for the year ended March 31, 2012

(Statement containing salient features of Statement Profit and Loss as per Section 219(1)(b)(iv) of the Companies Act, 1956)

	Year ended March 31, 2012		Year ended March 31, 2011	
	Share in Joint Ventures (included in Consolidated figures)	Consolidated	Share in Joint Ventures (included in Consolidated figures)	Consolidated
Operating Income				
Revenue from Electricity Business	6,154.18	12,239.50	5,257.76	12,020.46
Revenue from EPC & Contracts Business	77.67	11,035.96	60.53	2,990.48
Revenue from Infrastructure Business	-	365.21	-	116.89
Write back of depreciation	-	227.18	-	-
Other Operational revenue	78.13	403.95	55.08	92.35
Net Revenue from operations		24,271.80		15,220.18
Other Income				
Dividend	-	64.82	-	109.80
Interest	0.59	515.04	0.10	388.24
Miscellaneous Income	-	188.92	0.02	194.67
Other Income		768.78		692.71
Total Revenue		25,040.58		15,912.89
Expenditure				
Cost of electrical energy purchased	5,136.73	7,812.87	4,134.08	7,458.31
Cost of fuel consumed	-	1,593.40	-	1,489.12
Construction material consumed and Sub-Contracting charges	71.34	9,718.86	56.08	2,371.66
Employee benefit expense	243.34	1,028.50	224.60	1,002.19
Finance costs	464.52	1,335.94	340.14	645.49
Depreciation and amortization expense	32.44	455.78	140.40	561.94
Less: Transferred from Revaluation Reserve / APDRP Grant	0.61	30.32	0.66	54.62
Less: Transferred from Service Line Contribution	15.00	22.13	11.32	20.23
		403.33		487.09
Other expenses	221.93	1,343.26	193.32	1,103.19
Total Expenditure		23,236.16		14,557.05
Profit before tax and exceptional items		1,804.42		1,355.84
Exceptional Items	-	879.11	-	-
Less: Transfer from Provision for extra ordinary and exceptional items	-	879.11	-	-
		-		-
Profit before tax		1,804.42		1,355.84
Tax expense -				
Current tax	11.13	174.79	46.05	293.84
Deferred tax (net)	198.08	678.53	180.06	254.18
Less : Net tax to be recovered in future tariff determination	198.35	326.23	179.55	312.33
Income Tax for earlier years (net)	0.08	17.07	5.48	(108.85)
Profit after tax but before share of associates and minority interest		1,260.26		1,229.00
Share of Profit in Associates (net)		332.04		322.94
Minority interest		(5.49)		(0.33)
Profit for the year		1,586.81		1,551.61
Earnings per equity share (face value of ₹ 10 per share) -				
Basic		Rupees 60.05		Rupees 62.05
Diluted		60.05		58.16

Refer Notes forming part of the Abridged Consolidated Financial Statements

Compiled from the Audited Consolidated Financial Statements of the Company

referred to in our Report dated May 25, 2012

As per our attached Report of even date

For Haribhakti & Co.

Chartered Accountants
Firm Registration No. 103523W

For Pathak H. D. & Associates

Chartered Accountants
Firm Registration No. 107783W

Rakesh Rathi

Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

Vishal D. Shah

Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

For and on behalf of the Board

Anil D Ambani

Chairman

Sateesh Seth

Vice Chairman

R R Rai

S S Kohli

C P Jain

Dr V K Chaturvedi

Ramesh Shenoy

Date : June 5, 2012

Place : Mumbai

} Director

Company Secretary and Manager

Reliance Infrastructure Limited

Abridged Consolidated Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
Cash flows from Operating activities	(1,320.71)	652.23
Cash flows from Investment activities	(2,518.12)	(5,008.02)
Cash flows from financing activities	4,580.11	4,541.96
Net Increase in cash and cash equivalents	741.28	186.17
Cash and cash equivalents as at the commencement of the year (Opening Balance)	635.75	449.43
Cash taken over on acquisition of Subsidiaries	-	0.15
Cash and cash equivalents as at the end of the year (Closing Balance) *	1,377.03	635.75
Net Increase as disclosed above	741.28	186.17

* Including Cash collateral ₹ Nil (₹ 107.93 Crore) as at March 31, 2012 and Fixed Deposit (including margin money deposit) of ₹ 54.23 Crore (₹ 3.88 Crore) held as security deposit with banks / authorities as at March 31, 2012.

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated May 25, 2012
As per our attached Report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For Pathak H. D. & Associates
Chartered Accountants
Firm Registration No. 107783W

Rakesh Rathi
Partner
Membership No. 45228
Date : June 5, 2012
Place : Luzern

Vishal D. Shah
Partner
Membership No. 119303
Date : June 5, 2012
Place : Mumbai

For and on behalf of the Board

Anil D Ambani
Sateesh Seth

Chairman
Vice Chairman

R R Rai
S S Kohli
C P Jain

} Director

Dr V K Chaturvedi
Ramesh Shenoy
Date : June 5, 2012
Place : Mumbai

Company Secretary and Manager

Notes to Abridged Consolidated Financial Statements

1. Significant Accounting Policies:**(a) Basis of preparation of financial statements:**

The consolidated financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), the relevant provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006 (as amended). Assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads. 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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the changes in accounting policy explained in Note 2 and accounting for foreign currency transactions as explained in Note 1(f) below.

(b) Financial Statements: Presentation and disclosures:

During the year ended March 31, 2012, the Revised Schedule VI notified under the Act has become applicable to the Group, for preparation and presentation of financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Financial Statements contain the information and disclosures mandated by Revised Schedule VI, applicable accounting standards, other applicable pronouncements and regulations.

(c) Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognised in the period in which the results are known/ materialised.

(d) Basis of Consolidation:

The consolidated financial statements relate to Reliance Infrastructure Limited (the Parent Company), its subsidiary companies, joint ventures and associates.

(i) Principles of Consolidation-

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Parent and its subsidiary companies (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits or losses.
- b) The consolidated financial statements include the interests of the Parent Company in joint ventures, which have been accounted for using the proportionate consolidation method of accounting and report the Parent Company's share of assets, liabilities, income and expenses of jointly controlled entities as a separate item after fully eliminating unrealised profits or losses on intra-group transactions.
- c) In case of Toll Roads Business the Build, Operate & Transfer (BOT) contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the group companies (operators) don't own the roads, but get "toll collection rights" against the construction services rendered. Since the construction cost incurred by the operators is considered as exchange with the grantor against "toll collection rights", profit from such contracts is considered as realized. Accordingly, BOT contracts awarded to operators, where work is subcontracted to Parent Company, the intra group transactions on BOT contracts and the profits arising thereon are considered as realised and hence not eliminated.
- d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries / joint ventures / associates with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

- e) Investments in associates have been accounted for under AS-23 using equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition changes in the Group's share of net assets.
- On occasion, an associate company accounted for by the equity method may issue its shares to third parties as either a public offering or private placement as per share amounts in excess of or less than Parent Company's average per share carrying value. With respect to such transactions, the resulting gains / losses arising from the dilution of interest in the shareholding of the Parent Company are recorded as Capital Reserve / Goodwill.
- f) The excess of cost to the Parent Company of its investment in the subsidiary / joint venture / associates over the Parent Company's portion of equity of the subsidiary / joint venture / associates is recognised in the 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.
- g) 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 i.e. year ended March 31, 2012.
- h) Minority's share of net profit or loss, for the year, of consolidated subsidiaries is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Parent Company.
- i) Minority's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet as a separate item from liabilities and the Shareholders' Funds.

(ii) **The subsidiary and joint venture companies considered in the consolidated financial statements are:**

Name of Company	Proportion (%) of shareholding as on March 31, 2012	Proportion (%) of shareholding as on March 31, 2011
Subsidiary Companies:		
BSES Kerala Power Limited (BKPL)	100.00	100.00
Reliance Power Transmission Limited (RPTL)	100.00	100.00
Mumbai Metro One Private Limited (MMOPL)	69.00	69.00
Noida Global SEZ Private Limited (NGSPL)	99.93	99.90
Delhi Airport Metro Express Private Limited (DAMEPL)	95.00	95.00
Reliance Infraventures Limited (RInvL) *	100.00	100.00
Reliance Energy Trading Limited (RETL)	100.00	100.00
Parbati Koldam Transmission Company Limited (PKTCL)	74.00	74.00
DS Toll Road Limited (DSTL)	100.00	100.00
NK Toll Road Limited (NKTL)	100.00	100.00
SU Toll Road Private Limited (SUTL)	100.00	100.00
TD Toll Road Private Limited (TDTL)	100.00	100.00
TK Toll Road Private Limited (TKTL)	100.00	100.00
GF Toll Road Private Limited (GFTL)	100.00	100.00
CBD Tower Private Limited (CBDTPL)	89.00	89.00
Tulip Realtech Private Limited (TRPL)	100.00	100.00
Reliance Cement Company Private Limited [formerly known as Reliance Cementation Private Limited] (RCPL)]	100.00	100.00
KM Toll Road Private Limited (KMTL)	100.00	100.00
PS Toll Road Private Limited (PSTL)	74.00	74.00
HK Toll Road Private Limited (HKTL)	100.00	100.00
DA Toll Road Private Limited (DATL)	100.00	100.00
Reliance Sealink One Private Limited (RSOPL)	90.00	90.00
Utility Infrastructure & Works Private Limited (UIWPL)	100.00	100.00
Reliance Infrastructure Engineers Private Limited (RIEPL)	100.00	81.59
Reliance Airport Developers Private Limited (RADPL)	100.00	100.00
Reliance Energy Generation Limited (REGL) *	100.00	100.00
Reliance Energy Limited (REL) *	100.00	100.00
Reliance Property Developers Limited (RPDL) *	100.00	100.00
Reliance Goa and Samalkot Power Limited (RGSPL) *	100.00	100.00

Notes to Abridged Consolidated Financial Statements

Name of Company	Proportion (%) of shareholding as on March 31, 2012	Proportion (%) of shareholding as on March 31, 2011
Step-down Subsidiaries:		
Western Region Transmission (Maharashtra) Private Limited (WRM)	100.00	100.00
Western Region Transmission (Gujarat) Private Limited (WRMG)	100.00	100.00
Latur Airport Private Limited (LAPL)	100.00	100.00
Baramati Airport Private Limited (BAPL)	100.00	100.00
Nanded Airport Private Limited (NAPL)	100.00	100.00
Yavatmal Airport Private Limited (YAPL)	100.00	100.00
Osmanabad Airport Private Limited (OAPL)	100.00	100.00
Reliance Cement and Infra Private Limited (RCIPL)	100.00	100.00
Reliance Cement Corporation Private Limited (RCCPL)	100.00	100.00
Reliance Cement Works Private Limited (RCWPL)	100.00	100.00
North Karanpura Transmission Company Limited (NKTCL)	100.00	100.00
Talcher II Transmission Company Limited (TTCL)	100.00	100.00
Reliance Concrete Private Limited (RConPL)	100.00	100.00
Joint Venture Companies:		
BSES Rajdhani Power Limited (BRPL)	49.00	49.00
BSES Yamuna Power Limited (BYPL)	49.00	49.00
Tamil Nadu Industries Captive Power Company Limited (TICAPCO)	33.70	33.70
Utility Powertech Limited (UPL)	19.80	19.80

* Subsidiaries have been merged with the Parent Company w.e.f. appointed date February 1, 2012

Note: All Companies are incorporated in India

(iii) Investments in Associates:

Name of Company	Proportion (%) of shareholding as on March 31, 2012	Proportion (%) of shareholding as on March 31, 2011
Reliance Power Limited (RePL)	38.41	38.41
Reliance Infrastructure and Consultants Limited (RICL) upto March 19, 2012	40.17	40.17
Urthing Sobla Hydro Power Private Limited (USHPPL)	20.00	20.00
Mumbai Metro Transport Private Limited (MMTPL)	48.00	48.00
JR Toll Road Private Limited (JRTL)	48.00	48.00
Metro One Operation Private Limited (MOOPL)	30.00	30.00

Note: All Companies are incorporated in India

(iv) Break-up of Investments in Associates is as under:

Particulars	₹ Crore					
	RePL	RICL #	MMTPL	USHPPL	JRTL	MOOPL
Number of Equity Shares (Nos.)	1,077,500,000	10,291,700	24,000	2,000	5,138	3,000
Percentage holding	38.41%	40.17%	48.00%	20.00%	48.00%	30.00%
Cost of Investment	1,720.00	10.29	0.02	(ii)	(iv)	(vi)
Including Goodwill / (Capital Reserve)	0.04	(1.18)	-	-	-	-
Capital Reserve on dilution of stake in RePL (including adjustments on carrying cost of investments)	3,916.98	-	-	-	-	-
Share in accumulated profits/ (losses) till net of dividend received upto March 31, 2011	752.45	(2.53)	(i)	(iii)	(v)	0.12
Share of profits/ (losses) for the year	329.75	2.20	-	-	-	0.09
Less: Elimination of unrealized gains	(556.54)	-	-	-	-	-
Carrying Cost	6,162.64	-	0.02	-	-	0.21

(i) ₹ (10,896) ; (ii) ₹ 20,000 ; (iii) ₹ (20,000) ; (iv) ₹ 51,380 ; (v) ₹ (51,380) ; (vi) ₹ 30,000

Sold during the year

(e) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognized.

(i) Electricity Business:

Revenue from sale of electrical energy is accounted for 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 carried forward in the Balance Sheet as Regulatory Assets. 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.

The Parent Company, BRPL and BYPL determine revenue gaps (i.e surplus/shortfall in actual returns over assured returns) in respect of their regulated operations 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. In respect of such revenue gaps, appropriate adjustments 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 representing revenue gaps are carried forward as Regulatory Assets / Regulatory Liabilities and are classified as Current/ Non Current Assets / Liabilities, as the case may be, which would be recovered/refunded through future billing based on future tariff determination by the regulators in accordance with the respective electricity regulations.

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 energy and margin on power banking transactions is accounted for based on rates agreed with the customers on delivery of power. Compensation for deviation of energy is accounted as sales and purchase of energy, as the case may be, on its occurrence. The margin earned on sale or purchase of energy through energy exchange is recognised on the date of transaction with the exchange.

In case of Transmission business, revenue from transmission service charges is accounted as per contractual terms.

(ii) EPC and Contracts Business:

In respect of construction contracts, revenue is recognised as per "percentage of completion method" based on the stage of completion of a contract upto the reporting date.

The stage of completion of a contract is determined as a proportion that the progress billings raised on the basis of joint measurement and works certified by the customers up to the reporting date as per the terms of the contract, bear to the total contract value.

Revenue from construction contracts is recognised by adding the aggregate cost incurred on the contract till reporting period and proportionate profit using "percentage of completion method". Profit proportionate to the value of work done upto reporting date is determined as a percentage of profit estimated to arise on completion of the entire contract, after deduction of contingency.

Profit is recognised only when the outcome of the contract can be estimated reliably. When the construction contract is expected to result in a loss on completion of the entire contract, the entire loss is recognized as an expense immediately in the same reporting period.

Contract in progress is valued at cost plus recognised profits (less recognised losses) upto the reporting date.

In respect of operation and maintenance contracts, revenue proportionate to value of work done or the period elapsed as the case may be, is recognised.

(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) Others:

Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

Income on investment is recognised based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments.

Notes to Abridged Consolidated Financial Statements

(f) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items (assets and liabilities) are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognised in the Statement of Profit and Loss except in case of gains or losses arising on long term foreign currency monetary items, the accounting treatment is as under:

In accordance with Govt. of India, Ministry of Corporate Affairs notification (GSR No.914(E) dated December 29, 2011) in respect of accounting year commencing on or after April 1, 2011, the Group has exercised the option and 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.
- (iii) In respect of integral foreign operations of the Group, its fixed assets are translated at the rate on the date of acquisition, monetary assets and monetary liabilities are translated at the rate on the date of the Balance Sheet and income and expenditure are translated at the average of month-end rates during the year.
- (iv) 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 losses on an overall basis (including reversal of losses for earlier periods), if any, are recognised in the Statement of Profit and Loss. Net gain, if any, is ignored.
- (v) In case of BKPL, exchange differences arising on repayment / revaluation of monetary liabilities incurred prior to April 1, 2004 for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

(g) Fixed Assets:

1) Tangible Assets:

Cost comprises cost of acquisition or construction of assets (excluding Revalued Assets) including borrowing costs attributable to bringing the assets to their intended use.

2) Intangible Assets:

- (i) Toll collection rights recognised as intangible assets, represent commercial rights in relation to toll roads to collect toll fee and have been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening and rehabilitation of the toll roads on build operate and transfer basis (BOT) including project related expenditure as mentioned in Note (1)(g)(3) below and obligations towards negative grant payable to regulatory authorities, if any.
- (ii) Airport Concessionaire Rights recognised as intangible assets, represent amounts in the nature of upfront fee and other costs paid to various regulatory authorities pursuant to the terms and conditions of the contracts.
- (iii) Metro Rail Concessionaire Rights recognised as intangible assets, represent rights in relation to operation and maintenance of Metro Rail Line and have been accounted based on the date of completion of construction for the completed portion of the project at the cost incurred on the project activity towards construction, design, installation and commissioning of the Metro Rail Line including project related expenditure as mentioned in Note (1)(g)(3) below. Cost incurred on the project which is incomplete as on balance sheet date has been shown as Intangible Assets under development.
- (iv) Other Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion.

3) Capital Work-in progress (CWIP) and Intangible Assets under Development:-

All project related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under CWIP and Intangible Assets under Development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

(h) Depreciation / Amortisation:

(i) Tangible Assets:

Electricity Business -

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed as per the Electricity Regulations relating to license business and other electricity business except in case of BKPL where

management estimate of useful life of assets is shorter than that envisaged under Electricity Regulations. The depreciation for the year has been disclosed after reducing the proportion of the amount of depreciation provided on assets created against the contributions received from consumers. Depreciation on revalued assets is charged over the balance residual life of the assets considering the life prescribed as per the Electricity Regulations.

EPC and Contracts Business –

Fixed assets of EPC Business have been depreciated under the reducing balance method at the rates and in the manner prescribed in Schedule XIV to the Act.

Other Activities –

Fixed assets of other activities have been depreciated under the straight line method at the rates and in the manner prescribed in Schedule XIV to the Act.

(ii) Intangible Assets:

Goodwill arising on consolidation is not amortised but tested for impairment.

Toll Collection Rights 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. The projected total toll revenue is based on the independent traffic volume projections. Amortisation is revised in case of any material change in the expected pattern of economic benefits.

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 agreement.

Metro Rail Concessionaire Rights are amortised over the concession period on the basis of projected revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total revenue is based on the independent traffic volume projections. Amortisation is revised in case of any material change in the expected pattern of economic benefits.

The container trains license fee is amortised over 20 years being the life of the license which is beyond the maximum period of 10 years, as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period.

Intangible assets representing toll collection rights, airport concessionaire rights, metro rail concessionaire rights and container license fee are amortised over the concession period ranging from 17–30 years, 95 years, 27 years and 20 years respectively, which is beyond the maximum period of 10 years as specified in the Accounting Standard 26 "Intangible Assets", as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

Softwares pertaining to the electricity business are amortized as per the rate and in the manner prescribed as per the electricity regulation. Other softwares are amortised over a period of 3 years.

(i) Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are recognised at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(j) 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 realisable 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.

(k) Allocation of Indirect Expenses:

(i) Electricity 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.

Notes to Abridged Consolidated Financial Statements

(l) Employee Benefits:

Contribution to defined contribution schemes such as provident fund, superannuation funds etc. are charged to the Statement of Profit and Loss / Capital Work-in-Progress/ Intangible Assets under development, as applicable. The Group also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Statement of Profit and Loss / Capital Work-in-Progress/ Intangible Assets under development, as applicable, based on actuarial valuations, as at the Balance Sheet date, made by independent actuaries. However 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 Statement of Profit and Loss.

(m) Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(n) Accounting for Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(o) Provisions:

Provisions are recognised when the Group has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(p) 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

(q) Impairment of Assets:

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(r) Accounting for Oil and Gas Activity:

The Group follows "Successful Efforts Method" for accounting of oil and gas exploration activities as set out by the guidance note issued by the Institute of Chartered Accountants of India on 'Accounting for Oil and Gas Producing Activities'. The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred.

(s) Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash on hand and demand deposits with banks.

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

(t) Grants / Capital Contribution:

Grants / Capital contribution received from government authorities as promoter towards meeting the capital cost of the project are treated as capital reserve, in compliance with Accounting Standard -12 "Accounting for Government Grants". Grant from government authorities which are not in the nature of promoters' contribution are credited to Reserves and are gradually recognised in the Statement of Profit and Loss in the same proportion as the depreciation written off on the assets purchased out of the grants. Grants / capital contributions are recognised in the financial statements when there is a reasonable assurance that the underlying conditions have been complied and grants will be received.

(u) All assets and liabilities have been classified as current or non-current as per individual Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Act.

2. Change in accounting policy:

Depreciation of Fixed Assets pertaining to Electricity Business:

Pursuant to the General Circular No. 31 / 2011 (No.51/23/2011-CL-III) dated May 31, 2011 from Ministry of Corporate Affairs, it was clarified that the rates of depreciation and methodology notified under Electricity Act, 2003 for electricity business prevails over the rates notified under Schedule XIV of the Companies Act, 1956. As the rates prescribed under the Electricity Act being a special Act and specific for the industry prevails over the general rates prescribed under Schedule XIV of the Companies Act, 1956 applicable to all types of industries, the Group has revised its accounting policy and methodology relating to charging of depreciation with effect from April 1, 2009 following the rates and methodology notified by the respective electricity regulators. The Parent Company has obtained legal opinion in support of adopting revised accounting policy. Accordingly, accumulated depreciation of ₹ 225.67 Crore (including Share in Joint Ventures), after transfer of ₹ 52.31 Crore to revaluation reserve and ₹ 4.97 Crore to service line contribution reserve being the write back pertaining to the revalued portion / service line assets for the years 2009-10 and 2010-11, has been written back during the current financial year and included in Other Operating Income. Similarly, the depreciation charge for the current year ended March 31, 2012 is lower and profit before tax is higher by ₹ 61.31 Crore on account of such change.

3. Buy-back of Equity Shares:

(Note No. 3 (d) of Notes to Consolidated Financial Statements)

Pursuant to the approval of the Board of Directors of the Parent Company, for buy-back of equity shares under Section 77A of the Act to the extent of less than 10% of the paid-up equity share capital and free reserves of the Parent Company aggregating not exceeding ₹ 1,000 Crore, the Parent Company bought-back 44,30,262 (Nil) equity shares of ₹ 10 each during the year ended March 31, 2012 through open market transactions at an aggregate value of ₹ 234.88 Crore (₹ Nil), by utilising the Securities Premium Reserve to the extent of ₹ 230.45 Crore (₹ Nil) and the Capital Redemption Reserve has been created out of the General Reserve for ₹ 4.43 Crore (₹ Nil) being the nominal value of shares bought-back in terms of Section 77A of the Act.

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date - 1,56,90,262 (1,12,60,000).

4. Deferred Tax Liabilities (Net):

(Note No. 6 of Notes to Consolidated Financial Statements)

Particulars	₹ Crore	
	As at March 31, 2012	As at March 31, 2011
Deferred tax liability on account of -		
Depreciation difference (including Share in Joint Venture ₹ 0.10 Crore (₹ 0.09 Crore))	806.48	484.10
Regulatory Income (including Share in Joint Venture ₹ 198.35 Crore (₹ 179.55 Crore))	280.82	179.55
	1,087.30	663.65
Deferred tax assets on account of -		
Unabsorbed losses	11.08	2.01
Provisions (including Share in Joint Venture ₹ 0.46 Crore (₹ 0.18 Crore))	165.47	250.45
Disallowances under section 40(a) of the Income Tax Act, 1961	0.65	0.07
	177.20	252.53
	910.10	411.12
Less : Tax to be recovered in future tariff determination (including Share in Joint Venture ₹ 198.35 Crore (₹ 179.55 Crore))	459.01	312.33
Net Deferred tax liability	451.09	98.79

Notes to Abridged Consolidated Financial Statements

5. Cash and Bank Balances:
(Note No.20 of Notes to Consolidated Financial Statements)

₹ Crore

Particulars	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents -		
Balances with banks in -		
Current Account	435.25	300.57
Fixed Deposit Account *	420.87	111.00
Unpaid Dividend Account	8.73	7.77
Cheques, drafts on hand	1.06	1.34
Cash on hand	3.77	4.02
Other bank balances -		
Margin Money	3.95	111.61
	873.63	536.31
Share in Joint Ventures *	503.40	99.44
	1,377.03	635.75

* ₹ 50.28 Crore (₹ 0.19 Crore) is given as security to banks / authorities

6. Earnings Per Equity Share:
(Note No.28 of Notes to Consolidated Financial Statements)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Profit for Basic and Diluted Earnings per Share (a) ₹ Crore	1,586.81	1,551.61
Weighted average number of Equity Shares -		
For Basic Earnings per share (b)	264,251,356	250,059,851
Add : Adjustment for conversion / Issue of shares / Warrants	-	16,740,113
For Diluted Earnings per share (c)	264,251,356	266,799,964
Earnings per share (face value of ₹ 10 per share) -	Rupees	Rupees
Basic (a/b)	60.05	62.05
Diluted (a/c)	60.05	58.16

7. (Note No. 29 of Notes to Consolidated Financial Statements)

Construction Contracts:

Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts" (as per separate financial statements of the Parent Company):

₹ Crore

Sr. No	Particulars	2011-12	2010-11
1	Contract Revenue recognised for the financial year	11,541.77	3,389.23
2	Aggregate amount of costs incurred and recognised profits (Less recognised losses) as at end of the financial year for all contracts in progress as at that date (including construction work in progress ₹ 502.52 Crore (₹ 297.46 Crore))	24,628.96	13,147.37
3	Amount of customer advances outstanding for contracts in progress as at end of the financial year	4,413.79	6,421.43
4	Retention amount due from customers for contracts in progress as at end of the financial year	2,340.47	1,087.92
5	Gross amount due from customers for contract works as an asset	502.52	297.46

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

8. Revenue from Sale of Electrical Energy and Regulatory Matters: (Note No. 30 of Notes to Consolidated Financial Statements)

(a) Regulatory Assets:

In accordance with accounting policy (refer note 1 (e) (i)) the Parent Company has accrued ₹ 254.13 Crore (₹ 461.97 Crore) during the year as unbilled revenue under 'Income from Sale of Electricity' and the cumulative revenue gap as on March 31, 2012 of ₹ 2,318.88 Crore (₹ 2,064.75 Crore) has been shown under assets in the Balance Sheet. Based on management estimate, an amount of ₹ 300 Crore (₹ 32.34 Crore) being recoverable in the subsequent year has been included in Other Current Assets and the balance amount of ₹ 2,018.88 Crore (₹ 2,032.41 Crore) has been included in Other Non Current Assets.

Accordingly, BRPL and BYPL have also accrued ₹ 1,224.26 Crore (₹ 1,024.82 Crore) and ₹ 830.91 Crore (₹ 649.18 Crore) respectively, during the year as unbilled revenue under 'Income from Sale of Electricity' and the cumulative revenue gap as on March 31, 2012 of ₹ 4,263.44 Crore (₹ 2,208.27 Crore) has been included in Other Non Current Assets in the Balance Sheet. The amount given above represents Parent Company's share in joint ventures.

- (b) In accordance with the MERC tariff regulation for determination of tariff, the income-tax paid is considered for tariff determination (trueing up). Accordingly, the Parent Company has considered ₹ 45.41 Crore (₹ 132.78 Crore) of deferred tax liability for the year arising out of differences in rates of depreciation between MERC and income-tax as "Net tax to be recovered in future tariff determination". Similarly, the deferred tax liability of ₹ 82.47 Crore (₹ Nil) on account of timing difference on taxability of regulatory income accounted in the books is treated as "Net tax to be recovered in future tariff determination".

Similarly, BRPL & BYPL have considered ₹ 110.42 Crore (₹ 94.32 Crore) and ₹ 87.92 Crore (₹ 85.24 Crore) of deferred tax liability respectively, arising on account of timing difference on taxability of regulatory income accounted in the books is treated as "Net tax to be recovered in future tariff determination". The amount given above represents Parent Company's share in joint ventures.

9. Derivative Instruments: (Note No. 31 of Notes to Consolidated Financial Statements)

- (a) The Parent Company has entered into contracts for derivative instruments, which are not intended for trading or speculative purposes. The details of the derivative instruments are as follows:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2012)	
			US \$ million	₹ Crore
1.	Currency Swap	15	108.10	550.00
2.	Libor Based Callable Range Accrual	2	50.00	254.37
3.	Forward Contract	-	-	-

Details of the contracts for derivative instruments of previous year 2010-11 were as under:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2011)	
			US \$ million	₹ Crore
1.	Currency Swap	15	123.33	550.00
2.	Libor Based Callable Range Accrual	7	300.00	1,337.85
3.	Forward Contract	2	2.64	11.79

- (b) Pursuant to the clarification issued by the Institute of Chartered Accountants of India on March 29, 2008 on accounting of derivatives, the Parent Company has for the year ended March 31, 2012 reversed / (provided) for an realised loss of (₹ 58.68 Crore) (Previous Year ₹ 39.32 Crore) on account of revaluation of foreign exchange derivative instruments at the fair values as at the reporting year end. The provision for mark to market losses towards the same as on March 31, 2012 amounts to ₹ 69.74 Crore (Previous Year ₹ 128.42 Crore).

(c) Commodity Contracts:

The Parent Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. There are no outstanding aluminum future contracts of the Parent Company as on March 31, 2012.

Outstanding as on	Number of Contracts	Contractual Quantity	Buy / Sell
March 31, 2012	-	-	Buy
March 31, 2012	-	-	Sell
March 31, 2011	35	24,425 MT	Buy
March 31, 2011	15	15,175 MT	Sell

Net Foreign Currency exposures of the Group that are not covered by derivative instruments or otherwise are ₹ 2,732.93 Crore (₹ 2,055.10 Crore).

Notes to Abridged Consolidated Financial Statements

**10. Revaluation of Tangible Assets:
(Note No. 32 of Notes to Consolidated Financial Statements)**

The Parent Company had, based on a valuation made by approved valuers, revalued as at April 1, 2003 the Plant and Machinery located at Dahanu. The revaluation of the same has been based on the technological obsolescence, the year of purchase, the maintenance levels and the currency and customs duty variations as applicable. The resultant appreciation aggregating to ₹ 752.17 Crore has been added to the Gross Block of the Fixed Assets and credited to Revaluation Reserve. Consequent to the revaluation, there is an additional charge for depreciation for the year of ₹ 29.71 Crore (₹ 53.96 Crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss. Pursuant to the change in depreciation policy of Assets of Electricity business as explained in Note 2 above, the Parent Company has recalculated the depreciation as per the manner prescribed under the Electricity Regulations and accordingly reversed the additional depreciation on revalued assets amounting to ₹ 52.31 Crore pertaining to the years 2009-10 and 2010-11 in the Statement of Profit and Loss and an equivalent amount has been transferred to revaluation reserve.

11. (Note No. 33 of Notes to Consolidated Financial Statements)

Scheme of Arrangement between the Parent Company and Reliance Energy Limited (REL) and Reliance Infraventures Limited (RInvl) and Reliance Goa and Samalkot Power Limited (RGSPL) and Reliance Energy Generation Limited (REGL) and Reliance Property Developers Limited (RPDL) and Reliance Infrastructure Engineers Private Limited (RIEPL)

Pursuant to the approval of Board wide circular resolution dated January 17, 2012 and the sanction of Scheme of Arrangement between REL, RInvl, RGSPL, REGL, RPDL and RIEPL with the Parent Company by the Hon'ble High Court of Judicature at Bombay on April 20, 2012, the assets and liabilities of the erstwhile companies REL, RInvl, REGL, RGSPL, RPDL, the wholly owned subsidiaries of the Parent Company were transferred and vested in the Parent Company with effect from the appointed date February 1, 2012 and the assets and liabilities of the Container business of RIEPL, a wholly owned subsidiary were transferred and vested in the Parent Company with effect from the appointed date April 1, 2011. In accordance with the scheme so sanctioned, the following accounting treatment, inter alia has been given to give effect to the scheme.

- a) All Assets and Liabilities (Net) amounting to ₹ 1,212.60 Crore, of the Subsidiaries have been recorded in the books of the Parent Company at their respective book value, and corresponding equivalent amount is credited to the Capital Reserve.
- b) RIEPL has created Capital Reserve of ₹ 9.40 Crore, the excess of amount on account of reduction in share capital over the net assets transferred.
- c) Investments in REL, REGL, RInvl, RGSPL, RPDL and RIEPL amounting to ₹ 1,041.31 Crore have been written off by the Parent Company and an equivalent amount has been withdrawn from the General Reserve. The Parent Company has been legally advised that crediting of the said amount in Statement of Profit and Loss is in compliance with Revised Schedule VI to the Act.

Since REL, REGL, RGSPL, RInvl, RPDL and RIEPL were wholly owned subsidiaries of the Parent Company, there is no impact on consolidated financial statements on account of the said arrangement as these transactions get eliminated in the consolidated financial statements, except for decrease in General Reserve by ₹ 1,041.31 Crore, decrease in balance of Surplus as per the Statement of Profit and Loss by ₹ 180.69 Crore and increase in Capital Reserve by ₹ 1,222.00 Crore on account of following the above accounting treatment prescribed in the Scheme.

**12. Scheme of Amalgamation of Reliance Infraprojects Limited (RInfl) with the Parent Company:
(Note No. 34 of Notes to Consolidated Financial Statements)**

The Hon'ble High Court of Judicature of Bombay had sanctioned the above Scheme on March 30, 2011 with appointed date being April 1, 2010. The clause 2.3.8 of the Scheme states that the Board of Directors can withdraw an amount not exceeding ₹ 3,000 Crore out of the General Reserve and which may be reorganised as "Provision for Extraordinary & Exceptional items" to meet up any extraordinary and exceptional items upto March 31, 2013. Any balance remaining in the said account shall be credited back to General Reserve. During the year the Parent Company has identified certain Exceptional Items aggregating to ₹ 879.11 Crore consisting of Write off of Bad Debts of ₹ 585.00 Crore and Income Accrued on Investment of ₹ 294.11 Crore, which have been debited in the Statement of Profit and Loss and pursuant to the above clause, an equivalent amount has been withdrawn from the "Provision for Extraordinary and Exceptional Items" created out of General Reserve and credited to Statement of Profit & Loss. The Parent Company has been legally advised that crediting of the said amount in Statement of Profit and Loss is in compliance with Revised Schedule VI to the Act.

Had the scheme not prescribed the above treatment, the profit before tax for the year would have been lower by ₹ 879.11 Crore and the General Reserve would have been higher by an equivalent amount.

13. (Note No. 35 of Notes to Consolidated Financial Statements)

During the year, in line with the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Group has exercised the option given in the Paragraph 46A of the Accounting Standard-11 "The Effect of Change in Foreign Exchange Rates" of capitalising the foreign exchange loss/gain arising on long term foreign currency monetary items relating to acquisition

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

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 loss arising on long term foreign currency monetary items relating to acquisition of depreciable capital assets of ₹ 55.04 Crore. In other cases the Group has carried forward unamortised portion of ₹109.55 Crore as on March 31, 2012 and the same is grouped under 'Other Long Term Liabilities'. Had the Group followed earlier practice of charging off exchange differences in Statement of Profit and Loss, the profit before tax for the year ended March 31, 2012 would have been higher by ₹ 54.51 Crore.

14. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits": (Note No. 36 of Notes to Consolidated Financial Statements)

The Group has classified various employee benefits as under:

(a) Defined contribution plans

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

- Employers' 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 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. 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.

The Group has recognised the following amounts in the Statement of Profit and Loss for the year:

		₹ Crore	
Sr. No.	Particulars	2011-2012	2010-2011
(i)	Contribution to Provident Fund	28.50	26.26
(ii)	Contribution to Employees Superannuation Fund	6.89	6.94
(iii)	Contribution to Employees Pension Scheme, 1995	18.47	16.08
(iv)	Contribution to Employees State Insurance	1.27	0.58

(b) Defined Benefit Plans

(i) Provident Fund (Applicable to certain employees of the Parent Company)

(ii) Gratuity

(iii) Leave Encashment

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board states benefit involving employee established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. As per the audited accounts for the year ended March 31, 2012 of Provident Fund Trust maintained by the Parent Company, the shortfall arising in meeting the stipulated interest payment liability if any, gets duly provided for. Pending the issuance of guidance note from the Actuary Society of India, the Parent Company's actuary has expressed an inability to reliably measure provident fund liabilities.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the Group's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-2012	2010-2011	2011-2012	2010-2011
(i)	Discount Rate (Per annum)	8% - 8.75%	8% - 8.50%	8% - 8.75%	8% - 8.50%
(ii)	Rate of increase in Compensation levels	5.50% - 8.00%	5.50% - 7.50%	5.50% - 8.00%	5.50% - 7.50%
(iii)	Rate of Return on Plan Assets	8% - 9.25%	8% - 8.50%	8% - 8.25%	8% - 8.50%

₹ Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-2012	2010-2011	2011-2012	2010-2011
(i)	Changes in present value of obligation				
	Opening Balance of Present Value of Obligation	170.87	149.87	144.31	113.50
	Liability on increased stake in Joint Ventures/Subsidiaries	-	0.11	-	0.12
	Liability on transfer in / (out) of Employees (Net)	(0.99)	(1.56)	(0.72)	(1.51)
		169.88	148.42	143.59	112.11
	Interest Cost	14.14	12.36	12.59	9.44
	Current Service Cost	11.73	10.63	16.55	6.50
	Benefits Paid	(8.10)	(8.57)	(14.23)	(10.28)
	Actuarial (Gains) / Loss	(2.14)	8.03	0.65	26.54
	Closing Balance of Present Value of Obligation	185.51	170.87	159.15	144.31
(ii)	Changes in Fair Value of plan assets				
	Opening Balance of Present Value of Plan Assets	173.79	141.33	112.54	95.60
	Planned Assets on increased stake in Joint Ventures/Subsidiaries	-	0.13	-	-
	Planned Assets on transfer of employees (Net)	(0.01)	(0.02)	-	-
		173.78	141.44	112.54	95.60
	Expected return on Plan assets	14.18	11.64	9.16	7.89
	Contributions	11.57	32.05	32.23	20.28
	Benefits Paid	(8.09)	(8.57)	(14.23)	(10.28)
	Actuarial Gain / (Loss) on Plan assets	(3.21)	(2.77)	(0.79)	(0.95)
	Closing Balance of Fair Value of Plan Assets	188.23	173.79	138.91	112.54
	Plan assets Transfer / pending Transfer	(2.39)	(1.90)	(1.51)	(1.51)
	Closing Balance of Fair Value of Plan Assets net of pending transfer	185.84	171.89	137.40	111.03
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at the year end				
	Administered by Reliance Life Insurance Company Limited / Life Insurance Corporation of India	100%	100%	100%	100%
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	185.51	170.87	159.15	144.31
	Closing Balance of Fair Value of Plan Assets net of pending transfers	185.84	171.89	137.40	111.03
	Amount not recognised as an asset (limit in para 59(b))	(0.03)	-	-	-
	(Asset) / Liability recognised in the Balance Sheet	(0.30)	(1.02)	21.75	33.28

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

₹ Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-2012	2010-2011	2011-2012	2010-2011
(v)	Amounts recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	185.51	170.87	159.15	144.31
	Closing Balance of Fair Value of Plan Assets net of pending transfers	185.84	171.89	137.40	111.03
	Amount not recognised as an asset (limit in para 59(b))	(0.03)	-	-	
	Funded (Asset)/Liability recognised in the Balance Sheet	(0.30)	(1.02)	4.14	25.49
	Unfunded Liability recognised in the Balance Sheet	-	-	17.61	7.79
(vi)	Expenses recognised in the Statement of Profit and Loss / Capital work in progress / Intangible assets under development				
	Current Service Cost	11.73	10.63	16.55	6.50
	Interest Cost	14.14	12.36	12.59	9.44
	Expected Return on Plan Assets	(14.18)	(11.64)	(9.16)	(7.89)
	Net Actuarial (Gain) / Loss	1.07	10.80	1.43	27.50
	Amount not recognised as an asset (limit in para 59(b))	0.03	-	-	-
	Total Expenses recognised in the Statement of Profit and Loss / Capital work in progress / Intangible assets under development	12.79	22.15	21.41	35.55
(vii)	(a) Experience adjustments				
	On Plan Liabilities (Gain) / Loss	2.00	8.01	4.39	26.61
	On Plan Assets (Gain) / Loss	3.21	2.77	0.79	0.95
	Total Experience Adjustments	5.21	10.78	5.18	27.56
	(b) Adjustments due to change in assumptions	(4.14)	0.02	(3.62)	(0.07)

Disclosure as required under para 120(n):

₹ Crore

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Gratuity					
Present Value of the Defined Benefit Obligation	185.51	170.87	149.87	115.81	96.89
Fair Value of the Plan Assets	185.84	171.89	140.97	115.60	98.50
Surplus/ (Deficit) in the Plan	0.33	1.02	(8.90)	(0.21)	1.61
Leave Encashment					
Present Value of the Defined Benefit Obligation	159.15	144.31	113.50	97.48	85.13
Fair Value of the Plan Assets	137.40	111.03	95.60	72.91	57.67
Surplus/ (Deficit) in the Plan	(21.75)	(33.28)	(17.90)	(24.57)	(27.46)

Notes to Abridged Consolidated Financial Statements

15. Segment Reporting:
(Note No. 37 of Notes to Consolidated Financial Statements)

Basis of Preparation: The Group has identified following business segments as reportable viz. Electrical Energy, Engineering Procurement and Contracts (EPC) and Infrastructure. Business segments have been identified as reportable primary segments in accordance with Accounting Standard-17 as prescribed under the Companies (Accounting Standards) Rules, 2006, taking into account the organisation and internal reporting structure as well as evaluation of risks and returns from these segments. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Group.

The electrical energy 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 7.59 MW Wind-farm at Chitradurga and also purchases power from third parties and supplies the power through the Parent Company's own distribution grid in suburbs of Mumbai. BRPL and BYPL distribute the power in the city of Delhi. BKPL operates a 165 MW combined cycle power plant at Kochi. The segment also includes operations from trading of electricity. EPC segment (of Parent company and UPL) renders comprehensive value-added services in construction, erection and commissioning. Infrastructure segment includes businesses with respect to development, operation and maintenance of toll roads, metro rail transit system and airports. The segment also includes construction of cement plant and development of real estate projects including special economic zone.

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.

Information about Business Segments – Primary:

₹ Crore

Particulars	Electrical Energy	EPC	Infrastructure	Total 2011-12	Electrical Energy	EPC	Infrastructure	Total 2010-11
Revenue								
External Revenue	12,858.06	11,047.77	365.97	24,271.80	12,109.29	2,994.00	116.89	15,220.18
Inter-segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	12,858.06	11,047.77	365.97	24,271.80	12,109.29	2,994.00	116.89	15,220.18
Result								
Segment Result	1,650.90	916.79	(15.85)	2,551.84	1,236.21	241.26	18.01	1,495.48
Unallocated Income net of unallocable expenses				73.48				117.60
Interest Income (net of Interest Expense)				(820.90)				(257.24)
Profit before taxation				1,804.42				1,355.84
Taxes				544.16				126.84
Profit after Tax				1,260.26				1,229.00
Share in Profit/(Loss) of Associates				332.04				322.94
Minority Interest				(5.49)				(0.33)
Profit after tax, Share in Associates and Minority Interest				1,586.81				1,551.61
Other Information:								
Segment Assets	18,397.52	11,675.69	12,914.77	42,987.98	14,591.13	11,391.55	9,311.97	35,294.65
Unallocated Assets				18,421.93				15,539.94
Total Assets				61,409.91				50,834.59
Segment Liabilities	9,008.58	8,859.31	8,552.01	26,419.90	6,819.79	10,882.05	5,147.30	22,849.14
Unallocated Liabilities				10,855.35				4,377.84
Total Liabilities				37,275.25				27,226.98
Capital Expenditure *	1,161.23	247.63	2,565.25		1,798.58	10.23	6,311.51	
Depreciation *	406.84	17.45	24.58		535.47	9.73	15.88	
Non Cash expenses other than depreciation *	57.86	75.16	-		26.00	41.97	-	

* only pertaining to the segment.

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

16. Related Party Disclosure: (Note No. 38 of Notes to Consolidated Financial Statements)

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Group's related parties and transactions are disclosed below:

(a) Parties where control exists: Nil

(b) Other related parties where transactions have taken place during the year:

(i)	Associates (including subsidiaries of associates)	(a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s)	Reliance Infrastructure and Consultants Limited (RICL) (Up to March 19, 2012) Reliance Power Limited (RePL) Urthing Sobla Hydro Power Private Limited (USHPPL) Rosa Power Supply Company Limited (ROSA) Sasan Power Limited (SPL) Vidarbha Industries Power Limited (VIPL) Chitrangi Power Private Limited (CPPL) Tato Hydro Power Private Limited (THPPL) Siyom Hydro Power Private Limited (SHPPL) Jharkhand Integrated Power Limited (JIPL) Coastal Andhra Power Limited (CAPL) Reliance Coal Resources Private Limited (RCRPL) Samalkot Power Limited (SaPoL) Rajasthan Sun Technique Energy Private Limited (RSTEPL) Dahanu Solar Power Private Limited (DSPPL) Reliance Clean Gen Limited (RCGL) JR Toll Road Private Limited (JRTL) Mumbai Metro Transport Private Limited (MMTPL) Metro One Operation Private Limited(MOOPL)
(ii)	Joint Ventures	(a) (b) (c) (d)	BSES Rajdhani Power Limited (BRPL) BSES Yamuna Power Limited (BYPL) Tamilnadu Industries Captive Power Company Limited (TICAPCO) Utility Powertech Limited (UPL)
(iii)	Investing Party		AAA Project Ventures Private Limited (AAPVPL)
(iv)	Persons having control over investing party		Shri Anil D. Ambani
(v)	Key Management Personnel	(a) (b)	Shri S.C.Gupta Shri Lalit Jalan
(vi)	Enterprises over which person described in (iv) has significant influence	(a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l)	Reliance Communications Limited (RComm) Reliance Innoventures Private Limited(REIL) Reliance Webstores Limited (RWeb) Reliance General Insurance Company Limited (RGI) Reliance Capital Limited (RCap) Reliance Infratel Limited (RInFTL) Reliance Infocomm Infrastructure Private Limited (RIIPL) Reliance Big Entertainment Private Limited (RBig) AAA Sons Private Limited (AAASPL) Reliance Natural Resources Limited (RNRL) up to October 14, 2010 ADA Enterprises and Ventures Private Limited (AEVPL) Reliance Communications Infrastructure Limited (RCoIL)

Notes to Abridged Consolidated Financial Statements

(c) Details of transactions during the year and closing balances as at the end of the year:

₹ Crore			
Particulars	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence	Key Managerial Personnel/ Persons having control over investing party
(a) Statement of Profit and Loss Heads:			
(I) Income:			
(i) Sale of Electricity	10.75	-	-
	260.51	-	-
(ii) Gross Revenue from EPC and Contracts Business	11,601.56	-	-
	1,501.80	-	-
(iii) Dividend Received	1.19	-	-
	0.40	-	-
(iv) Rent / Lease Rent earned	0.04	0.84	-
	-	0.51	-
(v) Interest earned	5.57	-	-
	6.09	-	-
(vi) Other Income	11.71	3.29	-
	12.24	4.75	-
(II) Expenses:			
(i) Purchase of Electricity (Including Open Access charges)	1.09	32.38	-
	113.89	-	-
(ii) Purchase / Services on revenue account	68.20	19.60	-
	1.51	107.03	-
(iii) Purchase of other items on Capital account	15.58	-	-
	-	0.90	-
(iv) Receiving of Services	1.97	-	-
	49.13	69.27	-
(v) Rent paid	2.07	5.72	-
	0.76	1.93	-
(vi) Dividend Paid	90.47	0.62	0.10
	73.20	0.62	0.10
(vii) Salaries, Commission and Other benefits	-	-	7.18
	-	-	12.94
(b) Balance Sheet Heads (Closing Balances):			
(i) Trade Payables, Advances received and other liabilities for receiving of services on revenue and capital account	2,157.11	32.66	-
	5,311.64	30.85	-
(ii) Investment in Equity Shares / Preference Shares	2,502.47	-	-
	2,012.96	-	-
(iii) ICDs Placed	-	3.04	-
	70.83	-	-
(iv) Subordinate Debts	54.43	-	-
	46.00	-	-
(v) Advance against Investments	63.98	-	-
	53.45	-	-
(vi) Trade Receivables, Advances given and other receivables for rendering services	2,731.13	4.22	-
	22.60	4.33	-
(c) Contingent Liabilities (Closing balances):			
Guarantees and Collaterals	704.84	-	-
	704.84	-	-

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

Particulars	₹ Crore		
	Investing party, Associates and Joint Ventures	Enterprises over which person described in (iv) has significant influence	Key Managerial Personnel/ Persons having control over investing party
(d) Transactions during the year:			
(i) Guarantees and Collaterals provided	-	-	-
	<i>389.00</i>	-	-
(ii) Deposits Given to	99.32	3.04	-
	<i>10.95</i>	-	-
(iii) Deposits Returned by	105.20	-	-
	<i>83.17</i>	-	-
(iv) Recoverable Expenses:-			
(a) incurred for related parties	2.52	0.01	-
	<i>1.38</i>	<i>0.20</i>	-
(b) incurred by related parties on our behalf	10.02	0.04	-
	-	<i>1.73</i>	-
(v) Investment in Equity Shares / Preference Shares @ ₹ 3,380/-	499.80	-	-
	<i>@</i>	-	-
(vi) Subordinate Debts	8.43	-	-
	<i>46.00</i>	-	-
(vii) Advance against Investments	10.53	-	-
	<i>53.10</i>	-	-
(viii) Advance against Investments received back	17.15	-	-
	-	-	-
(ix) Reduction / Cancellation of Investments	10.29	-	-
	-	-	-
(x) Advances received	-	-	-
	<i>3,148.80</i>	-	-
(xi) Advances returned	100.00	-	-
	-	-	-
(xii) Warrants money received	-	-	-
	<i>1,570.99</i>	-	-
(xiii) Warrants money converted into Equity Shares	-	-	-
	<i>2,094.65</i>	-	-

Figures in italics represent previous year

Note: The above disclosure does not include transactions with/as public utility service providers, viz, electricity, telecommunications, in the normal course of business.

(d) Details of Material Transactions with Related Parties:

(i) Transactions during the year (Balance Sheet heads):

Deposits given to RICL ₹ 99.32 Crore. Deposits returned by RICL ₹ 105.20 Crore. Recoverable Expenses incurred for RePL ₹ 0.81 Crore, CAPL ₹ 1.08 Crore and BYPL ₹ 0.43 Crore. Recoverable Expenses incurred by SPL ₹ 4.03 Crore and SaPoL ₹ 5.77 Crore. Investment in Equity Shares of BRPL ₹ 284.20 Crore and BYPL ₹ 215.60 Crore. Deposit given to AEVPL ₹ 3.04 Crore. Subordinate debt given to MMTPL ₹ 8.43 Crore. Advance against Investments to JRTL ₹ 10.53 Crore. Advance against Investments received back from BYPL ₹ 17.15 Crore. Sale of Investment in Equity Shares of RICL ₹ 10.29 Crore. Advances returned to JIPL ₹ 100 Crore.

(Previous Year: Guarantees and Collaterals provided to JRTL ₹ 389 Crore. Deposits given to RICL ₹ 10.95 Crore. Deposits Returned by RICL ₹ 83.17 Crore. Recoverable Expenses incurred for RNRL ₹ 0.20 Crore, MMTPL ₹ 0.32 Crore and BYPL ₹ 0.76 Crore. Recoverable Expenses incurred by RComm ₹ 1.67 Crore. Subordinate debt given to MMTPL ₹ 46 Crore. Advance against Investments to JRTL ₹ 53.10 Crore. Advances received towards contract from CPPL ₹ 1,240.36 Crore, JIPL ₹ 1,000 Crore and SaPoL ₹ 787.44 Crore. Warrant money received from AAAPVPL ₹ 1,570.99 Crore. Warrants money of AAAPVPL converted into equity shares ₹ 2,094.65 Crore.)

Notes to Abridged Consolidated Financial Statements

(ii) Balance Sheet heads (Closing balance):

Trade Payables, Advances received and other liabilities for receiving services on revenue and capital account, CPPL ₹ 1,214.47 Crore and CAPL ₹ 726.38 Crore. Investment in Equity Shares of RePL ₹ 1,720.00 Crore, BRPL ₹ 509.60 Crore and BYPL ₹ 272.44 Crore. ICDs placed to AEVPL ₹ 3.04 Crore. Subordinate debt given to MMTPL ₹ 54.43 Crore. Advance against Investments in JRTL ₹ 63.98 Crore. Trade Receivables, advances given and other receivables for rendering services SPL ₹ 529.73 Crore and SaPoL ₹ 2,076.46 Crore.

(Previous Year: Trade Payables, Advances received and other liabilities for receiving of services on revenue and capital account SPL ₹ 1,244.88 Crore, CAPL ₹ 732.26 Crore, CPPL ₹ 1,220.22 Crore, JIPL ₹ 996.10 Crore and SaPoL ₹ 767.94 Crore. Investment in Equity Shares RePL ₹ 1,720.00 Crore and BRPL ₹ 225.40 Crore. ICDs placed RICL ₹ 68.40 Crore. Subordinate debt given MMTPL ₹ 46 Crore. Advance against Investments JRTL ₹ 53.45 Crore. Trade Receivable, Advances given and other receivable for rendering services RGI ₹ 4.33 Crore, RePL ₹ 3.72 Crore and ROSA ₹ 17.06 Crore.)

(iii) Income heads:

Sale of Electricity to BRPL ₹ 8.36 Crore and BYPL ₹ 2.39 Crore. Gross Revenue from EPC and Contracts Business from SPL ₹ 4,269.15 Crore and SaPoL ₹ 5,652.57 Crore. Dividend Received from UPL ₹ 1.19 Crore. Rent / Lease Rent earned from RComm ₹ 0.76 Crore. Interest earned from RICL ₹ 5.57 Crore. Other Income from RePL ₹ 6.89 Crore, RComm ₹ 3.25 Crore and BRPL ₹ 2.77 Crore.

(Previous Year: Sale of Electricity to BRPL ₹ 154.07 Crore and BYPL ₹ 106.44 Crore. Gross Revenue from EPC and Contracts Business from SPL ₹ 547.29 Crore, VIPL ₹ 336.43 Crore and CAPL ₹ 599.43 Crore. Dividend Received from UPL ₹ 0.40 Crore. Rent / Lease Rent earned from RComm ₹ 0.51 Crore. Interest earned from RICL ₹ 6.09 Crore. Other Income from RNRL ₹ 4.72 Crore, RePL ₹ 4.86 Crore, BYPL ₹ 2 Crore and BRPL ₹ 3.13 Crore.)

(iv) Expense heads:

Purchase of Electricity from REIL ₹ 31.13 Crore. Purchase / Services on Revenue account from RePL ₹ 62.75 Crore and RGI ₹ 14.82 Crore. Purchase of other items on Capital account from MMOPL ₹ 15.58 Crore. Services received from RICL ₹ 1.97 Crore. Rent paid to RIPL ₹ 5.72 Crore and UPL ₹ 1.30 Crore. Dividend paid to AAAPVPL ₹ 90.47 Crore.

(Previous Year: Purchase of Electricity from BRPL ₹ 64.17 Crore and BYPL ₹ 49.72 Crore. Purchase / Services on Revenue account from REIL ₹ 27.87 Crore and RNRL ₹ 76.49 Crore. Purchase of other items on Capital account from RComm ₹ 0.89 Crore. Services received from RGI ₹ 28.78 Crore, RNRL ₹ 28.71 Crore, RePL ₹ 23.19 Crore and MMOPL ₹ 19.68 Crore. Rent paid to RICL ₹ 0.76 Crore and RIPL ₹ 1.93 Crore. Dividend paid to AAAPVPL ₹ 73.20 Crore.)

(v) Salaries, Commission and Other Benefits paid / payable to Shri Anil D Ambani ₹ 5.50 Crore (₹ 11.01 Crore), Shri S.C. Gupta ₹ 0.84 Crore (₹ 1.12 Crore) and Shri Lalit Jalan ₹ 0.84 Crore (₹ 0.81 Crore).

17. Leases:

(Note No. 39 of Notes to Consolidated Financial Statements)

Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 for the Group is given below:

- (a) The Group 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:

Particulars	Lease Rentals Debited to Statement of Profit and Loss / CWIP / Intangible assets under development (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	60.81	26.05	35.14	-	Various

* The Lease terms are renewable on a mutual consent of Lessor and Lessee.

18. Interest in Jointly Controlled Operations (Parent Company):

(Note No. 40 of Notes to Consolidated Financial Statements)

The Parent Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited * (the consortium) has been allotted 4 Coal bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (MoPNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium has entered into a production sharing agreement with the Government of India for exploration and production of these four CBM blocks. The Parent Company is a non-operator and has 45 per cent share in each of the four blocks.

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

Also the Parent Company along with M/s. Geopetrol International Inc., Naftogaz India Private Limited and Reliance Natural Resources Limited * (the consortium) has been allotted oil 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 has signed an agreement with the Government of India for exploration and production of an Oil and Gas block. The Parent Company is a non-operator and has 70% share in the block.

Disclosure of the Parent Company's share in Joint Venture operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) As at March 31, 2012
SP-(North) - CBM - 2005 / III	Sohagpur, Madhya Pradesh	45 %
KG(E) - CBM - 2005 / III	Kothagudem, Andhra Pradesh	45 %
BS(4) - CBM - 2005 / III	Barmer, Rajasthan	45 %
BS(5) - CBM - 2005 / III	Barmer, Rajasthan	45 %
MZ-ONN-2004 / 2	Mizoram	70 %

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, the Parent Company's share in respect of assets and liabilities as at March 31, 2012 and expenditure for the year ended on that date has been accounted as under:

₹ Crore

Item	2011-12 (Audited)	2010-11 (Audited)
Expenses	10.05	6.07
Fixed Assets including Capital work-in-progress	-	-
Other Assets	3.77	4.39
Current Liabilities	2.20	1.47
Contingent Liability	-	-

(* share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).

19. Provision for Disputed matters / Contingencies: (Note No. 41 of Notes to Consolidated Financial Statements)

₹ Crore

Particulars	Parent Company (Refer note (a) below)	Share of Joint Ventures (Refer note (b) below)	Total
Opening Balance	610.00	25.77	635.77
Add: Provision made	-	13.81	13.81
Less: Provision reversed	230.00	11.61	241.61
Closing Balance	380.00	27.97	407.97

- (a) represents provision made for disputes / contingencies in respect of electricity business and other corporate matters. No further information is given as the matters are sub-judice and may jeopardize the interest of the Parent Company
- (b) represents consumer claims logged of ₹ 1.56 Crore against BYPL, provision for other claims of ₹ 3.55 Crore in BRPL and provision for retirement of fixed assets of ₹ 15.51 Crore in BRPL and ₹ 7.35 Crore in BYPL.

20. (Note No. 42 of Notes to Consolidated Financial Statements)

(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, 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 Parent 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.

Notes to Abridged Consolidated Financial Statements

(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:

- (i) 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
- (ii) 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 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) is 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 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.

21. (Note No. 43 of Notes to Consolidated Financial Statements)

The Parent Company has been legally advised that it is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Act is not applicable to the Parent Company.

22. Notes related to BRPL and BYPL (as per respective financial statements):

(Note No. 44 of Notes to Consolidated 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. In case of BRPL an amount of ₹ 13.18 Crore (₹17.40 Crore) and in case of BYPL ₹ 15.00 Crore (₹ Nil) has been provided against 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 ₹ 11.00 Crore in case of BRPL and ₹ 8.00 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 ₹ 11.00 Crore in case of BRPL and ₹ 8.00 Crore in case of BYPL, as per the Transfer Scheme. Therefore the liability towards refund of consumer deposits in excess of ₹ 11.00 Crore in case of BRPL and ₹ 8.00 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 ₹ 97.48 Crore and ₹ 70.90 Crore to BRPL and BYPL respectively. 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 during the year 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. In view of the pending litigation, as explained above, BRPL and BYPL have provided for interest only to the extent of amount transferred as per the transfer scheme i.e. ₹ 11.00 Crore in case of BRPL and ₹ 8.00 Crore in case of BYPL. The Companies are of the view that the interest on CSD in excess of the amount as per the Transfer Scheme would be recoverable from Delhi Power Company Limited (DPCL) if the contention is upheld by the High Court of Delhi.
- (iii) The liabilities arising out of litigation, suits, claims etc. pending on the date of transfer and / or arising due to events prior to the date of transfer shall be borne by BRPL and BYPL subject to a maximum of ₹1.00 Crore per annum. Any amount above this shall be to the account of DPCL in the event of DERC not allowing the amount to be included in the ARR of the respective companies.

23. (Note No. 45 of Notes to Consolidated Financial Statements)

- (a) In case of CBDTPL, the Company 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 the Company, after development intends to lease out to the intended users. To mitigate the risk of the project due to economic slowdown and recession in real estate market, the Board of Directors of the Company 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.

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

Certain consequential issues, like effective date being date of signing of amended agreement and similar mechanism for land transfer for trade tower, arising out of the main approved terms, are in advanced stages of getting approval from APIIC. As per the current applicable terms of development agreement and although certain part payments been made, the title with respect to land amounting to ₹ 527.37 Crore would be transferred only on payment of full amount and complying with all the terms of development agreement. Till then the land has been disclosed under Capital Work in Progress.

- (b) In case of NGSPL, as per the terms of the DRA the Noida Authority needs to transfer land of 2500 acres to the Company to commence the project. However no land title has been transferred to the Company till date. The Company filed a petition with the High Court of Allahabad to expedite the process of land acquisition. The matter has been transferred to Supreme Court, where the case is pending for hearing.

24. Power Banking:

(Note No. 46 of Notes to Consolidated Financial Statements)

The cost of electricity purchased is net of cost incurred towards units purchased and banked with other parties and / or units banked by other parties with us, both on loan basis. Such transactions remaining unsettled at the year end, is carried forward under Short Term Loans and Advances at the value of purchase on the date of the transactions when the units are banked.

25. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(Note No. 47 of Notes to Consolidated Financial Statements)

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 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.

₹ Crore

Particulars	As at March 31, 2012	As at March 31, 2011
Principal amount due to suppliers under MSMED Act,2006	2.07	1.25
Interest accrued,due to suppliers under MSMED Act on the above amount,and unpaid	-	-
Payment made to suppliers(other than interest) beyond the appointed day/due date during the year	0.33	-
Interest paid to suppliers under MSMED Act(other than Section 16)	-	-
Interest paid to suppliers under MSMED Act(Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	0.01	0.02
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.01	-
Amount of further interest remaining due and payable in succeeding years	0.14	0.11

26. (Note No. 49 of Notes to Consolidated Financial Statements)

(a) Contingent Liabilities:

₹ Crore

	As at March 31, 2012	As at March 31,2011
(i) Counter guarantees given to banks against guarantees issued by the banks on behalf of the Group	399.61	409.94
(ii) Corporate guarantees given to Banks and other parties in respect of financing facilities granted to other body corporate	2,620.74	2,923.97
(iii) Claims against the Group not acknowledged as debts and under litigation These include:-	2,109.15	1,522.80
a) Claims from Suppliers	293.53	271.09
b) Income-tax claims	1,530.05	1,066.40
c) Sales Tax claims	122.47	122.47
d) Claims from Consumers	50.75	53.27
e) Other Claims	112.35	9.57
(including share in joint ventures)	(91.51)	(60.29)
(iv) 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. The Parent Company is legally advised that it is in compliance with the regulations under the Foreign Exchange Management Act, 1999. Accordingly, no provision is considered necessary in this regard.		

Notes to Abridged Consolidated Financial Statements

(v) As per the Development Right Agreement (DRA), entered by NGSP with Noida Authority in February 2007, 2500 acres of land was to be acquired by the regulator and transferred to the Company. Based on the said DRA, the Collector Stamps, Uttar Pradesh raised a demand for the stamp duty of ₹ 1,029 Crore (including interest) on the Company considering the same as sale deed. However in the opinion of the management there would not be any liability of stamp duty as the title of the land has not been transferred to the Company and further, SEZ projects are exempted from the stamp duty. The said matter is pending resolution before the High Court of Allahabad, which has granted a stay on the demand.

(vi) In case of BRPL and BYPL:

In December 2003, BRPL and BYPL had announced a Special Voluntary Retirement Scheme (SVRS). The Companies had taken a stand that terminal benefit to SVRS retirees was the responsibility of Delhi Vidyut Board (DVB) Employees Terminal Benefits Fund - 2002 Trust (DVB ETBF - 2002) and the amount was not payable by the companies. The DVB ETBF - 2002 had contended that terminal benefits to the SVRS retirees did not fall in its purview as the employees had not attained superannuation. For resolution of the issue through the process of law, both the Companies had filed a writ petition before the High Court of Delhi. The Hon'ble Court had pronounced its judgment on this issue on July 2, 2007 whereby it had provided two options to the Distribution Companies (Discoms) for paying terminal benefits and residual pension to the Trust:

- Terminal benefits to the SVRS optees to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement / death (whichever is earlier) of such SVRS optees. In addition, the Discoms shall pay the Retiral Pension to SVRS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.
- The Trust to pay the terminal benefits of the SVRS optees on reimbursement by Discoms of 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries. The liability to pay residual pension i.e. monthly pension shall be borne by the respective companies.

Even though both the companies had taken the second option, vide Court direction dated January 25, 2008, both the companies have paid leave encashment, gratuity and commuted pension amounting to ₹ 64.54 Crore and ₹ 45.20 Crore, respectively. The interest amounting to ₹ 20.09 Crore and ₹ 14.33 Crore on the delayed payment has also been paid during the year 2008-09, pending computation of the additional contribution, if any, by the Arbitral Tribunal of Actuaries and the final decision in the said matter. The net recoverable amount has been shown under Loans and Advances.

Apart from the above, both the companies are also paying retiral pension to the SVRS optees till their respective date of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral pension in its Annual Revenue Requirement (ARR) and the same has been charged to Statement of Profit and Loss. The final impact on the financial statements in addition to the aforesaid amounts will be determined when the final order is received.

(b) Capital and other Commitments:

Particulars	₹ Crore	
	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining unexecuted on Capital Account and not provided for	9,312.91	4,824.69
(including share in joint ventures).....	(206.29)	(157.05)
Uncalled liability on partly paid shares	10.70	83.83

The Parent Company has given equity / fund support for setting up of projects / cost overrun in respect of various infrastructure and power projects being set up by the Group, the amounts of which currently are not ascertainable.

(c) Proportionate share of claims not acknowledged as debt and other contingent liabilities in respect of associate companies amount to ₹ 975.72 Crore (₹ 1,017.92 Crore) and share of capital and other commitments amounts to ₹ 20,252.13 Crore (₹ 22,250.82 Crore).

27. (Note No. 50 of Notes to Consolidated Financial Statements)

In terms of Section 212(8) of the Act read with General Circular No. 2 / 2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, the Parent Company has not attached the Financial Statements and Auditors' Reports of the individual subsidiaries. The same are available for inspection by the shareholders at the registered office. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investments, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend for each subsidiary is as follows:

Reliance Infrastructure Limited

Notes to Abridged Consolidated Financial Statements

₹ Crore

Sr. No.	Name of the Subsidiary	Share Capital @	Reserves and Surplus	Total Assets *	Total Liabilities #	Investment \$		Turnover ##	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend
						In Mutual Fund at cost (Quoted)	In Shares at cost (Unquoted)					
1	BKPL	127.76	94.14	257.93	36.04	72.59	-	140.98	29.59	5.96	23.64	-
2	PKTCL	104.83	(1.54)	312.97	209.68	-	-	0.07	0.07	0.02	0.05	-
3	RETL	20.65	59.37	108.89	28.87	32.72	-	296.10	11.24	3.30	7.94	-
4	RPTL	5.47	527.81	546.27	12.98	0.51	-	1.35	-	(1.17)	1.17	-
5	NGSPL	6.90	61.73	72.61	3.98	-	-	-	-	-	-	-
6	MMOPL	512.00	421.73	1,993.37	1,059.63	2.85	-	-	-	-	-	-
7	DAMEPL	0.01	(341.13)	2,503.20	2,844.32	0.55	-	38.89	(325.65)	-	(325.65)	-
8	CBDTPL	189.73	(3.88)	665.64	479.80	-	-	-	-	-	-	-
9	TRPL	0.01	(0.01)	-	-	-	-	-	-	-	-	-
10	DSTL	5.21	6.65	721.24	709.38	3.00	-	72.88	(22.39)	-	(22.39)	-
11	NKTL	4.48	(5.78)	578.30	579.61	0.02	-	37.60	(25.48)	-	(25.48)	-
12	SUTL	18.30	367.74	1,018.10	632.06	-	-	-	-	-	-	-
13	TDTL	10.74	194.60	542.29	336.94	0.47	-	5.59	(4.32)	-	(4.32)	-
14	TKTL	12.76	245.34	694.31	436.21	-	-	-	-	-	-	-
15	GFTL	1.96	193.09	732.66	537.61	-	-	0.07	0.07	-	0.07	-
16	RCPL	68.32	415.91	520.74	36.51	-	-	-	-	-	-	-
17	RCCPL	0.08	(0.08)	0.01	-	-	-	-	(0.01)	-	(0.01)	-
18	RCIPL	0.02	(0.02)	0.01	-	-	-	-	(0.01)	-	(0.01)	-
19	RCWPL	0.02	(0.02)	0.01	-	-	-	-	(0.01)	-	(0.01)	-
20	KMTL	1.02	15.46	220.37	203.90	0.32	-	9.63	9.57	3.15	6.42	-
21	PSTL	0.01	23.06	2,065.08	2,042.01	5.37	-	173.77	26.21	5.13	21.08	-
22	HKTL	1.64	30.60	160.40	128.17	3.96	-	74.75	19.92	3.95	15.97	-
23	DATL	9.02	99.59	297.43	188.83	-	-	27.59	27.59	9.01	18.58	-
24	RADPL	6.94	62.19	19.94	0.02	-	-	-	(0.08)	-	(0.08)	-
25	LAPL	0.82	4.14	7.11	2.16	-	-	0.09	(0.87)	-	(0.87)	-
26	BAPL	2.13	17.86	27.38	7.38	0.13	-	0.41	(0.25)	-	(0.25)	-
27	NAPL	2.62	15.29	26.12	8.20	0.20	-	1.05	(4.14)	-	(4.14)	-
28	YAPL	0.33	2.48	3.76	0.94	-	-	0.10	(0.10)	-	(0.10)	-
29	OAPL	0.80	6.63	10.16	2.74	-	-	0.11	(0.15)	-	(0.15)	-
30	WRTM	18.01	162.82	807.55	626.71	1.25	-	25.07	4.78	2.19	2.59	-
31	WRTG	14.26	128.49	530.58	387.84	-	-	22.13	2.64	1.39	1.25	-
32	RSOPL	0.01	(0.04)	40.88	40.91	-	-	-	-	-	-	-
33	UIWPL	0.69	6.14	6.83	-	-	-	-	(0.02)	-	(0.02)	-
34	NKTCL	0.55	4.46	24.67	19.67	-	-	0.01	-	-	-	-
35	TTCL	0.65	5.35	25.05	19.05	-	-	0.01	-	-	-	-
36	RConPL	0.01	(0.01)	0.01	-	-	-	-	-	-	-	-
37	RIEPL	0.05	2.62	3.16	0.49	-	-	0.51	0.17	0.05	0.12	-

@ including share application money ; * Non Current Assets + Current Assets ; # Non Current Liabilities + Current Liabilities
\$ Other than Investment in Subsidiary ; ## includes other income.

28. (Note No. 51 of Notes to Consolidated Financial Statements)

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 @.

29. (Note No. 52 of Notes to Consolidated Financial Statements)

The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act, 1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Group. Accordingly, the Group has reclassified previous year figures to conform to the current year's classification. The adoption of revised schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

As per our attached Report of even date

For Haribhakti & Co.

Chartered Accountants

Firm Registration No 103523W

Rakesh Rathi

Partner

Membership No. 45228

Date : June 5, 2012

Place : Luzern

For Pathak H. D. & Associates

Chartered Accountants

Firm Registration No 107783W

Vishal D. Shah

Partner

Membership No. 119303

Date : June 5, 2012

Place : Mumbai

For and on behalf of the Board

Anil D Ambani

Chairman

Sateesh Seth

Vice Chairman

R R Rai

S S Kohli

C P Jain

Dr V K Chaturvedi

Ramesh Shenoy

Date : June 5, 2012

Place : Mumbai

} Director

Company Secretary and Manager

Reliance Infrastructure LimitedRegistered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
 Joint shareholders may obtain additional attendance slip at the venue.

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/our presence at the **83rd ANNUAL GENERAL MEETING** of the Company held on Tuesday, September 4, 2012 at 4.00 p.m. or soon after conclusion of the annual general meeting of Reliance Power Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

*Applicable for investors holding share(s) in electronic form.

Signature of the shareholder or proxy

..... TEAR HERE

PROXY FORM**Reliance Infrastructure Limited**Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

I/We..... of
 in the district of being a member/members
 of Reliance Infrastructure Limited hereby appoint of
 in the district of
 or failing him/herof
 in the district of as my/our proxy to vote for
 me/us and on my/our behalf at the 83rd Annual General Meeting of the Company to be held on Tuesday,
 September 4, 2012 at 4.00 p.m. or soon after conclusion of the annual general meeting of Reliance Power Limited convened
 on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 or at any adjournment
 thereof.

Signed this day of 2012.

*** Applicable for investors holding shares in electronic form.**

Affix ₹ 1/- revenue stamp

- NOTES: 1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



Book Post

Permitted to post
"Postage Pre-Paid in Cash"

**Permit No. AP/CO/BD(Mktg.) Hyd.Stg.
Dn/RIFL/1022/02-08-2012 to 09-08-
2012/5,62,344/Rs. 10.60/Dt. 31-07-2012**

Posted at MBC - 1, Banjara Hills,
Hyderabad - 500034

To

If undelivered please return to :

**Karvy Computershare Private Limited
(Unit: Reliance Infrastructure Limited)**
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13 C, Madhapur Village
Hyderabad 500 081
Tel. : + 91 40 4030 8000
Fax : + 91 40 2342 0859
Email : rinfra@karvy.com