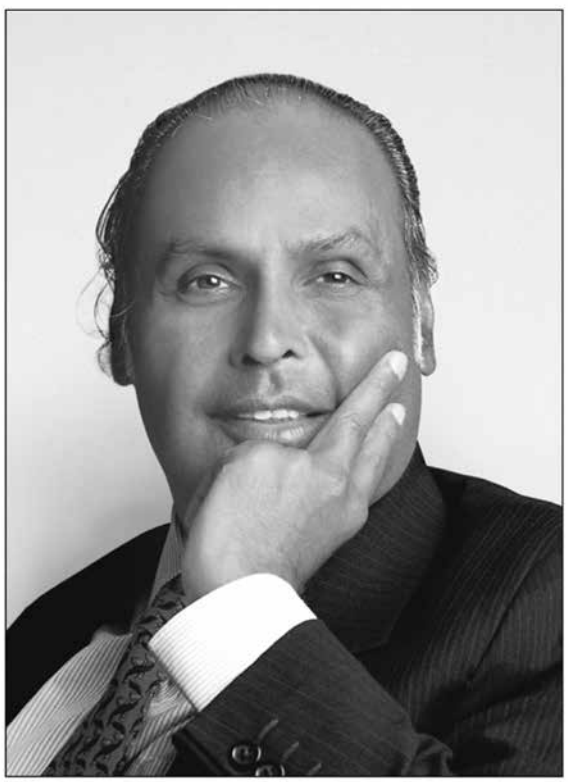
RELIANCE

Infrastructure

Annual Report
2017-18



Padma Vibhushan
Shri Dhirubhai H. Ambani

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

Reliance Group – Founder and Visionary

Profile

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

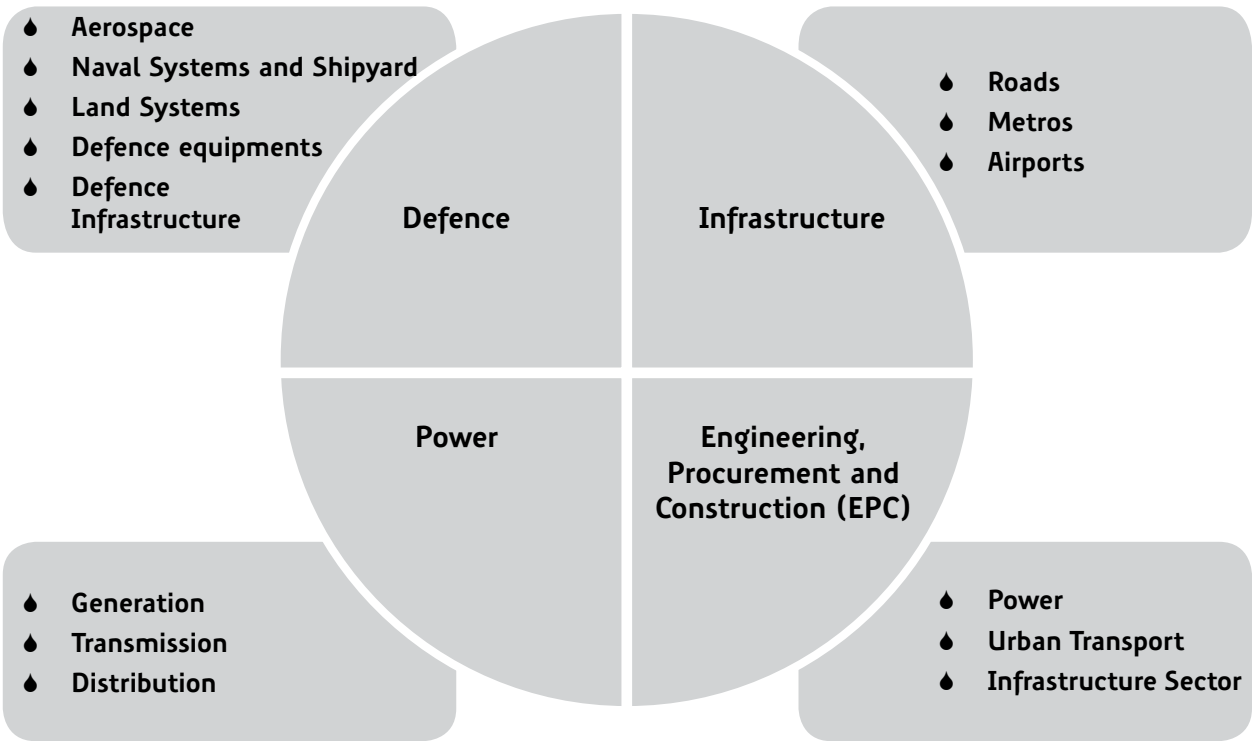
RInfra is a major player in providing Engineering, Procurement and Construction (EPC) services for developing power, infrastructure, metro and road projects.

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

Mission: Excellence in Infrastructure

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

Business Mix



Board of Directors

Shri Anil Dhirubhai Ambani - Chairman
Shri S Seth - Vice Chairman
Dr V K Chaturvedi
Shri S S Kohli
Shri K Ravikumar
Shri V R Galkar
Ms. Ryna Karani
Shri Shiv Prabhat

Key Managerial Personnel

Shri Lalit Jalan - Chief Executive Officer
Shri Sridhar Narasimhan - Chief Financial Officer
Shri Aashay Khandwala - Company Secretary

Auditors

M/s. B S R & Co. LLP
M/s. Pathak H.D. & Associates

Registered Office

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710.
CIN : L75100MH1929PLC001530
Tel. : +91 22 3303 1000
Fax : +91 22 3303 3664
Email : rinfra.investor@relianceada.com
Website: www.rinfra.com

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower – B, Plot No. 31 & 32
Survey No. 116/22, 115/24, 115/25
Financial District, Nanakramguda
Hyderabad 500 032.
Website: www.karvy.com

Investor Helpdesk

Toll free no (India) : 1800 4250 999
Tel. no. : +91 40 6716 1500
Fax no. : +91 40 6716 1791
Email : rinfra@karvy.com

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89th Annual General Meeting on Tuesday, September 18, 2018 at 10.45 a.m. or soon after conclusion of the AGM of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020

This Annual Report can be accessed at www.rinfra.com.

Letter to Shareowners



My dear fellow Shareowners

Under the leadership of Hon'ble Prime Minister, Shri Narendra Modi, the Indian economy has continued its high growth momentum. According to the International Monetary Fund, India is forecast to grow at 7.4 per cent in 2018, making us the fastest-growing economy in the world. Series of new initiatives initiated by the Government have moved India into world's top countries towards ease of doing business. The global economy is also growing at its fastest pace and expected to strengthen further in years to come.

Relaince Infrastructure Limited (the Company) has successfully transformed itself from a power utility Company to a well diversified defence and infrastructure Company. We have widened our business canvas by diversifying into wide spectrum of infrastructure businesses with focus on roads, metro rail, airports and defence sector. With our focus on 'asset light' and 'high growth' Engineering, Procurement and Construction (EPC) business, we have established ourselves as a leading provider of EPC Services for power sector, metro and road projects across the country.

In line with the Reliance Group's vision of bringing in modern cutting edge using advance technology in Defence to the country, the Company has ventured into the defence sector. Towards this end, the Company has sealed a number of strategic partnerships and entered joint ventures with leading global original equipment manufacturers (OEMs).

Performance Review

I wish to share with you the highlights of our financial and operational performance (consolidated) during the year 2017-18.

- Total Income of ₹ 28,429 crore (US$ 4.36 billion)
- Net Profit of ₹ 1,340 crore (US$ 205.52 million)
- EBITDA of ₹ 9,070 crore (US$ 1.39 billion)
- Earnings per Share (EPS) of ₹ 50.93 (US$ 0.78)
- Cash profit of ₹ 3,274 crore (US$ 502.36 million)
- Consolidated Net Worth of ₹ 24,219 crore (US$ 3.72 billion)

With a net worth of ₹ 24,219 crore (US$ 3.72 billion), Reliance Infrastructure ranks amongst the top performing private sector companies in the country.

Mumbai Distribution Business

Our power generation plant continues to achieve across major performance indicators such as operations, efficiency, environment and safety, certified under various Integrated Management Systems, the Dahanu Thermal Power Station (DTPS) has won several awards for Energy Management, Power Generation and healthy workplace.

Mumbai Power Distribution Division serves nearly 3 million customers in the suburbs of Mumbai, operating its distribution network at 99.99 per cent reliability. The Division has managed to reduce aggregate technical and commercial (AT&C) losses to 8.12 per cent, one of the lowest in the country.

Debt Reduction and Monetization of Mumbai Power Business

The Scheme of Arrangement between the Company and Reliance Electric Generation and Supply Limited (REGSL) and their respective shareholders (the 'Scheme') was sanctioned by the Hon'ble High Court of Bombay, subject to approval from regulatory authorities and the lenders. On the Scheme becoming effective, the Mumbai Power Business of the Company comprising integrated business of generation, transmission and distribution would be vested in REGSL. The Company has already received approvals from the Competition Commission of India, Maharashtra Electricity Regulatory Commission (MERC), and the Shareholders. The requisite approvals from the lenders are under process.

The Company, in December 2017, signed Definitive Binding Agreement with ATL for sale of 100 per cent equity stake in REGSL for an estimated deal value of ₹ 18,800 crore. The Company will utilize the proceeds of this transformative transaction to reduce its debt.

Transmission

Parbati Koldam Transmission Corporation Limited (PKTCL), joint venture with Power Grid Corporation of India Limited has been serving as power evacuation backbone for many hydro power plants in the Koldam Ludhiana region and many other northern region States. In spite of the treacherous terrain, all lines are being operated successfully with maintaining an average availability of 99.94 per cent during 2017-18.

Delhi Power Disribution Business

The Company's two major subsidiaries viz BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) in Delhi (Delhi Discoms) distribute power to over 41 lakh consumers of Delhi. The combined revenue of Delhi Discoms was ₹ 15,344 crore, a growth of 7 per cent over the previous year. During 2017 - 18, these Discoms achieved system reliability of over 99.9 per cent with AT&C losses declining to 9.44 per cent at BRPL and 10.41 per cent at BYPL. It is heartening to note that BRPL succeeded in bringing down AT&C losses from 48.1 per cent and BYPL from 57.2 per cent in 2002, when these Discoms were acquired by the Company.

Letter to Shareowners

The EPC Business

Our EPC Division is a leading service provider of integrated design, engineering, procurement and project management services for undertaking turnkey contracts including coal-based thermal projects, nuclear power projects, gas-power projects, metro, rail and road projects. The EPC Division has taken remarkable steps towards building a niche for itself and contributes to the faster growth of the Company. The significant initiatives taken to achieve this objective are elaborated in detail in the Management Discussion and Analysis which is appended to the Directors' Report.

A Centre of Engineering Excellence has been formed to build Knowledge Capital in order to enable the execution of large projects at optimum cost, while ensuring high standards of quality and strict adherence to timelines. Our EPC and Contracts Division order book position stood at ₹ 20,557 crore as on March 31, 2018.

The EPC Division is aggressively positioning itself in India's growing mega infrastructure sector by booking orders from sectors like defence, power and urban transport which includes metro and road projects. Backed by a young and highly talented workforce, our EPC division has built capabilities to execute projects in a time-bound and cost effective manner. This year, EPC Division has bagged various prestigious orders, including ₹ 7,000 crore Versova-Bandra Sea Link Project, ₹ 3,647 crore Uppur Thermal Power Project, ₹ 1,881 crore Road Projects from NHAI, ₹ 1,585 crore Mumbai Metro Line-4 Project, ₹ 1,081 crore Kudankulam Nuclear Power Project and ₹ 567 crore NTPC's flue gas desulphurisation works and 441 crore Kashedi Ghat Project from MoRTH.

The Company has entered into joint venture with Astaldi S.P.A, Italy, an European EPC major for execution of the Versova-Bandra Sea Link Project and Mumbai Metro Line - 4 Project.

Road Projects

Over the last decade, we have emerged as one of the largest road developers on Build, Own and Transfer (BOT) basis, with a portfolio of 11 projects at an aggregate outlay of approximately ₹ 11,500 crore. We have urban centric roads in high traffic density corridors and on Golden Quadrilateral, spread across six States in India and have emerged as one of the largest concessionaires of the National Highways Authority of India. All our 11 road projects are now generating revenue.

Metro Project

The Mumbai Metro Line 1 project covering Versova-Andheri-Ghatkopar corridor which commenced operations in June 2014 has served more than 400 million passengers. Mumbai Metro has emerged as the eighth densest metro corridor in the world with a peak ridership of around 4 lakh commuters per day as it is the fastest mode of East West connectivity in Mumbai. Mumbai Metro has continued to achieve excellence in field of public transport operation. It has been achieving 100 per cent train availability and 99.9 per cent on time performance since inception.

Corporate Governance

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

Social Commitments

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

Reliance Group

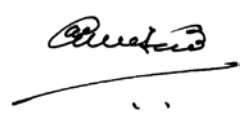
Reliance Infrastructure Limited is a constituent of the Reliance Group which is a prominent business house, widely recognized in India and abroad as one of the leading creators of projects of national importance – in infrastructure, power generation, transmission and distribution, financial services, defence manufacturing, entertainment and telecommunications, amongst others.

The Reliance Group has the largest investor base in India with over 15.5 million retail investors. The Reliance Group has over 75,000 employees and serves over 200 million customers. The Reliance Group has assets under management of over ₹ 4.5 lakh crore and also manages the funds of the Government of India's Employees' Provident Fund Organisation (EPFO), Pension Fund Regulatory and Development Authority (PFRDA) and Coal Mines Provident Fund Organisation (CMPFO) funds.

Currently, the Reliance Group has assets worth ₹ 3,50,000 crore, net worth of about ₹ 70,000 crore and cash flows of over ₹ 21,000 crore.

Our Commitment

Our founder, the legendary Padma Vibhushan Shri Dhirubhai Ambani always emphasized on one simple but essential mantra for doing business: To think big and dream even bigger. We will follow his lead and his inspiration in striving for bigger and better in everything that we do, paving the way for ever faster growth and ever higher value for all our stakeholders.



Anil Dhirubhai Ambani
Chairman

Highlights - at a glance (Standalone)										
Year Ended 31st March	**2018***	**2017***	**2016***	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Financial Data (₹ in crore)										
Fixed Assets (Net)	16,151	16,601	17,071	7,702	6,509	7,349	7,754	6,844	4,079	3,905
Investments	17,554	16,876	15,604	18,107	17,552	13,301	12,785	12,584	10,020	12,147
Share Capital	263	263	263	263	263	263	263	267	245	226
Reserves and Surplus	21,722	20,732	19,036	20,924	21,030	19,973	18,387	17,400	14,366	10,898
Borrowings	16,399	19,845	20,343	16,814	14,841	11,451	9,189	3,969	4,115	7,332
Gross Revenue	11,141	10,854	11,866	12,013	12,581	15,405	18,615	10,210	10,908	10,959
Profit Before Tax	1,581	1,205	1,197	1,518	1,797	2,143	2,498	1,135	1,297	1,193
Profit After Tax	1,664	1,288	967	1,533	1,588	2,000	2,000	1,081	1,152	1,139
Dividends	250@	237	224	210	197	195	194	191	174	156
Retained Earnings (including statutory reserves)	1,381	1,037	741	1,280	1,365	1,787	1,779	859	968	956
Rate of Dividend on Equity Shares	95%@	90%	85%	80%	75%	74%	73%	72%	71%	70%
Earnings Per Share of face value of ₹ 10 each (in ₹)	63	49	76	58	60	76	76	43	51	49

1 Crore = 10 million

*As per Ind AS

@Proposed dividend

Notice

Notice is hereby given that the 89th Annual General Meeting of the Members of **Reliance Infrastructure Limited** will be held on Tuesday, September 18, 2018 at 10.45 a.m. or soon after the conclusion of the Annual General Meeting of Reliance Communications Limited convened on the same day, whichever is later, at Birla Matushri Sabhagar, 19 New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business:

1. To consider and adopt:
   (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon, and
   (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Shiv Prabhat (DIN: 07319520), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To confirm holding of office by the Auditor for the remaining term and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the relevant Rules there under as amended from time to time, the appointment of M/s Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) as the Statutory Auditors of the Company which was approved by the Members at the 87th Annual General Meeting (AGM), to hold office from the conclusion of the 87th AGM for a term of 4 (four) consecutive years till the conclusion of the 91st AGM, be and is hereby confirmed to hold office for the said period."
5. To confirm holding of office by the Auditor for the remaining term and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the relevant Rules there under as amended from time to time, the appointment of M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company which was approved by the Members at the 88th Annual General Meeting (AGM), to hold office from the conclusion of the 88th AGM for a term of 5 (five) consecutive years till the conclusion of the 93rd AGM, be and is hereby confirmed to hold office for the said period."

Special Business:

6. **Private placement of Non Convertible Debentures (NCD) and/or other Debt Securities**

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

   "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("hereinafter referred to as 'the Act'), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the relevant Rules made there under, as amended from time to time, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent they are applicable, and/or any other Rules/ Regulations/ Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and/ or any other statutory/ regulatory authority/ body and subject to the provisions of the Memorandum and Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute, to exercise its powers including the powers conferred by this Resolution), be and is hereby authorised to create, offer, invite to subscribe, issue and allot, from time to time, in one or more tranches and/or in one or more series, Secured/ Unsecured/ Redeemable/ Non- Redeemable/ Non-Convertible Debentures (NCDs) including but not limited to subordinated Debentures, bonds, and/or other debt securities, etc., on private placement basis, in one or more series / tranches, within the overall borrowing limits of the Company, as approved by the Members from time to time.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilisation of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements /papers / writings, as may be required in this regard."

7. **Remuneration to Cost Auditors**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the relev`ant Rules there under, as amended from time to time, M/s V J Talati & Company, Cost Accountants (Firm Registration Number R/000213), appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending March 31, 2019, be paid remuneration of ₹ 3.50 lakh (Rupees three lakh fifty thousand only) plus applicable taxes and out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, to give effect to this resolution."

By Order of the Board of Directors

Aashay Khandwala
Company Secretary

Registered Office:
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN : L75100MH1929PLC001530
Website: www.rinfra.com
August 1, 2018

Notes :

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act") relating to the special business to be transacted at the Annual General Meeting (the "AGM") is annexed hereto.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of self and the proxy need not be a member of the Company. The instrument appointing the Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before commencement of the Meeting. A Proxy form is sent herewith.**
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company, a certified true copy of their Board Resolution authorising their representative(s) together with their specimen signature(s) to attend and vote on their behalf at the Meeting.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
6. Members/Proxies are requested to bring their duly filled attendance slip sent herewith along with their copy of the annual report to the Meeting. The holder of proxy shall prove his identity at the time of attending the Meeting.
7. 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 at the Meeting.
8. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slips for attending the Meeting to facilitate identification of membership at the Meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office and Corporate Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. (a) The Company's Register of Members and Transfer Books will remain closed from Saturday, September 15, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of Annual General Meeting and for determining the names of members eligible for dividend, if declared, on equity shares for the financial year ended March 31, 2018.

    (b) The dividend on equity shares as recommended by the Board of Directors, if declared at the meeting, will be paid after the meeting to:

        i. all those equity shareholders, whose names appear in the Register of Members as on September 14, 2018; and

        ii. those whose names appear as beneficial owners as on September 14, 2018 as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for the purpose.

    (c) Members may please note that the dividend warrants shall be payable at par at the designated branches of the Bank for an initial period of three months only. Thereafter, the dividend warrants on revalidation shall be payable only at limited centres/branches of the said Bank. Members are, therefore, requested to encash dividend warrants within the initial validity period.
11. 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.
12. Re-appointment of Director

    At the ensuing Annual General Meeting, Shri Shiv Prabhat, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the re-appointment.

    The details pertaining to Shri Shiv Prabhat pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations) are furnished below and in the Corporate Governance Report forming part of this Annual Report.