

**Independent Auditors' Report**

**To the Members of Reliance Power Transmission Limited**

**Report on the Consolidated Ind AS Financial Statements**

1. We have audited the accompanying consolidated financial statements of **Reliance Power Transmission Limited** (herein referred to as "the Parent Company"), and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") , comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

2. The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of state of affairs (financial position), loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.
3. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statement by the Directors of the Parent Company, as aforesaid.

**Auditors' Responsibility**

4. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group as at March 31, 2017, and its consolidated loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Other Matters

10. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2016 and March 31, 2015 dated May 16, 2016 and May 25, 2015 respectively expressed an unmodified opinion on those consolidated Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

#### Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

# Pathak H.D. & Associates

Chartered Accountants

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2017 taken on record by the Board of Directors of the Parent Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 22 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long term contract including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India;
  - iv. The Group did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 - Refer Note 27 of the consolidated Ind AS financial statements.

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

Vishal D. Shah  
Partner  
Membership No. 119303

Place : Mumbai  
Date : April 11, 2017

**Annexure - A to Auditor's report**

**Annexure to the Independent Auditor's Report on consolidated Ind AS financial statements referred to in paragraph "11(f)" under the heading "Report on other legal and regulatory requirements" of our report of even date on the consolidated Ind AS financial statements of Reliance Power Transmission Limited for year ended March 31, 2017.**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Reliance Power Transmission Limited ("the Parent Company") and its subsidiary companies ("together referred to as "the Group") which are incorporated in India as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Vishal D. Shah  
Partner  
Membership No. 119303

Place : Mumbai  
Date : April 11, 2017

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**Reliance Power Transmission Limited**  
**Consolidated Balance Sheet as at March 31, 2017**  
(All amounts in INR Thousand, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, Plant and Equipment	3	1,402.45	2,325.99	3,543.25
b. Capital work-in-progress	3	3,76,851.22	5,58,837.35	5,40,315.53
c. Intangible Assets	4	26.00	62.44	59.41
d. Financial Assets				
- Other Financial Assets	5	675.04	1,131.87	2,872.55
e. Other Non - Current Assets	8	120.43	130.02	197.86
<b>Total Non-Current Assets (A)</b>		<b>3,79,075.14</b>	<b>5,62,487.67</b>	<b>5,46,988.60</b>
<b>Current Assets</b>				
a. Financial Assets				
(i) Cash and Cash Equivalents	6	3,662.97	2,907.17	1,577.45
(ii) Other Financial Assets	5	41,597.45	40,327.30	59,840.53
b. Current Tax Assets (Net)	7	162.57	13,231.20	10,059.42
c. Other Current Assets	8	346.12	1,738.49	3,289.98
<b>Total Current Assets (B)</b>		<b>45,769.11</b>	<b>58,204.16</b>	<b>74,767.38</b>
<b>Total Assets (A+B)</b>		<b>4,24,844.25</b>	<b>6,20,691.83</b>	<b>6,21,755.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a. Equity Share Capital	9 (a)	500.00	500.00	500.00
b. Other Equity	9 (b)	4,10,191.12	6,07,979.64	6,08,170.35
<b>Total Equity attributable to Owners</b>		<b>4,10,691.12</b>	<b>6,08,479.64</b>	<b>6,08,670.35</b>
Non-controlling interests		-	-	-
<b>Total Equity (C)</b>		<b>4,10,691.12</b>	<b>6,08,479.64</b>	<b>6,08,670.35</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
- Provisions	10	3,102.07	1,166.80	3,309.81
<b>Total Non-Current Liabilities (D)</b>		<b>3,102.07</b>	<b>1,166.80</b>	<b>3,309.81</b>
<b>Current Liabilities</b>				
a. Financial Liabilities				
- Trade Payables	11	1,617.24	3,189.15	1,363.25
b. Other Current Liabilities	12	5,321.37	4,488.94	5,575.82
c. Provisions	10	4,112.45	3,367.30	2,836.75
<b>Total Current Liabilities (E)</b>		<b>11,051.06</b>	<b>11,045.39</b>	<b>9,775.82</b>
<b>Total Liabilities (F=D+E)</b>		<b>14,153.13</b>	<b>12,212.19</b>	<b>13,085.63</b>
<b>Total Equity and Liabilities (C+F)</b>		<b>4,24,844.25</b>	<b>6,20,691.83</b>	<b>6,21,755.98</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes (1-28).

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

Vishal D. Shah  
Partner  
Membership No. 119303

Place: Mumbai  
Date : April 11, 2017

For and on behalf of the Board

Debasis K Banerjee  
Director  
DIN: 06443204

Dinesh N. Modi  
Director  
DIN: 00004556

Place: Mumbai  
Date : April 11, 2017

**Reliance Power Transmission Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**  
(All amounts in INR Thousand, unless otherwise stated)

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
(I) Other Income	13	2,429.93	227.34
<b>Total Income (I)</b>		<b>2,429.93</b>	<b>227.34</b>
<b>(II) Expenses</b>			
Employee Benefits Expense	14	-	-
Finance Costs	15	-	-
Depreciation and amortisation expense	3 & 4	332.40	531.57
Other expenses	16	1,99,081.19	2,881.00
<b>Total expenses (II)</b>		<b>1,99,413.59</b>	<b>3,412.57</b>
<b>(III) Profit / (Loss) before tax (I-II)</b>		<b>(1,96,983.66)</b>	<b>(3,185.23)</b>
<b>(IV) Income tax expense</b>			
- Current tax	17	805.04	5.00
- Income tax for earlier years		(0.18)	0.48
		804.86	5.48
<b>(V) Profit / (Loss) for the year (III-IV)</b>		<b>(1,97,788.52)</b>	<b>(3,190.71)</b>
<b>(VI) Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of Net Defined Benefit Plans : (Gains) / Loss		1,262.67	(348.56)
Less : Recoverable from / (Payable to) Related Parties		(1,262.67)	348.56
Income tax relating to above		-	-
<b>Total Other Comprehensive Income/(Loss) for the year (VI)</b>		<b>-</b>	<b>-</b>
<b>(VII) Total Comprehensive Income for the year (V-VI)</b>		<b>(1,97,788.52)</b>	<b>(3,190.71)</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the Parent Company		(1,97,788.52)	(3,190.71)
Non Controlling Interest		-	-
		(1,97,788.52)	(3,190.71)
<b>Other Comprehensive Income attributable to :</b>			
Owners of the Parent Company		-	-
Non Controlling Interest		-	-
<b>Total Comprehensive Income attributable to :</b>			
Owners of the Parent Company		(1,97,788.52)	(3,190.71)
Non Controlling Interest		-	-
		(1,97,788.52)	(3,190.71)
<b>Earnings per equity share face value of Rs . 10/- each:</b>		<b>INR</b>	<b>INR</b>
Basic earnings per share	24	(3,955.77)	(63.81)
Diluted earnings per share		(3,955.77)	(63.81)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes (1 to 28)

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

Vishal D. Shah  
Partner  
Membership No. 119303

Place: Mumbai  
Date : April 11, 2017

For and on behalf of the Board

Debasish Banerjee  
Director  
DIN: 06443204

Unmesh N. Modi  
Director  
DIN: 00004556

Place: Mumbai  
Date : April 11, 2017

**Reliance Power Transmission Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2017**  
(All amounts in INR Thousand, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flow from Operating Activities</b>		
Profit/(loss) before Tax	(1,96,983.66)	(3,185.23)
<b>Adjustments for:</b>		
Depreciation	332.40	531.57
Loss on sale/discard of Assets	211.92	352.42
Interest Income	(2,429.93)	(82.18)
Filing Fees	15.27	18.37
Loss on write back of Capital Work in Progress	1,97,534.55	-
<b>Cash generated from operations before working capital changes</b>	<b>(1,319.45)</b>	<b>(2,365.05)</b>
<b>Adjustments for:</b>		
(Increase)/decrease in Financial Assets and Other Assets	(684.26)	21,440.32
Increase/(decrease) in Financial Liabilities and Other Liabilities	3,258.24	(3,493.81)
<b>Cash generated from operations</b>	<b>1,254.53</b>	<b>15,581.46</b>
Income Tax paid (net of refund)	14,500.48	(3,177.05)
<b>Net cash generated from Operating Activities</b>	<b>15,756.01</b>	<b>12,404.41</b>
<b>B. Cash flows from Investing Activities</b>		
Payments for acquisition of Property, Plant and Equipment (Including Capital Work in Progress)	(15,351.31)	(14,142.15)
Proceeds from sale of Property, Plant and Equipment	179.00	-
Redemption of Bank Deposits	-	98.89
Interest Income	188.37	85.83
<b>Net cash used in Investing Activities</b>	<b>(14,983.94)</b>	<b>(13,957.43)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Equity Component of financial instruments (Subordinate Debts)	-	3,000.00
Filing Fees	(15.27)	(18.37)
<b>Net cash generated / (used) in Financing Activities</b>	<b>(15.27)</b>	<b>2,981.63</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>756.80</b>	<b>1,428.62</b>
Cash and cash equivalents at the beginning of the financial year	2,907.17	1,478.55
Cash and Cash Equivalents at End of the Year	3,662.97	2,907.17
<b>Net Increase / (Decrease) as disclosed above</b>	<b>756.80</b>	<b>1,428.62</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes (1-26).

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

Vishal D. Shah  
Partner  
Membership No. 119303

Place: Mumbai  
Date : April 11, 2017

For and on behalf of the Board

Debasish Baharjee  
Director  
DIN: 06443204

Dinesh N. Modi  
Director  
DIN: 00004556

Place: Mumbai  
Date : April 11, 2017



Reliance Power Transmission Limited  
 Consolidated Statement of Changes in Equity  
 (All amounts in INR Thousand, unless otherwise stated)

**A. Equity Share Capital (Refer Note 9(a))**

Particulars	Balance at the beginning of the	Changes in equity share capital during the year	Balance at the end of the year
As at April 1, 2015	500.00		500.00
As at March 31, 2016	500.00		500.00
As at March 31, 2017	500.00		500.00

**B. OTHER EQUITY (Refer note 9(b))**

Particulars	Reserves and Surplus			
	Securities Premium Account	Equity Component of financial instruments (Subordinate Debts)	Retained Earnings	Total
Balance at April 01, 2015	1,58,522.30	5,43,300.00	(93,651.95)	6,08,170.35
Profit / (Loss) for the year	-	-	(3,190.71)	(3,190.71)
Other Comprehensive Income/(Loss) for the Year Items that will not be reclassified to profit or loss				
Remeasurement Gain / (Loss) on Defined Benefit Plan (Net of Tax)	-	-	-	-
<b>Total Comprehensive Income / (Loss) for the Year</b>	-	-	<b>(3,190.71)</b>	<b>(3,190.71)</b>
Transaction with Owners, recorded directly in Equity Issue of Subordinate Debt Equity Component of financial instruments (Subordinate Debts)	-	3,000.00	-	3,000.00
Balance at March 31, 2016	1,58,522.30	5,46,300.00	(96,842.66)	6,07,979.64
Balance at April 01, 2016	1,58,522.30	5,46,300.00	(96,842.66)	6,07,979.64
Profit / (Loss) for the year	-	-	(1,97,788.52)	(1,97,788.52)
Other Comprehensive Income/(Loss) for the Year Items that will not be reclassified to profit or loss				
Remeasurement Gain / (Loss) on Defined Benefit Plan (Net of Tax)	-	-	-	-
<b>Total Comprehensive Income / (Loss) for the Year</b>	-	-	<b>(1,97,788.52)</b>	<b>(1,97,788.52)</b>
Balance at March 31, 2017	1,58,522.30	5,46,300.00	(2,94,631.18)	4,10,191.12

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes (1 to 28)

As per our attached Report of even date

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

Vishal D. Shah  
 Partner  
 Membership No. 119303

For and on behalf of the Board

Debasis Benerjee  
 Director  
 DIN: 06443204

Dinesh Modi  
 Director  
 DIN: 00004556

Place: Mumbai  
 Date: April 11, 2017

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**Note 1: Corporate Information**

Reliance Power Transmission Limited (RPTL) is a wholly owned subsidiary of Reliance Infrastructure Limited which through its Special Purpose Vehicle (SPV's) having main objectives as establishing, commissioning, setting up, operating and maintaining electric power transmission systems/networks, power systems, generating stations based on conventional/ non- conventional resources for evacuation, transmission, distribution or supply of power through establishing or using stations, timelines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis. Information on the Group's structure is provided in Note 19A Information on other related party relationships of the Group is provided in Note 18.

These Consolidated Financial Statements comprise financial statements of the Reliance Power Transmission Limited ('RPTL' or the 'Parent Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2017. These Consolidated Financial Statements of RPTL for the year ended March 31, 2017 were authorised for issue by the board of directors on April 11, 2017. Pursuant to the provisions of section 130 of the Act the Central Government, income tax authorities, other statutory regulatory body and section 131 of the Act the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

RPTL is a Company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710.

**Note 2: Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of Preparation, measurement and significant accounting policies**

**(i) Compliance with Indian Accounting Standard (Ind AS)**

The Consolidated Financial Statements of the Group comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles.

**(ii) Basis of Preparation**

The Consolidated Financial Statements for all periods up to and including the year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 ("Previous GAAP").

As these consolidated financial statements for the year ended March 31, 2017 are the first Consolidated Financial Statements of the Group prepared in accordance with Ind AS, Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in note 23 below.

These Consolidated Financial Statements are presented in 'Indian Rupees', which is also the Group's functional currency and all amounts, are rounded to the nearest **Thousand**, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

**(iii) Basis of Measurement**

The Consolidated Financial Statements have been prepared on a historical cost convention on accrual basis, except for certain assets and liabilities measured at fair value.

**(iv) New Standards and Interpretations not yet adopted**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of Cash Flows" The amendments are applicable to the Group from April 1, 2017.

**Amendment to Ind AS 7 "Statement of Cash Flows":**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Consolidated Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the Consolidated Financial Statements is being evaluated.

Consolidated Financial Statements have been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards), Rules, 2015 issued by the Central Government.

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(b) Principles of consolidation**

**(i) Subsidiaries**

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

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

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

(ii) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary is recognised in the Consolidated Financial Statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.

(iii) The financial statements of the subsidiaries / joint ventures / associates used in consolidation are drawn upto the same reporting date as that of the Parent Company.

**(c) Current versus Non-Current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Held primarily for the purpose of trading.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Held primarily for the purpose of trading.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**(d) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

**(ii) Transactions and balances**

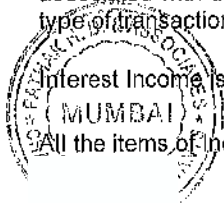
Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Consolidated Statement of Profit and Loss.

**(e) Revenue Recognition**

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the entity. The Group bases its estimates on historical results, taking into consideration the type of transaction.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

All the items of Income and Expense are recognized on accrual basis of accounting.



**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(f) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Parent Company and its subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

**(g) Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(h) Impairment of Non-Financial Assets**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Consolidated Statement of Profit and Loss.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**(i) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(j) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(k) Financial Instruments**

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

**(l) Financial Assets :**

**(I) Classification:**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Consolidated Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Measurement**

**Initial**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Subsequent**

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

• **Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Consolidated Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through profit or loss:**

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the Consolidated Statement of Profit and Loss and presented net in the Consolidated Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in Consolidated Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Consolidated Statement of Profit and Loss.

**(iii) Impairment of Financial Assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 46 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group measures the expected credit loss associated with its trade receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(iv) De recognition of Financial Assets**

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(II) Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payable,

**Subsequent measurement**

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Consolidated Statement of Profit and Loss.

**Trade and Other Payable**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

**(I) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

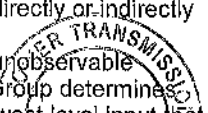
All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

The Group's Management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial Instruments (including those carried at amortised cost) (Refer note 21 A(a)) and disclosures of fair value measurement hierarchy (Refer note 21 A(b)).

**(m) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**(n) Property, Plant and Equipment**

The Group has elected to regard the fair values of all its property, plant and equipment as on April 01, 2015 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Refer Note No. 23.

Transmission system assets are considered as ready for intended use after successful completion of trial operation as prescribed under CERC Tariff Regulations and capitalized accordingly.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount are included in Consolidated Statement of Profit and Loss.

When significant parts of the Property, Plant and Equipment are required to be replaced, the Group derecognises the replaced parts and recognise the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

**Depreciation methods, estimated useful lives and residual value**

**Subsidiaries**

Depreciation on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Once the individual asset is depreciated to the extent of seventy (70) percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance useful life of the asset, as provided in the Regulation. The residual values are not more than 10% of the cost of the assets.

**Parent Company**

Depreciation on the assets is provided on straight line method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Once the individual asset is depreciated over the useful life of the asset, as provided in the Act. The residual values are not more than 5% of the cost of the assets.

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

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(o) Intangible Assets :**

Intangible assets are stated at cost of acquisition net of tax/duty credits availed, if any, less accumulated amortization/depletion. Cost includes expenditure directly attributable to the acquisition of assets.

Amortization Method:

**Subsidiaries**

Amortization on the software's related to transmission business is provided on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission.

**Parent Company**

Amortization on the assets is provided on straight line method as per the useful life and in the manner prescribed in Part "C" Schedule II to the Act.

On the date of transition to Ind AS, the Group has elected to regards the fair value of all its Intangible assets as at April 1, 2015 to be the deemed cost as per Ind AS 101 "First time adoption of Indian Accounting Standards".

**(p) Capital Work in Progress (CWIP)**

On the date of transition to Ind AS, the Group has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

All project related expenditure viz. civil works, machinery under erection, construction and erection materials, preoperative expenditure incidental / attributable to the construction of projects, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under CWIP. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

**(q) Borrowing Costs**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**(r) Provisions**

Provisions for legal claims and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

**(s) Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the notes to consolidated financial statements. A Contingent asset is neither disclosed nor recognized in Consolidated Financial Statements.



**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of Consolidated Financial Statements**

**(t) Employee Benefits**

**(i) Short-Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other Long-Term Employee Benefit Obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Consolidated Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-Employment Obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund, superannuation fund etc.

*Gratuity obligations*

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Statement of Profit and Loss as past service cost.

*Defined Contribution plans*

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation plan, a defined contribution scheme is administered by Life Insurance Corporation of India. The Group makes annual contributions based on a specified percentage of each eligible employee's salary.

**(u) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(v) Earnings per Share**

**(i) Basic Earnings per Share (BEPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

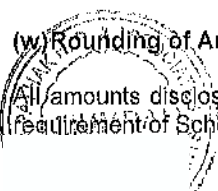
**(ii) Diluted Earnings per Share (DEPS)**

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

Both BEPS and DEPS have been calculated considering Income in the Net Profit attributable to Equity Shareholders.

**(w) Rounding of Amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.



Refrance Power Transmission Limited  
Notes annexed to and forming part of the Consolidated Financial Statements  
(All amounts in INR Thousand, unless otherwise stated)

**Note 3: Property, Plant and Equipment (At Cost)**

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total	CWIP
<b>Net Carrying amount as on April 1, 2015</b>	<b>144.27</b>	<b>2,422.46</b>	<b>328.38</b>	<b>648.14</b>	<b>3,543.25</b>	<b>5,40,315.53</b>
<b>Year ended March 31, 2016</b>						
<b>Gross Carrying amount</b>						
Deemed cost as at April 1, 2015	144.27	2,422.46	328.38	648.14	3,543.25	5,40,315.53
Additions	-	-	92.25	-	92.25	18,521.82
Deletion / Other Adjustments	-	496.09	211.61	-	707.60	-
<b>Closing Gross carrying amount as at March 31, 2016</b>	<b>144.27</b>	<b>1,926.37</b>	<b>209.12</b>	<b>648.14</b>	<b>2,927.90</b>	<b>5,58,837.35</b>
<b>Accumulated Depreciation</b>						
Depreciation charge during the year	12.21	455.79	70.55	208.75	747.30	-
Deletion / Other Adjustments	-	110.24	35.15	-	145.39	-
<b>Closing Accumulated Depreciation as at March 31, 2016</b>	<b>12.21</b>	<b>345.55</b>	<b>35.40</b>	<b>208.75</b>	<b>601.91</b>	<b>-</b>
<b>Net Carrying amount as at March 31, 2016</b>	<b>132.06</b>	<b>1,580.82</b>	<b>173.72</b>	<b>439.39</b>	<b>2,325.99</b>	<b>5,58,837.35</b>
<b>Year Ended March 31, 2017</b>						
<b>Gross Carrying amount</b>						
Opening Gross Carrying amount	144.27	1,926.37	209.12	648.14	2,927.90	5,58,837.35
Additions	-	-	12.53	-	12.53	15,548.42
Deletion / Other Adjustments	-	390.14	13.08	132.06	535.28	1,97,534.55
<b>Closing Gross Carrying amount as at March 31, 2017</b>	<b>144.27</b>	<b>1,536.23</b>	<b>208.57</b>	<b>516.08</b>	<b>2,405.15</b>	<b>3,76,851.22</b>
<b>Accumulated Depreciation</b>						
Opening Accumulated Depreciation	12.21	345.55	35.40	208.75	601.91	-
Depreciation charge during the year	12.21	281.88	43.08	147.95	485.12	-
Deletion / Other Adjustments	-	47.05	0.86	36.42	84.33	-
<b>Closing Accumulated Depreciation as at March 31, 2017</b>	<b>24.42</b>	<b>580.38</b>	<b>77.62</b>	<b>320.28</b>	<b>1,002.70</b>	<b>-</b>
<b>Net Carrying amount as at March 31, 2017</b>	<b>119.85</b>	<b>955.85</b>	<b>130.95</b>	<b>195.80</b>	<b>1,402.45</b>	<b>3,76,851.22</b>

**Capital work-in-progress (CWIP)**

Capital work-in-progress as on March 31, 2017 comprises expenditure incurred on plant and equipment in the course of construction:

Particulars	Year	Opening	Additions	Deletion	Closing
CWIP Movement	2016-17	5,58,837.35	15,548.42	1,97,534.55	3,76,851.22
CWIP Movement	2015-16	5,40,315.53	18,521.82	-	5,58,837.35

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Note 4. Intangible Assets (At Cost)**

Particulars	Softwares
<b>Net Carrying amount as on April 1, 2015</b>	<b>59.41</b>
<b>Year Ended March 31, 2016</b>	
<b>Gross Carrying amount</b>	
Deemed Cost as at April 1, 2015	59.41
Additions	34.08
Deletion / Other Adjustments	-
<b>Closing Gross carrying amount as at March 31, 2016</b>	<b>93.49</b>
<b>Accumulated Amortisation</b>	
Opening Accumulated Amortisation	-
Amortised during the year	31.05
Deletion / Other Adjustments	-
<b>Closing Accumulated Amortisation as at March 31, 2016</b>	<b>31.05</b>
<b>Net Carrying amount as at March 31, 2016</b>	<b>62.44</b>
<b>Year Ended March 31, 2017</b>	
<b>Gross Carrying amount</b>	
Opening Gross Carrying amount	93.49
Additions	-
Deletion / Other Adjustments	-
<b>Closing Gross Carrying amount as at March 31, 2017</b>	<b>93.49</b>
<b>Accumulated Amortisation</b>	
Opening Accumulated Amortisation	31.05
Amortised during the year	36.44
Deletion / Other Adjustments	-
<b>Closing Accumulated Amortisation as at March 31, 2017</b>	<b>67.49</b>
<b>Net Carrying amount as at March 31, 2017</b>	<b>26.00</b>

**Note**

- (1) The above Intangible Assets are other than internally generated.
- (2) Remaining amortisation period of computer software is between 1 to 2 years.
- (3) Disclosure of carrying value of Intangible Assets as at April 01, 2015

Sr. No.	Particulars	INR in Thousand
1	Gross Block	171.00
2	Accumulated Amortisation	111.59
3	Deemed cost considered on April 01, 2015	59.41

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Note 5: Other Financial Assets**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
(Unsecured, Considered good unless otherwise stated) Security Deposits	-	645.04	-	1,101.87	-	2,842.55
Other Receivables from related parties	41,592.04	-	40,326.74	-	59,836.32	-
-Receivable from Holding Company	5.41	-	0.56	-	4.21	-
Interest accrued on Bank Deposits	-	30.00	-	30.00	-	30.00
Bank Deposits with Original Maturity of more than 12 months	41,597.45	675.04	40,327.30	1,131.87	59,840.53	2,872.55
<b>Total</b>						

\*Represents Bank Deposit of Rs. 30 thousand (March 31, 2016 - Rs. 30 thousand), April 01, 2015 - Rs. 30 thousand) pledged as security with Sales tax Department

**Note 6: Cash and Cash Equivalents**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Balances with banks in -						
Current Account with Bank	1,497.97	-	1,407.17	-	575.64	-
Bank Deposit with original maturity of less than 3 months	2,165.00	-	1,500.00	-	1,001.81	-
<b>Total cash and Cash Equivalents</b>	<b>3,662.97</b>		<b>2,907.17</b>		<b>1,577.45</b>	

**Note 7: Current Tax Assets (Net)**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Advance Income Tax Paid	6,920.31	-	19,183.91	-	16,028.96	-
Tax Deducted at Source	102.30	-	102.29	-	109.47	-
Provision for Income Tax	(6,860.04)	-	(6,055.00)	-	(6,079.01)	-
<b>Total</b>	<b>162.57</b>		<b>13,231.20</b>		<b>10,059.42</b>	

**Note 8: Other Assets**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Advance to Employees	44.31	-	43.66	-	37.39	-
Advance to vendors	161.45	-	100.00	-	100.00	-
Balances with Government Authorities	2.28	-	11.74	-	312.26	-
Prepaid Expenses	128.08	-	1,573.09	-	2,840.33	-
Gratuity Fund (Refer Note no.20)	-	120.43	-	130.02	-	197.86
Other Advances	10.00	-	10.00	-	-	-
<b>Total</b>	<b>346.12</b>	<b>120.43</b>	<b>1,738.49</b>	<b>130.02</b>	<b>3,289.98</b>	<b>197.86</b>

Reliance Power Transmission Limited  
Notes annexed to and forming part of the Consolidated Financial Statements  
(All amounts in INR Thousand, unless otherwise stated)

Note 9: Equity Share Capital and Other Equity

Note 9(a): Equity Share Capital

Authorised Equity Share Capital	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
200,00,000(March 31, 2016: 200,00,00,000; April 1, 2015: 200,00,00,000)			
Equity Shares of INR 10 each	2,00,00,000.00	2,00,00,000.00	2,00,00,000.00
Total authorised equity share capital	2,00,00,000.00	2,00,00,000.00	2,00,00,000.00

Issued, Subscribed & Paid-up Equity Share Capital	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
50,000(March 31, 2016: 50,000; April 1, 2015: 50,000) Equity Shares of INR 10 each	500.00	500.00	500.00
Total Issued, Subscribed & Paid-up Equity Share Capital	500.00	500.00	500.00

(i) Reconciliation of the Equity Share of Parent Company outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	INR in thousand	No. of shares	INR in thousand	No. of shares	INR in thousand
Equity Shares -						
At the beginning of the year	50,000	500.00	50,000	500.00	50,000	500.00
Outstanding at the end of the year	50,000	500.00	50,000	500.00	50,000	500.00

(ii) Shares of the Parent Company held by Holding Company and its nominees

Name of the Holding Company	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Reliance Infrastructure Limited and its nominees	500.00	500.00	500.00

(iii) Details of shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Infrastructure Limited and its nominees	50,000	100	50,000	100	50,000	100

(iv) Terms/Rights attached to Equity Shares

i. Voting:

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

ii. Dividends:

The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation:

the holders of equity shares will be entitled to receive all of the remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Reliance Power Transmission Limited  
Notes annexed to and forming part of the Consolidated Financial Statements  
(All amounts in INR Thousand, unless otherwise stated)

Note 9(b): Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities Premium Account	1,58,522.30	1,58,522.30	1,58,522.30
Equity Component of financial instruments (Subordinate Debts)	5,46,300.00	5,46,300.00	5,43,300.00
Retained Earnings	(2,94,631.18)	(96,842.66)	(93,651.95)
Closing balance	4,10,191.12	6,07,979.64	6,08,170.35

(i) Securities Premium Account

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	1,58,522.30	1,58,522.30	1,58,522.30
Closing balance	1,58,522.30	1,58,522.30	1,58,522.30

(ii) Equity Component of financial instruments (Subordinate Debts)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At the Beginning of the Year (Refer Note Below)	5,30,300.00	5,29,800.00	5,31,600.00
Add : Received During the Year	16,000.00	16,500.00	11,700.00
Closing balance	5,46,300.00	5,46,300.00	5,43,300.00

Note :- (The 0% sub ordinate debt is taken from the Holding Company M/s Reliance Infrastructure Limited. This sub ordinate debt to be repaid by mutual consent of the parties only after primary lenders are paid in full and in installments as may be mutually agreed between the issuer and investor.)

(iii) Retained Earnings

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	(96,842.66)	(93,651.95)
Add: Net Profit / (Loss) for the year	(1,97,788.52)	(3,190.71)
Closing balance	(2,94,631.18)	(96,842.66)

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Financial Liabilities**

**Note 10: Provisions**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Provision for Employee Benefits:</b>						
Leave Encashment	4,112.45	1,628.46	3,367.30	1,133.80	2,836.75	2,192.23
Gratuity (Refer note 20)	-	1,473.61	-	33.00	-	1,117.58
<b>Total</b>	<b>4,112.45</b>	<b>3,102.07</b>	<b>3,367.30</b>	<b>1,166.80</b>	<b>2,836.75</b>	<b>3,309.81</b>

**Note 11: Trade Payables**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Total outstanding dues to Micro and Small Enterprises	-	-	-	-	-	-
Total outstanding dues to others	1,617.24	1,617.24	3,189.15	3,189.15	1,363.25	1,363.25
<b>Total</b>	<b>1,617.24</b>	<b>1,617.24</b>	<b>3,189.15</b>	<b>3,189.15</b>	<b>1,363.25</b>	<b>1,363.25</b>

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Principal amount due to suppliers under MSMED Act, 2006	-	-	-	-	-	-
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	-	-	-	-	-	-
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	-	-	-	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-	-	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 12: Other Liabilities**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non-Current	Current	Non-Current
Employee Payables	4,495.88	-	3,967.69	-	4,767.87	-
Statutory Dues Payable	825.49	-	521.25	-	807.95	-
<b>Total</b>	<b>5,321.37</b>	<b>-</b>	<b>4,488.94</b>	<b>-</b>	<b>5,575.82</b>	<b>-</b>

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Note 13: Other Income**

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Interest Income :</b>		
Interest on Income Tax Refund	2,236.83	-
Interest Bank deposits	193.10	82.18
<b>Others:</b>		
Sale of Scrap	-	86.01
Miscellaneous Income	-	25.00
Liabilities Written Back	-	34.15
<b>Total</b>	<b>2,429.93</b>	<b>227.34</b>



**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
(All amounts in INR Thousand, unless otherwise stated)

**Note 14: Employee Benefit Expenses**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Wages, Bonus, etc.	24,601.84	24,671.09
Contribution to Provident and Other Funds	1,141.68	754.28
Gratuity Expense (Refer note 20)	177.94	49.21
Leave Encashment Expenses	1,319.66	(110.79)
Less: Expenses Reimbursed by Related Parties (Refer Note 18(b))	27,241.12	25,363.79
<b>Total</b>	-	-

**Note 15: Finance Costs**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Guarantee Commission Charges	2,032.39	2,171.45
Less: Expenses Reimbursed by Related Parties (Refer Note 18(b))	2,032.39	2,171.45
<b>Total</b>	-	-

**Note 16: Other Expenses**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	-	2,509.16
Repairs and Maintenance-Office Building	428.39	525.09
Travelling and Conveyance	352.30	756.40
Telephone Expenses	310.88	270.61
Entertainment / Hospitality Expenses	650.92	-
Hire Charges	366.10	557.29
Insurance Others	76.23	-
Electricity	-	96.06
	2,184.82	4,714.61
Less: Expenses Reimbursed by Related Parties (Refer Note 18(b))	2,184.82	4,714.61
	-	-
Auditors Remuneration	78.00	149.00
Membership and Subscription Fees	541.36	544.21
Repairs and maintenance:		
-Other assets	81.17	67.55
Insurance	-	7.25
Legal and professional charges	209.59	446.94
Postage and Courier	69.75	105.70
Water Expenses	40.26	20.54
Printing and Stationery	36.65	134.78
Books and Periodicals	24.78	17.57
Entertainment / Hospitality Expenses	-	189.01
Directors' sitting fees	160.00	162.00
Miscellaneous expenses	77.89	665.66
Loss on sale/disposal of fixed assets	211.92	352.42
Capital Work in Progress Written off	1,97,534.55	-
Filing Fees	15.27	18.37
<b>Total</b>	<b>1,99,081.19</b>	<b>2,881.00</b>

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Note 17: Income Taxes**

**Note 17(a): Income Tax Expense**

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Current Tax</b>		
Current Tax on Profits for the year	805.04	5.00
Adjustments for current tax of prior periods	(0.18)	0.48
<b>Total Current Tax Expense</b>	<b>804.86</b>	<b>5.48</b>

**Note 17(b): Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

	Year Ended March 31, 2017	Year Ended March 31, 2016
Loss from operations before Income Tax Expense	(1,97,788.52)	(3,190.71)
<b>Tax at the Indian tax rate @34.608%</b>	<b>(68,450.65)</b>	<b>(1,104.24)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax on Expenses not allowed	69,255.69	1,109.24
Adjustments for current tax of prior periods	(0.18)	0.48
<b>Income tax expense charged to Consolidated Statement of Profit and Loss</b>	<b>804.86</b>	<b>5.48</b>

**Note 17(c): Amounts recognised in respect of current tax / deferred tax directly in Equity**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amounts recognised in respect of current tax directly in Equity	-	-	-

**Note 17(d): Tax Losses and Tax Credits- Parent Company**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unused tax losses for which no deferred tax asset has been recognised	1,954.52	1,954.52	1,954.52
Unused tax credit - MAT credit entitlement	-	-	-

Note: The Subsidiary Company has not recognised deferred tax asset on the unabsorbed losses as it does not claim the unabsorbed losses in the income tax returns filed by the Subsidiary Company.

**Reliance Power Transmission Limited****Notes annexed to and forming part of the Consolidated Financial Statements**

(All amounts in INR Thousand, unless otherwise stated)

**Note 18: Related Party Transactions**

As per Ind AS – 24 "Related Party Disclosure" as prescribed under Section 133 of the Act, the Group's related parties and transactions with them in the ordinary course of business are disclosed below :

**List of Related parties with whom transactions have taken place:****Key Management Personnel**

- Sh. Dinesh Navnittal Modi - Director
- Sh. Sankaran Srinivasan - Director

**Holding Company**

- Reliance Infrastructure Limited

**Enterprises over which the Holding Company has Significant Influence**

- Utility Powertech Limited

Following transactions were carried out with the related parties in the ordinary course of business:

**(a) Key Management Personnel**

Particulars	2016-2017	2015-2016
<b>Payment of Sitting Fees</b>		
Sh. Dinesh Navnittal Modi	80.00	91.00
Sh. Sankaran Srinivasan	80.00	71.00
<b>Total Sitting Fees</b>	<b>160.00</b>	<b>162.00</b>

**(b) Transactions with Related Parties**

Particulars	2016-2017	2015-2016
<b>Consolidated Statement of Profit and Loss heads</b>		
<b>Expenses:</b>		
<b>Receiving of services</b>		
- Utility Powertech Limited	1,388.20	1,325.88
<b>Recoverable Expenditure Incurred for related party</b>		
- Reliance Infrastructure Limited	31,458.33	32,249.85
<b>Recoverable Expenditure incurred on our behalf</b>		
- Reliance Infrastructure Limited	388.17	561.14
<b>Subordinate Debts received</b>		
- Reliance Infrastructure Limited	-	3,000.00

**(c) Outstanding balances**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Balance sheet heads (Closing balances):</b>			
<b>Trade payables and other liabilities for receiving of services on revenue and capital account</b>			
- Utility Powertech Limited	113.87	226.73	77.70
- Reliance Infrastructure Limited	-	5.89	-
<b>Amount Receivable</b>			
- Reliance Infrastructure Limited	41,592.05	40,326.74	59,836.32
<b>Equity Share Capital including share premium</b>			
- Reliance Infrastructure Limited	1,59,022.30	1,59,022.30	1,59,022.30
<b>Subordinate Debts - Payable to</b>			
- Reliance Infrastructure Limited	5,46,300.00	5,46,300.00	5,43,300.00

Note: The above disclosure does not include transactions with/as public utility service providers, viz, electricity, telecommunications, in the normal course of business.

**Reliance Power Transmission Limited**

Notes annexed to and forming part of the Consolidated Financial Statements  
(All amounts in INR Thousand, unless otherwise stated)

Note 19: Additional Information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount in Thousand	As % of consolidated profit or loss	Amount in Thousand	As % of consolidated other	Amount in Thousand	As % of consolidated total	Amount in Thousand
<b>Parent</b>								
Reliance Power Transmission Limited								
March 31, 2017	8.28%	34007.07	0.12%	(238.98)	-	-	0.12%	(238.98)
March 31, 2016	8.26%	50246.05	99.74%	(3,182.52)	-	-	99.74%	(3,182.52)
April 1, 2015	10.50%	63928.57	99.70%	5,856.43	-	-	99.70%	5,856.43
<b>Subsidiaries (group's share)</b>								
<b>Indian</b>								
North Karanpura Transmission Company Limited								
March 31, 2017	46.41%	190508.92	49.40%	(97,715.79)	-	-	49.40%	(97,715.79)
March 31, 2016	45.93%	279396.12	-0.03%	0.94	-	-	-0.03%	0.94
April 1, 2015	44.78%	272575.08	0.21%	12.45	-	-	0.21%	12.45
Talcher-II Transmission Company Limited								
March 31, 2017	45.31%	185996.06	50.48%	(99,833.75)	-	-	50.48%	(99,833.75)
March 31, 2016	45.81%	278629.82	0.29%	(9.13)	-	-	0.29%	(9.13)
April 1, 2015	44.71%	272138.94	0.09%	5.24	-	-	0.09%	5.24
<b>Total</b>								
March 31, 2017	100.00%	4,10,512.05	100.00%	(1,97,788.52)	-	-	100.00%	(1,97,788.52)
March 31, 2016	100.00%	6,08,271.99	100.00%	(3,190.71)	-	-	100.00%	(3,190.71)
April 1, 2015	100.00%	6,08,642.58	100.00%	5,874.12	-	-	100.00%	5,874.12

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Note 19 A: Interests in Other Entities**

**Subsidiaries**

The Group's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly either by Parent Company and the proportion of ownership interests held equals the voting rights held by the Group through equity shares. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	Controlling Interest held by the Group		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
			%	%	%
North Karanpura Transmission Company Limited	Power distribution	India	100	100	100
Talcher II Transmission Company Limited	Power distribution	India	100	100	100

**Note 20: Disclosure under Indian Accounting Standard No. 19 (IndAS 19) "Employee Benefits".**

The Group 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' 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, the respective companies is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Group has recognized the following amounts in the Capital Work-in Progress / Consolidated Statement of Profit and Loss, for the year:

Sl. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i)	Contribution to Provident Fund	785.82	614.81
(ii)	Contribution to Employee's Superannuation Fund	269.59	133.33
(iii)	Contribution to Employee's Pension Scheme 1995	122.25	128.79

**(B) Defined Benefit Plans**

a. Gratuity

The Company operates a gratuity plan administered by various insurance companies. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Sl. No.	Particulars	Gratuity Funded	
		March 31, 2017	March 31, 2016
(i)	<b>Changes in Defined Benefit Obligation</b>		
	Opening Balance of Present Value of Obligation	3,970.61	4,483.33
	<b>Net Employee Benefit expense recognized in the Capital Work-in Progress / Consolidated Statement of Profit and Loss</b>		
	Current Service Cost	215.39	347.32
	Past Service Cost	-	-
	Interest Cost on Defined Obligations	207.37	263.56
	(Gain) / Loss on settlement	-	-
	<b>Net Benefit expense</b>	<b>422.75</b>	<b>610.88</b>
	<b>Amount Recorded in Other Comprehensive Income (OCI)</b>		
	Opening amount recognized in OCI outside Consolidated Statement of Profit and Loss	-	-
	Remeasurements during the period due to:		
	Changes in Financial assumptions	225.85	10.56
	Changes in demographic assumptions	-	-
	Experience adjustments	1,153.34	(278.51)
	Actual return on plan assets less interest on plan assets	-	-
	Adjustment to recognize the effect of asset ceiling	-	-
	<b>Closing amount recognized in OCI outside Consolidated Statement of Profit and Loss</b>	<b>1,379.19</b>	<b>(267.95)</b>
	Benefits Paid	-	(855.65)
	<b>Closing Balance of Present Value of Obligation</b>	<b>6,772.55</b>	<b>3,970.61</b>

**Note 20: Disclosure under Indian Accounting Standard No. 19 (IndAS 19) "Employee Benefits".**

The Group 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' 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, the respective companies is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Group has recognized the following amounts in the Capital Work-in Progress / Consolidated Statement of Profit and Loss, for the year:

Sl. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i)	Contribution to Provident Fund	785.82	614.81
(ii)	Contribution to Employee's Superannuation Fund	269.59	133.33
(iii)	Contribution to Employee's Pension Scheme 1995	122.25	126.79

**(B) Defined Benefit Plans**

a. Gratuity

The Company operates a gratuity plan administered by various insurance companies. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Sl. No.	Particulars	Gratuity Funded	
		March 31, 2017	March 31, 2016
(I)	<b>Changes in Defined Benefit Obligation</b>		
	Opening Balance of Present Value of Obligation	3,970.61	4,483.33
	<b>Net Employee Benefit expense recognized in the Capital Work-in Progress / Consolidated Statement of Profit and Loss</b>		
	Current Service Cost	215.39	347.32
	Past Service Cost	-	-
	Interest Cost on Defined Obligations	207.37	263.56
	(Gain) / Loss on settlement	-	-
	<b>Net Benefit expense</b>	<b>422.76</b>	<b>610.88</b>
	<b>Amount Recorded In Other Comprehensive Income (OCI)</b>		
	Opening amount recognized In OCI outside Consolidated Statement of Profit and Loss	-	-
	Remeasurements during the period due to:		
	Changes in Financial assumptions	225.85	10.56
	Changes in demographic assumptions	-	-
	Experience adjustments	1,153.34	(278.51)
	Actual return on plan assets less interest on plan assets	-	-
	Adjustment to recognize the effect of asset ceiling	-	-
	<b>Closing amount recognized In OCI outside Consolidated Statement of Profit and Loss</b>	<b>1,379.19</b>	<b>(287.95)</b>
	Benefits Paid	-	(855.65)
	<b>Closing Balance of Present Value of Obligation</b>	<b>5,772.55</b>	<b>3,970.61</b>

**Rellance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
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Sl. No.	Particulars	Gratuity	
		Funded	
		March 31, 2017	March 31, 2016
(II)	<b>Changes In Fair Value of plan assets</b>		
	<b>Opening Balance of Present Value of Plan Assets</b>	4,134.58	3,570.79
	<b>Net Employee Benefit expense recognized in the Capital Work-In Progress / Consolidated Statement of Profit and Loss</b>		
	Current Service Cost	-	-
	Interest cost/(Income) on plan assets	239.65	211.55
	Actuarial Gain / (Loss) on settlement	-	-
	<b>Net benefit expense</b>	239.65	211.55
	<b>Amount Recorded in Other Comprehensive Income (OCI)</b>		
	Remeasurements during the period due to:		
	Changes in Financial assumptions	-	-
	Changes in demographic assumptions	-	-
	Experience adjustments	-	-
	Actual return on plan assets less interest/(income) on plan assets	91.11	74.11
	Adjustment to recognize the effect of asset ceiling	-	-
	<b>Closing amount recognized in OCI outside Consolidated Statement of Profit and Loss</b>	91.11	74.11
	Contributions	-	1,133.78
	Benefits Paid	-	855.65
	Assets acquired / settled	-	-
	<b>Closing Balance of Fair Value of Plan Assets</b>	4,466	4,135

(III)	<b>The net (Liability)/asset disclosed above relates to funded / unfunded plan is as follows:</b>		
	Present value of Funded Obligation	5,772.55	3,970.61
	Fair Value of Plan Assets	4,465.34	4,134.58
	Amount not recognized as asset (asset ceiling)	45.98	66.95
	Present value of Unfunded Obligation	-	-
	<b>Net Liability is bifurcated as follows:</b>		
	Current	-	-
	Non Current	1,353	(97.02)
	<b>Total</b>	1,353	(97.02)

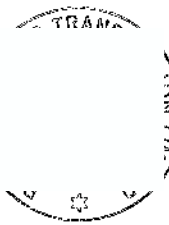
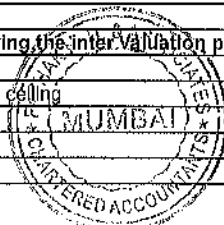
(iv)	<b>Actuarial Assumptions:</b>		
1	Discount Rate (Per annum)	7.05%	7.80%
2	Salary Escalation Rate (Per annum)	7.50%	7.50%
3	Expected Avg. remaining working lives of employees in no. of Years	30 - 41.50	29 - 40.50
4	Mortality Post retirement Rate During the Employment	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
5	Mortality Post retirement Rate after the Employment	NA	NA

(v)	<b>Sensitivity Analysis:</b>		
<b>A</b>	<b>Sensitivity Level- Discount Rate</b>		
	Impact on Defined Benefit Obligation in 50 bps increase	-2.53% to -8.21%	-2.41% to 8.10%
	Impact on Defined Benefit Obligation in 50 bps decrease	2.79% to 9.19%	2.66% to 9.08%
<b>B</b>	<b>Sensitivity Level- Salary Escalation Rate</b>		
	Impact on Defined Benefit Obligation in 50 bps increase	2.76% to 9.10%	2.65% to 9.06%
	Impact on Defined Benefit Obligation in 50 bps decrease	-2.53% to -8.21%	-2.42% to -8.16%

(vi)	<b>The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:</b>		
1	Expected benefit for 1 year	3,717.45	2,624.18
2	Expected benefit for 2 year	62.39	46.03
3	Expected benefit for 3 year	65.55	48.27
4	Expected benefit for 4 year	81.06	50.69
5	Expected benefit for 5 year	83.79	63.03
6	Expected benefit for 6 year	88.65	65.16
7	Expected benefit for 7 year	98.29	67.38
8	Expected benefit for 8 year	106.79	76.22
9	Expected benefit for 9 year	122.73	82.70
10	Expected benefit for 10 year and above	6,616.77	5,176.69
11	The weighted average duration to the payment of these cash flows (Years)	5.30 - 17.35	5.06 - 17.14

(vii)	<b>Plan Asset Composition</b>		
	Non Quoted	4,465.34	4,134.58
	Insurer Managed Funds	4,465.34	4,134.58

(viii)	<b>A reconciliation of the asset ceiling during the inter-valuation period is given below:-</b>		
	Opening Value of asset ceiling	66.95	69.69
	Add: Interest on opening balance on asset ceiling	5.22	5.47
	Remeasurement due to:		
	Changes in surplus/deficit	(26.19)	(8.21)
	<b>Closing Value of asset ceiling</b>	45.98	66.95





Note 21: Fair Value Measurements and Financial Risk Management

A. Fair Value Measurements

(a) Financial Instruments by Category

Set out below is the details of the carrying amounts and fair values by class of Financial Instruments.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Amortised cost	Amortised cost	Amortised cost
<b>Financial Assets</b>			
Security Deposits	645.04	1,101.87	2,842.55
Cash and Cash Equivalents	3,662.97	2,907.17	1,577.45
Receivable from Holding Company	41,592.04	40,326.74	59,836.32
Interest Accrued on Bank Deposits	5.41	0.56	4.21
Bank Deposits with more than 12 months maturity	30.00	30.00	30.00
<b>Total</b>	<b>45,935.46</b>	<b>44,366.34</b>	<b>64,290.53</b>
<b>Financial Liabilities</b>			
Trade Payables	1,617.24	3,189.15	1,363.25
<b>Total</b>	<b>1,617.24</b>	<b>3,189.15</b>	<b>1,363.25</b>

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities for which fair values are disclosed as at March 31, 2017	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Security Deposits	-	-	645.04	645.04
<b>Financial Liabilities</b>				
Trade Payables	-	-	1,617.24	1,617.24

Assets and liabilities for which fair values are disclosed as at March 31, 2016	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Security Deposits	-	-	1,101.87	1,101.87
<b>Financial Liabilities</b>				
Trade Payables	-	-	3,189.15	3,189.15

Assets and liabilities for which fair values are disclosed as at April 1, 2015	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Security Deposits	-	-	2,842.55	2,842.55
Other Receivables from related parties	-	-	59,836.32	59,836.32
<b>Financial Liabilities</b>				
Trade Payables	-	-	1,363.25	1,363.25
<b>Property Plant and Equipment</b>				
Vehicle	-	-	2,422.46	2,422.46
Furniture and Fixtures	-	-	144.27	144.27
Office Equipment	-	-	328.38	328.38
Computers	-	-	648.14	648.14

There were no transfers between any levels during the year.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have a quoted price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

The carrying amounts of advances receivable in cash, bank deposits and cash and cash equivalents are considered to be the same as their fair values. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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 (All amounts in INR Thousand, unless otherwise stated)

**(B) Financial Risk Management**

The Group's business activities expose it to a variety of financial risks, namely credit risk and liquidity risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits.
Liquidity Risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is engaged in Transmission of Electricity.

The Group does not have any significant exposure to credit risk.

**Credit Risk Management**

**(i) Cash and cash equivalents and Other Financial Asset**

The Group held cash and cash equivalents and other financial assets with credit worthy banks aggregating Rs. 3,262.97 thousand and Rs. 2,907.17 thousand as at March 31, 2017 and March 31, 2016 respectively. The credit worthiness of such banks and other is evaluated by the management on an ongoing basis and is considered to be good.

**(ii) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The Group is not exposed to any significant currency risk and equity price risk.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to any interest rate risk.

**(b) Liquidity Risk**

Liquidity Risk is the risk that the group may not be able to meet its present and future cash and collateral obligation without incurring unacceptable losses. The group objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirement. The group closely monitor its liquidity position and deploys a robust Cash Management system. The liquidity risk is managed on the basis of expected maturity date of the financial liability.

**Maturities of financial liabilities**

The tables below analyse the group's financial liabilities based on their contractual maturities for:

- all non-derivative financial liabilities and The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial As at March 31, 2017	Upto 1 year	Between 1 and 5 years	Above 5 years	Total
Non-Derivatives				
Trade Payables	1,617.24	-	-	1,617.24
<b>Total Liabilities</b>	<b>1,617.24</b>	<b>-</b>	<b>-</b>	<b>1,617.24</b>

Contractual maturities of financial As at March 31, 2016	Upto 1 year	Between 1 and 5 years	Above 5 years	Total
Non-Derivatives				
Trade Payables	3,189.15	-	-	3,189.15
<b>Total Liabilities</b>	<b>3,189.15</b>	<b>-</b>	<b>-</b>	<b>3,189.15</b>

Contractual maturities of financial As at April 1, 2015	Upto 1 year	Between 1 and 5 years	Above 5 years	Total
Non-Derivatives				
Trade Payables	1,363.25	-	-	1,363.25
<b>Total Liabilities</b>	<b>1,363.25</b>	<b>-</b>	<b>-</b>	<b>1,363.25</b>

**Reliance Power Transmission Limited**

**Notes annexed to and forming part of the Consolidated Financial Statements**

(All amounts in INR Thousand, unless otherwise stated)

**Note 22: Project Status for NKTL and TTCL**

**A. Force Majeure:**

The NKTL / TTCL had approached Central Electricity Regulatory Commission (CERC) for allowing tariff revision and Force Majeure due to delay in grant of clearance u/s 164 of Electricity Act (EA). CERC notified an unfavorable order which was later challenged by NKTL/TTCL in Appellate Tribunal for Electricity (ATE). ATE allowed the appeal filed by NKTL / TTCL and set aside the unfavorable CERC order.

Pursuant to the ATE Order, written requests were sent to the beneficiaries seeking following main reliefs to mitigate effect of Force Majeure in line with the prayers allowed in appeal:

- a) Re-fixation of implementation time of the Project as was originally envisaged considering zero date as issuance of section 68 approval from MoP.
- b) Tariff Increase to the tune of 160% in NKTL and 90% in TTCL

Concerned utilities in Tamilnadu, Gujarat and Maharashtra have appealed against the order of ATE in the Supreme Court of India. First hearing was held on March 07, 2014 in case of Gujarat and April 21, 2014 in case of Maharashtra. The Tamilnadu petition has been merged with the petition of Gujarat. All the petitions filed by beneficiaries have been clubbed together by Supreme Court. The petition has been admitted and next hearing is awaited.

**B. Revocation of Licence:**

Meanwhile on March 04, 2014, CERC reopened Power Grid Corporation of India Limited's (PGCIL) petition nos. 19 and 20 seeking revocation of license of the NKTL / TTCL and transferring the project to PGCIL on cost plus model at the risk and cost of Reliance Power Transmission Limited (the Holding Company). CERC vide its Order dated September 02, 2015, stated that the NKTL / TTCL shall comply with certain conditions stated in the Order within a stipulated time frame or else its license would be revoked. Based on the Order of CERC, the NKTL / TTCL filed an Appeal No. 200/201 of 2015 & IA-337/338 of 2015 in ATE challenging the CERC order. ATE rejected the IA meant for stay but allowed the appeal. The NKTL / TTCL filed a Civil Appeal number 9291 and 13370 of 2015, in Supreme Court against ATE's rejection of IA meant for stay. Based on the appeal filed by the NKTL / TTCL, the Supreme Court has given a stay order directing no coercive action to be taken by CERC. Supreme Court on 12th August 2016 has disposed of the appeal and directed ATE to decide on the appeal. Hearings in ATE are ongoing. Next hearing in Supreme Court is scheduled in April 2017.

The matter for non grant of stay order by ATE is pending before Supreme Court and the appeal against the CERCs Order for revocation of license is pending before the ATE.

C. As the approval by Ministry of Power (MoP) u/s 68 of Electricity Act 2003 to the project have already expired, the NKTL / TTCL has filed a letter on January 14, 2014 requesting extension of the same, but MoP's response is still awaited. Pending the said approval, the Transmission Service Agreement (TSA) would not become operative and implementation of the Project could not be commenced.

Considering the above matters, which are pending with concerned authorities, the management is confident of recovering the cost incurred on acquiring the project amounting to Rs.3,76,851.22 thousand which is shown under Capital work in Progress in the books of account and cost incurred post acquisition of the project amounting to Rs.1,97,534.55 thousand has been written off by the NKTL and TTCL during the year.

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
(All amounts in INR Thousand, unless otherwise stated)

**Note 23: First time adoption of Ind AS**

**Transition to Ind AS**

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the Consolidated Financial Statements for the year ended March 31, 2017, the comparative information presented in these Consolidated Financial Statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in Consolidated Financial Statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

In preparing these Ind AS Consolidated Financial Statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Consolidated Financial Statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its previous GAAP Consolidated Financial Statements, including the Balance Sheet as at April 1, 2015 and the Consolidated Financial Statements as at and for the year ended March 31, 2016.

**A.1 Ind AS optional exemptions**

**A1.1. Deemed cost**

On the date of transition to Ind AS, the Group has elected to regard the fair value of all its Property, Plant and Equipment as at April 1, 2015 to be the deemed cost as per Ind AS 101 "First time adoption of Indian Accounting Standards".

**A.2 Ind AS mandatory exceptions**

**A2.1 Estimates**

The Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**A2.2 Classification and measurement of financial assets**

Ind AS 101 requires the Group to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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 (All amounts in INR Thousand, unless otherwise stated)

**B. Reconciliations between previous GAAP and Ind AS**  
 Ind AS 101 requires the Company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as at date of transition (April 1, 2015)**

Particulars	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, Plant and Equipment	1	3,543.25	-	3,543.25
b. Capital work-in-progress		5,40,315.53	-	5,40,315.53
c. Other Intangible Assets		59.41	-	59.41
d. Financial Assets				
- Other Financial Assets		2,872.55	-	2,872.55
e. Other Non - Current Assets		197.86	-	197.86
<b>Total Non-Current Assets (A)</b>		<b>5,46,988.60</b>	<b>-</b>	<b>5,46,988.60</b>
<b>Current Assets</b>				
a. Financial Assets				
(i) Cash and Cash Equivalents		1,577.45	-	1,577.45
(ii) Other Financial Assets		59,840.53	-	59,840.53
b. Current Tax Assets (Net)		10,059.42	-	10,059.42
c. Other Current Assets		3,289.98	-	3,289.98
<b>Total Current Assets (B)</b>		<b>74,767.38</b>	<b>-</b>	<b>74,767.38</b>
<b>Total Assets (A+B)</b>		<b>6,21,755.98</b>		<b>6,21,755.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a. Equity Share Capital		500.00	-	500.00
b. Other Equity	2	64,869.35	5,43,300.00	6,08,169.35
<b>Total Equity (C)</b>		<b>65,369.35</b>	<b>5,43,300.00</b>	<b>6,08,669.35</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities				
- Borrowings	2	5,43,300.00	(5,43,300.00)	-
b. Provisions		3,309.81	-	3,309.81
<b>Total Non-Current Liabilities (D)</b>		<b>5,46,609.81</b>	<b>(5,43,300.00)</b>	<b>3,309.81</b>
<b>Current Liabilities</b>				
a. Financial Liabilities				
- Trade Payables		1,363.25	-	1,363.25
b. Other Current Liabilities		5,603.58	-	5,603.58
c. Provisions		2,836.75	-	2,836.75
<b>Total Current Liabilities (E)</b>		<b>9,803.58</b>	<b>-</b>	<b>9,803.58</b>
<b>Total Liabilities (F=D+E)</b>		<b>5,56,413.40</b>	<b>(5,43,300.00)</b>	<b>13,113.40</b>
<b>Total Equity and Liabilities (C+F)</b>		<b>6,21,782.74</b>	<b>-</b>	<b>6,21,782.74</b>



**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**Reconciliation of equity as at March 31, 2016**

	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, Plant and Equipment		2,325.99	-	2,325.99
b. Capital work-in-progress		5,58,838.35	-	5,58,838.35
c. Other Intangible Assets		62.44	-	62.44
d. Financial Assets		-	-	-
- Other Financial Assets		1,131.87	-	1,131.87
e. Other Non - Current Assets		130.02	-	130.02
<b>Total Non-Current Assets (A)</b>		<b>5,62,488.67</b>	<b>-</b>	<b>5,62,488.67</b>
<b>Current Assets</b>				
a. Financial Assets		-	-	-
(i) Cash and Cash Equivalents		2,907.17	-	2,907.17
(ii) Other Financial Assets		40,327.30	-	40,327.30
b. Current Tax Assets (Net)		13,231.20	-	13,231.20
c. Other Current Assets		1,738.49	-	1,738.49
<b>Total Current Assets (B)</b>		<b>58,204.16</b>	<b>-</b>	<b>58,204.16</b>
<b>Total Assets (A+B)</b>		<b>6,20,691.83</b>	<b>-</b>	<b>6,20,691.83</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a. Equity Share Capital		500.00	-	500.00
b. Other Equity	2	61,679.64	5,46,300.00	6,07,979.64
<b>Total Equity (C)</b>		<b>62,179.64</b>	<b>5,46,300.00</b>	<b>6,08,479.64</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities		-	-	-
- Borrowings	2	5,46,300.00	(5,46,300.00)	1,166.80
b. Provisions		1,166.80	-	1,166.80
<b>Total Non-Current Liabilities (D)</b>		<b>5,47,466.80</b>	<b>(5,46,300.00)</b>	<b>1,166.80</b>
<b>Current Liabilities</b>				
a. Financial Liabilities		-	-	-
- Trade Payables		3,189.15	-	3,189.15
b. Other Current Liabilities		4,696.60	-	4,696.60
c. Provisions		3,367.30	-	3,367.30
<b>Total Current Liabilities (E)</b>		<b>11,253.05</b>	<b>-</b>	<b>11,253.05</b>
<b>Total Liabilities (F=D+E)</b>		<b>5,58,719.85</b>	<b>(5,46,300.00)</b>	<b>12,419.85</b>
<b>Total Equity and Liabilities (C+F)</b>		<b>6,20,899.49</b>	<b>-</b>	<b>6,20,899.49</b>

**Reliance Power Transmission Limited**  
**Notes annexed to and forming part of the Consolidated Financial Statements**  
 (All amounts in INR Thousand, unless otherwise stated)

**B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016**

	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
(I) Other Income		227.34		227.34
<b>Total Income (I)</b>		<b>227.34</b>	-	<b>227.34</b>
(II) Expenses				
Employee Benefits Expense		-		-
Finance Costs		-		-
Depreciation and Amortisation Expense		531.57		531.57
Other Expenses		2,881.00		2,881.00
<b>Total Expenses (II)</b>		<b>3,412.57</b>	-	<b>3,412.57</b>
(III) Profit before Tax (I-II)		(3,185.23)	-	(3,185.23)
(IV) Income Tax expense				
- Current Tax		5.00		5.00
- Income Tax for earlier years		0.48		0.48
		5.48		5.48
(V) Profit/(Loss) for the year (III-IV)		(3,190.71)		(3,190.71)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement Gain / (Loss) on Defined Benefit Plan (Net of Tax)		-		-
<b>Total Comprehensive Income</b>		<b>(3,190.71)</b>	-	<b>(3,190.71)</b>

**Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

	Notes to first time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		62,179.64	65,369.35
Adjustments:			
Equity Component of Financial Instruments (Sub ordinate debts)	2	5,46,300.00	5,43,300.00
<b>Total equity as per Ind AS</b>		<b>6,08,479.64</b>	<b>6,08,669.35</b>

**Impact of Ind AS adoption on the Consolidated Statements of Cash Flows for the year ended 31 March 2016**

	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		12,404.41		12,404.41
Net cash flow from investing activities		(13,957.43)		(13,957.43)
Net cash flow from financing activities		2,981.63		2,981.63
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>1,428.62</b>		<b>1,428.62</b>
Cash and cash equivalents as at April 1, 2015		1,478.55		1,478.55
<b>Cash and cash equivalents as at March 31, 2016</b>		<b>2,907.17</b>		<b>2,907.17</b>

Reliance Power Transmission Limited  
Notes annexed to and forming part of the Consolidated Financial Statements  
(All amounts in INR Thousand, unless otherwise stated)

Analysis of changes in cash and cash equivalents for the purposes of Consolidated Statement of Cash Flows under Ind AS

	Notes to first-time adoption	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP		1,428.62	1,478.55
Cash and cash equivalents for the purpose of statement of cash flows		1,428.62	1,478.55

C: Notes to first-time adoption:

**Note 1: Property, plant and equipment**

On the date of transition to Ind AS, the Group has elected to regards the fair value of all its Property, Plant and Equipment as at April 1, 2015 to be the deemed cost as per Ind AS 101 "First time adoption of Indian Accounting Standards".

**Note 2. Subordinate Debt**

Under previous GAAP, Subordinate Debt received from Holding Company was shown as borrowings. Under Ind AS same is shown as Equity Component of financial instruments (Subordinate Debts)



**Reliance Power Transmission Limited****Notes annexed to and forming part of the Consolidated Financial Statements**

(All amounts in INR Thousand, unless otherwise stated)

**Note 24: Earnings per share**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Basic &amp; Diluted earnings per share</b>		
Loss for the year (Rs in Thousand) (A)	(1,97,788.52)	(3,190.71)
Weighted average number of equity shares used as the denominator in calculating basic & diluted earnings per share (B)	50,000.00	50,000.00
Earning / (Loss) per share (Basic & diluted) (Rs.) (A / B)	(3,955.77)	(63.81)
Nominal value of equity shares (Rs.)	10	10

**Note 25: Segment Information**

The Group is engaged in "Transmission of Electrical Energy" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Group activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

**Note 26: Operating Lease**

The Group has taken Project Office Premises on Cancellable Operating Lease where the Lease agreements are renewed on expiry. The Lease rentals recognised in the Consolidated Capital work in progress / Consolidated Statement of Profit and Loss is amounting to Rs. 232.93 thousand (March 31, 2016 Rs 2,732.26 thousand).

**Note 27: Specified Bank Notes**

The Group did not have any holding or dealing in specified bank note during the period from November 8, 2016 to December 30, 2016 . hence disclosure envisaged in notification G.S.R 308 (E) dated March 30, 2017 is not applicable to the Group.

**Note 28 :**

Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

As per our attached Report of even date

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

**Vishal D. Shah**  
Partner  
Membership No. 119303

Place: Mumbai  
Date : April 11, 2017

**For and on behalf of the Board**

**Debasish Banerjee**  
Director  
DIN: 06443204

**Dinesh N. Modi**  
Director  
DIN: 00004556

Place: Mumbai  
Date : April 11, 2017