

Reliance Infrastructure Limited

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INVESTOR RELEASE

**CONSOLIDATED NET PROFIT OF Rs 1,552 CRORE (US\$ 348 MILLION)
FOR THE YEAR – AN INCREASE OF 2%**

**CONSOLIDATED TOTAL OPERATING INCOME OF Rs 15,408 CRORE
(US\$ 3.5 BILLION) FOR THE YEAR – AN INCREASE OF 4%**

CONSOLIDATED BOOK VALUE OF Rs 958 (US\$ 21.5) PER SHARE

DECLARED DIVIDEND OF Rs 7.20 PER SHARE

EPC ORDERBOOK POSITION OF Rs 29,635 CRORE (US\$ 6.6 BILLION)

**COMPANY SO FAR BOUGHT BACK 18 LAKH SHARES WORTH Rs 115 CRORE
(US\$ 26 MILLION) – APPROVAL OF UPTO Rs 1,000 CRORE (US\$ 224 MILLION) AT
A MAXIMUM PRICE OF Rs 725 PER SHARE**

PROJECT STATUS

- **DAHANU POWER PLANT CONTINUES TO OPERATE AT PLF OF OVER 100% FROM LAST 7 YEARS**
- **3 ROAD PROJECTS ALREADY OPERATIONAL - ADDITIONAL 7 PROJECTS TO START IN NEXT 9 MONTHS**
- **DELHI METRO ALREADY OPERATIONAL**
- **MUMBAI METRO LINE 1 TO START OPERATION WITHIN 12 MONTHS**
- **LINE 1 & LINE 2 OF 1500 KMS TRANSMISSION PROJECT ALREADY COMMISSIONED**

Mumbai, May 27, 2011: Reliance Infrastructure Limited today announced it's audited financial results for the financial year ended March 31, 2011. The performance highlights are:

Consolidated – Year ended March 31, 2011

- **Total Operating Income of Rs 15,408 crore (US\$ 3.5 billion), against Rs 14,865 crore in the previous year, an increase of 4%**

- **Net Profit of Rs 1,552 crore** (US\$ 348 million), against Rs 1,519 crore in the previous year, **an increase of 2%**
- **Cash Profit of Rs 1,976 crore** (US\$ 443 million), against Rs 1,937 crore in the previous year, **an increase of 2%**
- **Cash Earnings Per Share (Cash EPS) of Rs 79** (US\$ 1.8), against Rs 86 in the previous year
- **Earnings Per Share (EPS) of Rs 62** (US\$ 1.4), against Rs 67 in the previous year

At the meeting held today, the Board has declared payment of **dividend of Rs 7.20 per share**, amounting to a **payout of Rs 191 crore** (US\$ 43 million) for the year ended March 31, 2011.

As on March 31, 2011, the **net worth of the Company on consolidated basis stood at Rs 23,965 crore** (US\$ 5.4 billion). **Book value per share on consolidated basis has increased to Rs 958 (US \$ 21)** as on March 31, 2011 from Rs 846 per share as on March 31, 2010.

On standalone basis, the Company's **total debt on standalone basis stood at Rs 3,969 crore** (US\$ 890 million). The Company remains **debt free at the net level** and enjoys the top end ratings of 'AA+' and 'AA' from CRISIL and FITCH respectively.

KEY HIGHLIGHTS

- **Road Projects:** Developing 11 road projects of 970 kms worth Rs 12,000 crore
 - Have 3 operational projects and additional 7 projects would be operational within 9 months
 - Won two 6 laning projects i.e Delhi Agra (UP) & Hosur Krishnagiri (Tamil Nadu) totaling 240 kms
 - Pune Satara (Maharashtra) 6 laning Road project of 140 kms is operational from October, 2010
- **Metro Projects :** Developing 3 metro rail projects in Mumbai and Delhi with a total stretch of 66 kms, having 45 stations and project outlay of around Rs 16,000 crore
 - Delhi Metro (23 kms & 6 stations) : Started commercial operation in February 2011 - Project completed in 27 months from signing of Concession Agreement in July, 2008.
 - Mumbai Metro Line 1: (12 kms & 12 stations) : Received all clearances for construction; Completed 75% of civil work construction. Project is scheduled to be commissioned in Q4FY12, ahead of contractual commissioning date of August, 2012
 - Mumbai Metro Line 2 (32 kms & 27 stations) : Achieved financial closure – Largest financial closure for a PPP project in the Country. Project is scheduled to be commissioned prior to contractual date of March, 2016.
- **Generation :** Dahanu Thermal Power Plant continues to operate at PLF of over 100% from last 7 years.
- **Transmission:** Commissioning of 1,500 kms transmission project in Maharashtra & Gujarat, the first 100% privately owned transmission line in India. Line 1 & Line 2 of the project commissioned on January, 2011 and May, 2011 respectively.

- **Distribution Business :**
 - Mumbai Distribution: MERC has lifted the tariff stay and revised tariff is being charged to the consumer, resulting in no further creation of regulatory asset. Rlnfra have submitted application for renewal / extension of the license.
 - Delhi Distribution: Delhi High Court has issued an order asking the Delhi Electricity Regulatory Commission (DERC) to issue a fresh tariff order.
- **EPC :** EPC Division has an order book of Rs 29,635 crore.
- **Buy Back :** Announced buy back of Rs 1,000 crore at a maximum price of Rs 725/share. Till May 26, 2011, the Company has bought 18 lakh shares with investment of Rs 115 crore.

MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure Projects

The Company is developing infrastructure projects comprising of 11 Roads, 3 Metro Rail, 5 Transmission, Mumbai Sealink and Cement. Rlnfra is the country's largest infrastructure company on an ownership basis.

Roads

The Company is developing **11 road projects of 970 kms worth Rs 12,000 crore**. Of which, 3 are operational and additional 7 road projects would start generating revenue within FY12. Company has started toll collection for Pune Satara (Maharashtra) road project from Q3FY11.

Construction progress is at full swing with more than 6,500 people working on sites. The Company is the first developer to introduce "*Enterprise Toll Management System*", which would facilitate real time toll plaza monitoring, Auto MIS, Single console for the projects, etc. During the year, the system has been successfully installed at 2 projects i.e. NK Toll Road & DS Toll Road in Tamil Nadu.

Metro Rails

The Company is the largest private player in metro rail sector in the Country. The company is **developing 3 metro rail projects in Mumbai and Delhi worth around Rs 16,000 crore**.

Some of the major mile stones achieved in metro projects are :

- **Delhi Airport Express Link** started commercial operations in Q4FY11 – First PPP metro project to become operational in India
- Construction is in full swing for major structures viz. Western Express Highway Bridge, Railway Line Bridge, etc. in **Mumbai Metro Line 1**; Viability Gap Funding of Rs 333 crore have been received from MMRDA; Project is scheduled to be commissioned in Q4FY12, ahead of contractual commissioning date of August, 2012.
- **Mumbai Metro Line 2** achieved financial closure for debt amount of Rs 7,000 crore – Largest financial closure for a PPP project in the country. Topographical Survey of the alignment is completed; M/s Systra of France have been appointed as design consultants and have commenced the work.

Sea link

The Company is **developing first sea link of the country** i.e. Western Freeway Sea Link in Mumbai. The project has an agreement with MSRDC for 40 years of concession period.

Cement

Reliance Cementation Pvt Ltd, a 100% wholly owned subsidiary of the Company is developing two cement plants of 5 million ton each in Yavatmal, Maharashtra and Satna, Madhya Pradesh. For Madhya Pradesh project, entire debt funds have been tied-up.

Transmission

The Company is **developing 5 transmission projects** including 2 Ultra Mega Transmission Projects (UMTP's) i.e. North Karanpura & Talcher – II, **with total project outlay of Rs 6,640 crore.**

The first 100% independent private transmission project in country i.e. WRSS project in Maharashtra and Gujarat have started generating revenue in Q4 FY11. In Mumbai Strengthening project, 3 receiving stations have been charged and registered an all time high availability of 99.8% against regulatory target of 98%; Incurred capex of around Rs 435 crore till FY11.

Electrical Business

Electrical business includes distribution business, power plants, transmission lines and trading business.

Energy Sales

The Company achieved aggregate sales of electrical energy on standalone basis was 9.2 billion units during the financial year ended March 31, 2011, against 10.2 billion units in the previous year. The Company's aggregate revenue from energy sales during the financial year ended March 31, 2011 was Rs 5,806 crore against Rs 6,368 crore in the previous year.

Mumbai Distribution

The Mumbai distribution business achieved aggregate **sales of 7.5 billion units** and aggregate **revenue from energy sales is Rs 5,091 crore** during the financial year ended March 31, 2011. During the period, the Company **purchased 4.3 billion units** of electrical energy. The number of customers using RInfra network at the end of the year was 28.05 lakh versus 27.61 lakh in previous year.

Delhi Distribution

The Delhi distribution business achieved **aggregate sales of electrical energy of 13.3 billion units** and **aggregate revenue from energy sales of Rs 6,208 crore** during the financial year ended March 31, 2011. During the year, the two discoms i.e. BRPL & BYPL had AT&C losses of 16.8% and 19.9% respectively, which is over achievement from the targeted levels, due to which both discoms continues to remain in the incentive zone for consecutive 3rd years.

Power Generation

During the year, all the generating plants continue to outperform all major operational parameters and Dahanu Power Plant continues to have PLF of over 100% for consecutive 7th year. The **total units generated by the plants are 6.4 billion units** during year FY11.

Energy Trading Business

The division has traded **5.6 billion units** in the year ended March 31, 2011 as compared to 3.3 billion units in corresponding period in previous year, **an increase of 68%**. RETL is consistently ranked amongst the top five trading licensees by CERC.

EPC Business

During the year, the **turnover of the division was Rs 3,389 crore** (US\$ 760 million) against Rs 3,415 crore in the previous year. The Division had **order book position of Rs 29,635 crore** as on March 31, 2011.

Reliance Infrastructure Limited

Reliance Infrastructure Ltd (RInfra) is the largest infrastructure company developing projects, through various Special Purpose Vehicles, in several high growth areas in Infrastructure sector i.e. Roads, Metro rail, Airports, Cement etc. The Company is also leading utility company having presence across the value chain of power businesses i.e. Generation, Transmission, Distribution, EPC and Trading.

The Company is developing two metro rail projects in Mumbai and operating Airport Metro Express in Delhi; awarded eleven road projects with total length of 970 kms; operate and maintain five airports in Maharashtra.

RInfra generates 940 MW of power through its five power stations; distributes power to over 5.3 million consumers in Mumbai and Delhi; developing five transmission projects including first Independent Private Transmission project in India.

RInfra also provides Engineering, Procurement and Construction (EPC) for developing power & road projects and currently have an orderbook of about Rs. 30,000 crore. (US\$ 6.6 billion)

Reliance Infrastructure Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
website: www.rinfra.com

Audited Financial Results for the year ended March 31, 2011

(Rs. crore)

Sr. No.	Particulars	Consolidated	
		31-03-2011	31-03-2010
1	(a) Net Sales of Electrical Energy	12,008.06	11,298.41
	(b) Income from EPC and Contracts Business	2,793.80	3,197.63
	(c) Income from Infrastructure Business	117.11	25.34
	(d) Other Operating Income	489.32	343.44
	Total Operating Income	15,408.29	14,864.82
2	Expenditure		
	(a) Cost of Electrical Energy purchased	7,393.72	6,953.37
	(b) Cost of Fuel	1,489.12	1,580.81
	(c) Tax on Sale of Electricity	260.27	265.86
	(d) Cost of Materials and Sub-contract Charges (EPC and Contracts Business)	2,370.66	2,706.06
	(e) Employees Cost	1,001.49	946.52
	(f) Depreciation	482.47	472.44
	(g) Other Expenditure	976.24	891.89
	Total Expenditure	13,973.97	13,816.95
3	Profit from operations before Other Income (net) and Interest	1,434.32	1,047.87
4	Other Income (net)	556.48	824.85
5	Profit before Interest	1,990.80	1,872.72
6	Interest and Finance Charges	634.96	525.13
7	Profit from Ordinary Activities before Tax, Share in Associates and Minority Interest	1,355.84	1,347.59
8	Tax Expenses (net)	126.84	149.83
9	Profit after Tax but before Share in Associates and Minority Interest	1,229.00	1,197.76
	Share of Profit in Associates (net)	322.94	321.45
	Minority Interest	(0.33)	0.18
10	Profit after Tax, Share in Associates and Minority Interest	1,551.61	1,519.39
11	Paid-up Equity Share Capital (Face Value of Rs. 10 per Share)	267.47	244.92
12	Reserves including Statutory Reserves excluding Revaluation Reserves	23,215.97	19,382.22
13	Earnings Per Share		
	(a) Basic (Rs.)	62.05	67.43
	(b) Diluted (Rs.)	58.16	66.39
14	Aggregate of Public Shareholding		
	- Number of Shares	139,791,616	140,241,616
	- Percentage of Shareholding	52.27	57.27
15	Promoter and promoter group shareholding		
	(a) Pledged / Encumbered		
	- Number of shares	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-
	(b) Non-encumbered		
	- Number of shares	127,628,646	104,628,646
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	47.73	42.73

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website: www.rinfra.com

Segment-wise Revenue, Results and Capital Employed

(Rs. crore)

Sr. No.	Particulars	Consolidated	
		31-03-2011	31-03-2010
1	Segment Revenue		
	- Electrical Energy	12,297.18	11,534.48
	- EPC and Contracts Business	2,994.00	3,304.78
	- Infrastructure Business	117.11	25.56
	Total	15,408.29	14,864.82
	Less: Inter Segment Revenue	-	-
	Net Sales / Income from Operations	15,408.29	14,864.82
2	Segment Results		
	Profit before Interest, Tax, Share in Associates and Minority Interest from each segment:		
	- Electrical Energy	1,236.21	828.56
	- EPC and Contracts Business	241.26	240.95
	- Infrastructure Business	18.01	13.19
	Total	1,495.48	1,082.70
	- Interest and Finance Charges	(634.96)	(525.13)
	- Interest Income	390.40	292.23
	- Other un-allocable Income net of expenditure	104.92	497.79
	Profit before Tax, Share in Associates and Minority Interest	1,355.84	1,347.59
3	Capital Employed		
	- Electrical Energy	7,771.34	6,075.43
	- EPC and Contracts Business	(426.89)	421.67
	- Infrastructure Business	5,385.06	2,017.26
	- Unallocated Assets (net)	11,235.81	12,189.70
	Total	23,965.32	20,704.06

Notes:

1. The Board has recommended a dividend of Rs. 7.20 per Equity Share for the year 2010-11.
2. The final determination in the matter of Standby Charges payable for the years 1998-99 to 2003-04 to The Tata Power Company Limited (TPC) is pending before the Supreme Court for final hearing. The Company has so far fully accounted the liability of Rs. 515.60 crore as determined earlier by Maharashtra Electricity Regulatory Commission (MERC).
3. The final determination in respect of the claim by TPC of Rs. 323.87 crore, along with interest based on the Orders passed by MERC / Appellate Tribunal for Electricity (ATE) towards difference in energy charge and minimum offtake charges for energy supplied by TPC at 220 kV interconnection is pending before Supreme Court for final hearing. The Company has complied with the interim order direction of depositing Rs. 25 crore with the Registrar of Supreme Court and providing a Bank Guarantee of Rs. 9.98 crore.
4. The Committee of Whole-time Directors at its meeting held on February 25, 2009 approved a Scheme of Restructuring envisaging transfer of certain operating divisions of the Company. In view of inter alia the considerable lapse of time of nearly 2 years and subsequent changes in the business environment, the proposal was no longer considered relevant and was withdrawn on March 25, 2011 with the approval of the Hon'ble Bombay High Court. There is no impact on the profitability or business of the Company.
5. During the quarter, the Company received an application from AAA Project Ventures Private Limited (AAPVL) for conversion of 2,25,50,000 warrants into shares, against the 2,33,00,000 warrants issued, along with the payment of balance amount of Rs.1,570.98 crore. The Company allotted 2,25,50,000 equity shares to AAPVL against conversion of said warrants. The balance 7,50,000 warrants after the said conversion have been cancelled and the sum of Rs. 17.42 crore being the 25% amount received on such warrants is forfeited and the said amount has been credited to Capital Reserve account.
6. Pursuant to the sanction of the Hon'ble High Court of Bombay of the scheme of amalgamation between Reliance Infraprojects Limited (RInFL), a wholly owned subsidiary and the Company, RInFL has been amalgamated with the Company with appointed date as April 1, 2010. On account of the above amalgamation, Profit before tax for the quarter and year ended March 31, 2011 of the Parent Company is higher by Rs 45.04 crore. However there is no impact of the same in the consolidated financials.
7. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended March 2011: opening: Nil; additions: 16; disposals: 16; closing: Nil.
8. During the year Talcher – II Transmission Company Limited, North Karanpura Transmission Company Limited, Reliance Sealink One Private Limited, HK Toll Road Private Limited, DA Toll Road Private Limited, Utility Infrastructure & Works Private Limited, Reliance Concrete Private Limited and Reliance Infrastructure Engineers Private Limited have become subsidiaries / step-down subsidiaries of the Company. There is no material impact on the financial results on account of the same.
9. Ratios have been computed as under:
 - Debt Service Coverage Ratio = Earnings before Interest and Tax / (Interest on Long Term Debt + Principal Repayment of Long Term Debt)
 - Interest Service Coverage Ratio = Earnings before Interest and Tax / Interest on Long Term Debt
10. There were no exceptional / extraordinary items during the quarter and year ended March 31, 2011.
11. The aforesaid standalone and consolidated financial results were reviewed by the Audit Committee of the Board at its meeting held on May 26, 2011 and subsequently approved by the Board of Directors on May 27, 2011.
12. Figures of the previous year have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 27, 2011

Anil D. Ambani
Chairman