

RELIANCE Infrastructure
Anil Dhirubhai Ambani Group

Annual Report
2009-10





Dhirubhai H. Ambani

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

Reliance Group - Founder and Visionary

Profile

Reliance Infrastructure Limited is a part of the Reliance Anil Dhirubhai Ambani Group, one of India's largest business houses.

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

Reliance Infrastructure companies distribute more than 36 billion units of electricity to over 30 million consumers across an area that spans over 1,24,300 sq kms and includes India's two premier cities, Mumbai and Delhi. The Company generates over 940 MW of electricity through its power stations located in Maharashtra, Andhra Pradesh, Kerala, Karnataka and Goa.

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

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

The Company is in the process of restructuring its various divisions to its wholly owned subsidiaries with a view to adopting the best management practices, establish highest operational standards and also to identify separately the economic value of each of the divisions.

Mission: Excellence in Infrastructure

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

This Report is printed on environmental friendly paper.

Reliance Infrastructure Limited

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Company Secretary
Shri Ramesh Shenoy

Auditors
M/s Price Waterhouse
M/s Chaturvedi & Shah

Registered Office
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Maharashtra, India

Registrar and Transfer Agent
Karvy Computershare Private Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13C, Madhapur Village
Hyderabad 500 081
Andhra Pradesh, India
Website: www.karvy.com

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

**Eighty First Annual General Meeting on Wednesday, December 22, 2010 at 11.00 a.m.
at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020**

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

Letter to Shareowners



**"We are not just about scale and size
we are also about the pursuit of excellence,
the integrity of our values and the quality of our services."**

- Anil Dhirubhai Ambani

My dear fellow Shareowners

It gives me great pleasure to share with you the highlights of our Company's performance during the year 2009-10.

The infrastructure sector in India has witnessed encouraging growth in the last few years, thanks in no small measure to governmental initiatives at various levels which have paved the way for increased and growing participation of the private sector in developing the infrastructure of the country.

In many ways, this success is a vindication of a faith. Many decades ago, well before economic reforms became a reality, our founder Dhirubhai had expressed the hope and conviction, that the private sector will one day be allowed to play a leading role in the development of infrastructure in India, particularly the all-important power sector because the availability of quality and reliable power in his view was a pre-condition for sustained, long-term growth.

Today, we are proud to have realized a part of Dhirubhai's dream. Apart from providing quality and uninterrupted supply of power in the suburbs of Mumbai, we are now engaged, through our associate company, Reliance Power, in the development, construction and operation of power generation projects with a combined planned capacity of nearly 35,000 MW, the largest portfolio of private generation assets under development in India.

With its forays in recent years in other key infrastructural areas such as highways, roads, bridges, airports, metro rail and other mass rapid transit systems, our Company, backed by strong financial and execution capabilities, is now well poised to become one of India's leading integrated infrastructure players. We are currently developing 25 projects aggregating around Rs 40,000 crore (US\$ 8.6 billion) of investments comprising roads, metro rails, airports, sealink and transmission lines.

RInfra has emerged as the country's largest infrastructure company on an ownership basis. There would be 11 revenue generating projects on stream in financial year 2011 with a project outlay of ₹ 19,200 crore.

Our group revenues are estimated at ₹ 24,493 crore (US\$ 5.5 billion) and gross fixed assets at ₹ 19,057 crore (US\$ 4.2 billion).

We are not just about scale and size. We are equally committed to operational excellence and ever improving customer satisfaction across the entire range of our services. We believe these qualities will drive us to stay ahead of competition and strengthen our leadership position in every business segment that we operate.

Performance review

I am happy to share with you the highlights of financial and operational performance of the Company during the year.

- Total income of ₹ 10,908 crore (US\$ 2.4 billion) as against ₹ 10,959 crore (US\$ 2.4 billion) in the previous financial year.

- Cash profit of ₹ 1,435 crore (US\$ 320 million) as against ₹ 1,329 crore (US\$ 296 million) in the previous financial year.
- Net profit of ₹ 1,152 crore (US\$ 256 million) as against ₹ 1,139 crore (US\$ 254 million) in the previous financial year.
- Earnings Per Share (EPS) of ₹ 51 (US\$ 1.1), against ₹ 49 (US\$ 1.1) in the previous year.
- A net worth of ₹ 15,152 crore (US\$ 3.4 billion) making Reliance Infrastructure amongst the top Indian private sector companies.

Achievements across key operating businesses

Power Generation

All the power stations of the Company have shown consistent and improved performance in their operations. Many have set benchmarks in key spheres of operation, viz. operational performance, energy conservation, environmental management and safety management.

During the past year, the Dahanu Thermal Power Station operated at an average Plant Load Factor (PLF) of 102.32 per cent. The Station has now been operating at more than 100 per cent PLF for the sixth year running and the current PLF of 102.32 per cent is the highest ever achieved since inception. This exemplary performance has earned incentives and efficiency gains.

All our stations have the distinction of obtaining Integrated Management System (IMS) for Quality, Environment and OHSAS 18001:2007 certifications.

Power Transmission

Reliance Power Transmission Limited (RPTL), a subsidiary of the Company, is the largest private transmission utility in India and is currently implementing projects worth ₹ 6,600 crore, comprising 6,000 circuit kilometers of transmission lines and two substations. The projects under execution include Western Region System Strengthening Scheme-II, North Karanpura Transmission System, Talcher-II Augmentation scheme and Parbati Koldam Transmission Project in joint venture with Power Grid Corporation of India Limited.

In keeping with the growth of our economy and the power sector, the Government of India has identified a large number of transmission projects for the national grid. Our Company is fully geared to explore such upcoming opportunities.

Power Distribution

Our Mumbai Distribution business has been consistently operating at 99.9 per cent reliability. This consistency has been achieved through network augmentation, meter modernization, ever improving customer service through dedicated call centers and enhanced payment options.

Reliance Infrastructure Limited

Letter to Shareowners

I am glad to inform that the Administrative Staff College of India, which was appointed by the MERC, to investigate the operations of the distribution business of the Company for the years 2003 to 2009, has given a positive report and stated that there was nothing reportable under the investigation. In a simultaneous development, the Institute for Design of Electrical Measuring Instruments, which was appointed by the MERC to test the meters of consumers who had responded to MERC public notice, has after conducting tests on approximately 1,200 RInfra meters reported in its findings that the errors in the meters, when found to be performing, were within the range as prescribed by the Bureau of Indian Standards (BIS). This is another vote of confidence on our quality standards and underlines once again our commitment to operational excellence.

In recognition of our world-class IT systems and solutions, we have been awarded IT consultancy projects for Karnataka Discom and SCADA-Distribution Management System projects in Maharashtra, Chhattisgarh, Bihar as well as Haryana Discoms.

Our two associate companies, viz. BSES Rajdhani Power Limited and BSES Yamuna Power Limited, have been taking a series of steps to reduce the aggregate and technical commercial losses (AT&C) in their operations and further improving the quality of their customer service. The reductions in AT&C losses during the year enabled the two companies to qualify for performance incentive to the tune of ₹ 140 crore.

The EPC Business

The turnover of our Engineering, Procurement and Construction (EPC) Division for 2009-10 rose by 41 per cent to ₹ 3,522 crore, while profits rose by a healthy 38 per cent.

The Division employs state-of-the-art technology in engineering design and project management to execute its projects. The Division has been taking proactive measures to further augment its capabilities in executing large, complex projects such as ultra mega power projects and responding even more quickly to changing business environment and needs.

Infrastructure Projects

Metro Projects

Reliance Infrastructure is the country's largest player in metro rail projects, developing 3 metro rail projects in Delhi and Mumbai with total capex of around ₹ 160 billion. The construction work for the Delhi Airport Express Link is now complete and the line is expected to be operational before the end of this year.

The construction of Mumbai Metro Line 1 is under full swing and the link is likely to be operational by Q2 FY12 much ahead of the scheduled date as per the concession agreement. The recently awarded Mumbai Metro Line 2 project would provide connectivity from Mankhurd to Charkop through Bandra, for which surveys and investigation work has been started. We are confident that these projects once completed will lead to significant decongestion of the urban transport system in Mumbai and provide a fast and convenient mode of travel to Mumbai commuters.

Reliance Infrastructure is the largest private developer-operator of non-metro airports in the country, having developing and operating rights of five non-metro airports in Maharashtra—namely Nanded, Latur, Yavatmal, Baramati and Osmanabad. Awarded on 95-year leases, these airports are a vital link in boosting regional air connectivity, facilitating the growth of aviation business in India and catalysing the growth of the regional economy as a whole.

Reliance Infrastructure is one of the largest developers of road and highway projects for the National Highways Authority of India under the build, own, transfer (BOT) scheme. With an investment of ₹ 120 billion, the Company is currently developing

11 major road projects, totaling 970 kms. Of these projects, 6 are in Tamil Nadu, and one each in Maharashtra, Rajasthan, Gujarat and Delhi National Capital Region, in addition to a 180-km project which cuts across UP and Haryana.

While two of our projects in Tamil Nadu have commenced commercial operations, further 4 are slated for commissioning across different states in the current financial year. The construction of all other projects is proceeding as per schedule.

Your Company has been awarded the Western Freeway Sea Link Project – Phase II-A through international competitive bidding process under Public Private Partnership. The project envisages operation and maintenance of the existing Bandra-Worli Sealink and construction of Sealink from Worli to Haji Ali in Mumbai.

Reliance Infrastructure, through its subsidiary company, Reliance Cementation, is developing one of the most promising portfolios of cement plants in India. The Company is setting up integrated cement plants in Madhya Pradesh and Maharashtra with an aggregate cement capacity of 10 million tonnes. With various internal group synergies, these plants will be among the most cost-competitive cement plants in India.

Corporate Governance

Our Company is a proud member of the Reliance Anil Dhirubhai Ambani Group. We have adopted the Group's Corporate Governance Policies and Code of Conduct. These guidelines prescribe a set of systems, processes and principles that conform to the best global standards and are aimed at promoting the interests of all stakeholders.

Social commitments

As responsible corporate citizens, we have always endeavoured to reach out to the underprivileged in and around the areas wherever we operate, viz. power plants, distribution areas and EPC Project sites. Our CSR initiatives are aimed at making our communities self-reliant by providing education, health, water, sanitation, rural development and vocational training. We continue to support the KDA Hospital and Medical Research Centre which has become a landmark and is contributing significantly to the health care sector in suburban Mumbai.

Awards and Recognitions

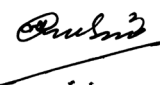
During the year, your Company was recognized and felicitated at various national and international fora for exemplary performance in various fields, viz. excellence in thermal generation, environment, quality, water and energy management, leadership, technology, innovation, safety and corporate social responsibility.

Commitments

Over the last few years, we have considerably expanded our project portfolio while enlarging our geographic footprint across various parts of the country.

I would like to thank all our employees for their continued dedication, hard work and contribution which has made this achievement and transformation possible. I also extend my sincere thanks to my colleagues on the Board for their involvement and mature counsel.

We have always endeavoured to meet, indeed exceed, the expectations of our large family of stakeholders. For us, value enhancement remains a key business objective and we will continue to aid, facilitate and support all initiatives which enhance stakeholder value, while maintaining the highest standards of corporate governance.



Anil Dhirubhai Ambani
Chairman

Reliance Infrastructure Limited

Highlights - at a glance

Year Ended 31st March		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Units Sold -(Million Units)		10163	9582	9271	8743	8064	7969 [^]	7691 [^]	5880	5676	5415
Maximum Demand MVA		1516	1509	1408	1457	1331	1320	1274	1226	1201	1198
High Tension Mains kms		4113	3860	3606	3448	3114	3012	2915	2829	2789	2734
Low Tension Mains kms		3817	3619	3313	3179	3116	3039	3002	2965	2923	2870
No of Substations		5384	5081	4909	4720	4002	3848	3735	3653	3547	3444
No of Consumers (in'000) Licensed Area - 384 sq kms		2731	2692	2630	2506	2496	2381	2329	2223	2142	2067
No of Shareholders (in'000)		1509	1591	1596	1577	109	99	96	122	145	155
Financial Data (₹ in crore)	US \$ in Million										
Assets :											
Fixed Assets (Net)	908.46	4079	3905	3637	3104	2874	2912	3093	1813	1951	2080
Investments	2,231.63	10020	12147	7726	2512	1193	696	2875	1030	611	534
Current Assets (Net)	1,186.19	5326	3382	5561	9954	8277	6731	1410	531	850	657
Total Assets	4,326.28	19425	19434	16924	15570	12344	10339	7378	3374	3412	3271
Sources of Finance :											
Share Capital	54.57	245	226	236	229	212	186	175	138	138	201
Equity Warrants	120.49	541	783	783	-	88	568	-	-	-	-
Reserves & Surplus	3,199.55	14366	10898	10668	9252	7573	5586	4936	2426	2540	2375
Borrowings	916.48	4115	7332	4989	5858	4267	3739	2030	632	661	695
Deferred Tax Liabilities	35.19	158	194	249	231	204	260	237	178	73	-
Total Finance Raised	4,326.28	19425	19434	16924	15570	12344	10339	7378	3374	3412	3271
Gross Revenue	2,429.40	10908	10959	7501	6575	4608	4593	3583	2777	2783	2778
Profit Before Tax	288.85	1297	1193	1152	872	781	570	417	153	302	350
Profit After Tax	256.50	1152	1139	1085	801	650	520	367	297 *	281	321
Dividends	38.75	174	158	148	121	104	87	70	61	61	62
Dividend Tax	2.15	10	27	25	21	16	12	9	8	0.17	7
Retained Earnings (including statutory reserves)	215.59	968	956	912	699	529	421	295	54	244	227
Equity Share Capital	54.57	245	226	236	229	212	186	175	138	138	138
Rate of Dividend on Equity Shares (₹)	US\$ 0.16	7.1	7.0	6.3	5.3	5.0	4.7	4.5	4.4	4.3	4.0
Earnings Per Share (₹)	US\$ 1.14	51	49	47	37	33	28	26	22 *	22	21

* Prior to one time adjustments of ₹ 135 crore
[^] includes sales in respect of Samalkot and Goa Power Stations
 1 US\$ = ₹ 44.90 as on March 31, 2010
 1 crore = 10 million

Reliance Infrastructure Limited

Notice

Notice is hereby given that the Eighty First Annual General Meeting of the members of Reliance Infrastructure Limited will be held on Wednesday, December 22, 2010 at 11.00 a.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the payment of interim dividend on equity shares declared by the Board of Directors as final dividend.
3. To appoint a Director in place of Shri Lalit Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Gen V P Malik, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an

Ordinary Resolution:

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

Special Business

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 ("Act") (including any statutory modification or re-enactment thereof, for the time being in force) and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of commission up to 3 per cent of the net profits of the Company, every year, computed in the manner specified in the Act, to the Director(s) of the Company who is/are neither in the whole-time employment nor managing director(s), in accordance with the provisions of Section 309(4) of the Act, for a period of 5 (five) years from the financial year commencing April 1, 2011, in such manner and up to such extent as the Board and/or Nomination/ Remuneration Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Nomination/ Remuneration Committee constituted by the Board be and are hereby authorised to take all actions and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board of Directors

Ramesh Shenoy
Company Secretary

Registered Office:

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

November 22, 2010

Notes

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of herself/himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**
2. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Meeting.
3. Members/proxies should fill in the attendance slip for attending the Meeting and bring their attendance slip alongwith their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder, who is higher in the order of names, will be entitled to vote.
5. Members who hold share(s) in electronic form are requested to write their DP Id and Client Id number and those who hold share(s) in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturday between 11.00 a.m and 1.00 p.m up to the date of the Meeting.
7. The Company's Register of Members and Transfer Books will remain closed from Thursday, the 16th December, 2010 to Wednesday, the 22nd December, 2010 (both days inclusive) for the purpose of the meeting.
8. Non-resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:

Notice

- a. the change in the residential status on return to India for permanent settlement.
 - b. the particulars of the bank accounts maintained in India with complete name of Bank, branch, account type, account number and address of the bank, if not furnished earlier.
9. Re-appointment of directors: At the ensuing Annual General Meeting Shri Lalit Jalan and Gen V P Malik retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to all the directors as required to be provided pursuant to Clause 49 of the listing agreement are furnished in the Corporate Governance Report forming part of this Annual Report.
 10. Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants were appointed at the Annual General Meeting of the Company held on July 21, 2009 as auditors of the Company. Haribhakti & Co., Chartered Accountants and Pathak H D & Associates, Chartered Accountants are proposed to be appointed as joint statutory auditors of the Company at the ensuing Annual General Meeting. Special Notice has been received by the Company from a Member proposing the appointment of Haribhakti & Co. and Pathak H D & Associates, as Auditors of the Company.
 11. Members are advised to refer to the section titled 'Investor Information' provided in this Annual Report.
 12. Pursuant to Circular no. SEBI/CFD/DIL/LA/2/2007/26/4 dated April 26, 2007, issued by the Securities and Exchange Board of India, the statement containing the salient features of the balance sheet, profit and loss account and auditors' report (Abridged Financial Statements), is sent to the members, along with the Abridged Consolidated Financial Statements. Any member interested in obtaining a copy of the full Annual Report, may write to the Registrar and Transfer Agent of the Company.
 13. The Registrar of Companies, Maharashtra, in terms of its approval dated August 27, 2010 has extended the time for holding the Company's AGM up to December 31, 2010.
 14. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated November 22, 2010

Item No. 6 Payment of commission to Non-executive Directors

The members, through postal ballot, result of which was declared on January 8, 2007, had approved payment of commission upto 3 per cent per annum to non-executive Directors who are not in full time employment of the Company, under the provisions of Section 309(4) of the Companies Act, 1956 ('Act') computed in the manner specified in the Act, for a period of 5 years from the financial year commencing 1st April, 2006.

The Company had obtained approval from the Central Government vide letter No. A36105260-CL.VII dated June 16, 2008 for payment of Commission to non-executive Directors up to a limit of 3 per cent of net profits of the Company per year for a period of 4 years from the financial year 2007-2008 i.e. up to financial year ending March 31, 2011.

The Chairman and the non-executive Directors are required to devote significant time and attention with wider scope of business activities of the Company and more so with the requirements of the revised Corporate Governance Policies. The Board therefore recognizes the need to suitably remunerate the Director(s) of the Company who are neither in the whole-time employment nor managing director(s) with such commission based on the net profits of the Company.

As per provisions of Section 309 of the Act, a company can pay commission to the Directors who are neither in the whole time employment of the Company nor Managing Director upto a ceiling of 1 per cent, if the Company has a managing or whole-time director or manager, or 3 per cent, if the Company has no managing or whole-time director or manager, of the net profits

of the Company, every year, computed in the manner specified in the Act. The Company has appointed whole-time Directors. The Company can pay remuneration exceeding 1 per cent or 3 per cent of its net profits, or such other limit as may be approved by the Central Government.

The quantum of the said commission will be apportioned amongst the non-executive Directors commensurate with their respective performance, which will be adjudged by the Nomination/Remuneration Committee of the Board, based on predefined qualitative and quantitative parameters.

The Board of Directors accordingly recommends the resolution set out at Item No.6 of the accompanying Notice for the approval of the Members.

All Directors of the Company, except executive Directors, may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them from time to time.

By Order of the Board of Directors

Ramesh Shenoy
Company Secretary

Registered Office:

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

November 22, 2010

Reliance Infrastructure Limited

Directors' Report

Dear Shareowners,

Your Directors have pleasure in presenting the Eighty First Annual Report and the audited accounts for the financial year ended March 31, 2010.

Financial Results

The standalone performance of the Company for the financial year ended March 31, 2010 is summarised below:

Particulars	Financial Year ended March 31, 2010		Financial Year ended * March 31, 2009	
	₹ crore	**US \$ million	₹ crore	**US \$ million
Total income	10,908.06	2,429.41	10,958.79	2,160.64
Gross profit before depreciation	1,616.78	360.08	1,438.31	283.58
Depreciation	319.84	71.23	244.88	48.28
Profit before taxation	1,296.94	288.85	1,193.43	235.30
Tax Expenses (Net) (including deferred tax and tax for earlier years)	145.25	32.35	54.55	10.75
Profit after taxation	1,151.69	256.50	1,138.88	224.55
Add :				
Balance of profit brought forward from previous year	683.20	152.16	774.86	152.77
Profit available for appropriation	1,834.89	408.66	1,913.74	377.32
Appropriations :				
Dividend on equity shares (including tax on dividend)	183.64	40.90	182.64	36.01
Statutory Reserves	16.96	3.78	14.55	2.87
Transfer to General Reserve	1,000.00	222.72	1,000.00	197.16
Transfer to Debenture Redemption Reserve	35.83	7.98	33.35	6.58
Balance carried to Balance Sheet	598.46	133.28	683.20	134.70

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

** ₹ 44.90 = US \$ 1 Exchange rate as on March 31, 2010 (₹ 50.72 = US \$ 1 as on March 31, 2009)

Financial Performance

During the year under review, your Company earned an income of ₹ 10,908 crore, against ₹ 10,959 crore in the previous year. The Company earned Profit after tax of ₹ 1,152 crore as compared to ₹ 1,139 crore in the previous year. Shareholders equity (Net worth) increased to ₹ 15,152 crore from ₹ 11,907 crore in the previous year. The factors contributing to the financial performance are discussed more elaborately in the Management Discussion and Analysis which is included as part of the Annual Report.

Dividend

The Board of Directors paid an interim dividend of ₹ 7.10 per share on 24,48,70,262 equity shares of ₹ 10 each (Previous year ₹ 7.00 per equity share) for the financial year ended March 31, 2010. The Board of Directors do not propose to pay any final dividend and the interim dividend paid is to be treated as the final dividend for the year 2009-10.

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

Management Discussion and Analysis

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

The Company has entered into various contracts in the areas of infrastructure and value added service businesses. While benefits from such contracts will accrue in future years, their progress is periodically reviewed.

Issue of Securities and Share Capital

(i) Cancellation of outstanding warrants

The Company on January 20, 2008 had allotted 4,30,00,000 warrants on preferential basis to the promoters, against which an upfront amount of ₹ 783.49 crore was paid. The warrants were convertible in to equivalent number of equity shares of ₹ 10 each at a premium of ₹ 1,812.08 per equity share on or before July 19, 2009. Since the warrant holders had expressed their intention not to seek conversion of the warrants, the Company cancelled the said warrants and forfeited the upfront amount paid thereon.

(ii) Preferential allotment of warrants

Pursuant to approval of the members of the Company accorded through postal ballot on June 24, 2009,

Directors' Report

the Company allotted 4,29,00,000 warrants at ₹ 928.89 each (including a premium of ₹ 918.89 per equity share) on preferential basis to one of the promoter companies, AAA Project Ventures Private Limited, on July 9, 2009. The warrants are convertible into equity shares of Rs 10 each on or before 18 months from the date of allotment of warrants i.e. on or before January 8, 2011.

(iii) Conversion of warrants

During the year, AAA Project Ventures Private Limited, one of the promoter companies, subscribed for equity shares on exercise of option attached to warrants, whereupon the Company allotted 1,96,00,000 equity shares to the warrant holder. Consequent upon the allotment of these shares, the paid-up capital of the Company increased to 24,48,70,262 equity shares.

Reorganisation of various businesses

The Scheme of Arrangement envisaging transfer of various operating divisions of the Company, viz., Dahanu Thermal Power Station division, Goa and Samalkot Power Stations division, Power Transmission division, Power Distribution division, Toll Roads division and Real Estate division to its respective resulting six wholly owned subsidiaries has since been sanctioned by the Hon'ble High Court of Judicature at Bombay on July 24, 2009, subject to the Company receiving the requisite approvals.

The order of the Hon'ble High Court of Judicature at Bombay has been filed with the Registrar of Companies on September 14, 2009. However, the Scheme will be effective only on receipt of requisite approvals which are awaited.

Subsidiary Companies

During the year under review, Reliance Cementation Private Limited, Reliance Cement and Infra Private Limited, Reliance Cement Corporation Private Limited, Reliance Cement Works Private Limited, Reliance Airport Developers Private Limited, Latur Airport Private Limited, Baramati Airport Private Limited, Nanded Airport Private Limited, Yavatmal Airport Private Limited, Osmanabad Airport Private Limited, PS Toll Road Private Limited and KM Toll Road Private Limited, became the subsidiaries of the Company.

In terms of the approvals granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the balance sheet, profit and loss account, reports of the Board of Directors and Auditors of the subsidiaries have not been attached to the balance sheet of the Company. However, these documents will be made available upon request by any member of the Company. As directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Financial Information of Subsidiary Companies, which forms part of the Annual Report. The annual accounts of the Company including that of subsidiaries will be kept for inspection by any member. Further, pursuant to Accounting Standard-21 (AS-21) prescribed under the Companies (Accounting Standards) Rules, 2006, Consolidated Financial Statements presented by the Company include financial information of its subsidiaries.

Fixed Deposits

The Company discontinued accepting fixed deposits since December, 1998. There was no unclaimed fixed deposit as on March 31, 2010.

Directors

Shri V R Galkar resigned as the director of the Company with effect from November 12, 2010. The Board recorded with appreciation the contribution made by Shri V R Galkar during his tenure on the Board.

In terms of the provisions of the Companies Act, 1956, Shri Lalit Jalan and Gen V P Malik retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

A brief resume of aforesaid directors retiring by rotation at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which they hold directorships and/or memberships/chairmanship of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India, is given in the section on Corporate Governance forming part of the Annual Report.

Directors' Responsibility Statement

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

- i. in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year under review;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts for the financial year ended March 31, 2010, on a 'going concern' basis.

Group

Pursuant to an intimation received from the Promoters, the names of the Promoters and entities comprising 'Group' as defined under the Monopolies and Restrictive Trade Practices Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Consolidated Financial Statements

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

Directors' Report

Auditors and Auditors' Report

Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, the statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Price Waterhouse and Chaturvedi & Shah have been statutory auditors of the Company for a period of 5 years and 7 years respectively. In line with the best governance practices and as recommended in the Corporate Governance - Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, it is now proposed to rotate the audit firms. Accordingly, as per the recommendation of the Audit Committee and the decision of the Board at its meeting held on November 22, 2010, it is proposed that Haribhakti & Co., Chartered Accountants (a member of the BDO Group) and Pathak H D & Associates, Chartered Accountants be appointed as joint statutory auditors of the Company for the financial year 2010-11. The Company has received letters from both of them, viz. Haribhakti & Co. and Pathak H D & Associates to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

Cost Auditor

Pursuant to the direction of the Central Government that the cost accounts maintained by the Company be audited by a cost auditor, the Company has appointed V J Talati & Company, Cost Accountants, for conducting the cost audit for the generation, transmission and distribution of electricity businesses of the Company for the financial year ended March 31, 2010.

Particulars of Employees

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

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

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure-A forming part of this report.

Corporate Governance

The Company has adopted the *Reliance Anil Dhirubhai Ambani Group - Corporate Governance Policies and Code of Conduct* which has set out the systems, process and policies conforming to international standards. The report on Corporate Governance as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, forms part of the Annual Report.


A certificate from the Auditors of the Company Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, conforming compliance with conditions

of Corporate Governance as stipulated under the aforesaid clause is given in Annexure-B to this report.

Acknowledgment

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

For and on behalf of the Board of Directors



Anil D. Ambani
Chairman

Mumbai
November 22, 2010

Annexure A

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

A. Conservation of Energy

I a. Energy conservation measures taken at Distribution Division and offices

- i. Awareness of seminars and e-bulletin for employees and consumers on use of BEE star labeled energy efficient appliances, Energy Efficient building construction, etc
- ii. Installation of energy efficient lighting technologies and capacitors for power factor improvement at appropriate places

b. Additional investment and proposals being implemented

- Installation of Thermal Storage system and light pipe technology for reducing energy consumption and demand management

c. Impact of the measures outlined at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- i. Reduction in demand and energy consumption
- ii. Increased energy conservation awareness among employees and customers

II a. Energy Conservation Measures taken at Power Stations and offices

- Replacement of High Pressure turbine module and Air Pre-heater baskets during annual overhaul of Dahanu.
- Commissioning of vapour absorption chilling machine in place of mechanical vapour compression air conditioning system
- Installation of energy efficient Hollow-FRP epoxy coated fan blades in cooling tower fans and installation of Wind Turbo ventilators in place of motorized ventilators
- Installation of Variable Frequency Drives (VFD) in High Pressure Boiler Feed Pump

Directors' Report

- Replacement of steam ejectors in place of vacuum pump
 - Installation of additional Condensate Pre-Heater in Heat Recovery Steam Generator (HRSG)
 - Installation of Energy Efficient pumps and fluigluid coating of circulating water pump for energy saving and anti-corrosion
 - Installation of Solar Street lights
 - Cooling Tower Makeup system converted to gravity flow instead of a motorized pump
 - Installation of Service Air pressure intelligent controller in Compressed air plant
- b. Additional investment and proposals being implemented
- Commissioning of VFD for Auxiliary cooling water pump
 - Firing temperature up rate for Frame-6B Gas Turbine
 - Additional cooling tower cells
 - Reengineering & replacement of HP evaporator of HRSG
 - LED street lighting in place of conventional lights
- c. Impact of the measures outlined at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods
- Improvement of plant Heat Rate and reduction in auxiliary power consumption
 - Improvement in cycle efficiency and system reliability

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

**FORM 'B'
Research and Development (R&D)**

1. Electricity Supply Division

Areas in which R&D was carried out

- Integration of CymDist (network analysis tool) and GIS for accurate network analysis
- Feasibility study for conversion of 33kV network from radial system to ring main system
- Development of RTMS – Real time monitoring system for online monitoring of power flow and accounting

Benefits derived

- Precise capital expenditure decisions with the help of accurate analysis through CymDist
- Improvement in SAIDI (Reliability index) on account of reduced interruption time in case of contingency in 33kV network
- RTMS – Better Demand Forecasting and precise Energy accounting

Future plan of action

- Commissioning of new receiving stations with 33 KV ring network
- Capital expenditure proposals with load flow studies in CymDisc

2. Transmission Division

Areas in which R&D was carried out

- Usage of latest best-in-class software such as STAAD, ETAB, Auto – GRID PRO for the various engineering activities carried out by RInfra-T
- Vertical configuration of EHV substations employing GIS (Gas Insulated Switchgears) bays wherein switchgear and controls are stacked one above the other

Benefits derived

- Faster and accurate output of analysis due to the softwares employed
- Reduction of land requirement by more than 90 % of the conventional method for transmission sub-station erection

Future plan of action

- Usage of underground 220 kV EHV cables to overcome ROW constraints

3. Power Plants

Areas in which R&D was carried out

- i. Foam cleaning / dry ice blasting for cleaning of Heat recovery steam generator coil surface
- ii. Gas Turbine compressor 1st six stages rotor blades coating
- iii. Naphtha additive testing for fuel efficiency
- iv. Use of Fly ash in concrete Roads (upto 50% cement replacement). Fly ash is used in both the layers, Dry Lean Concrete (DLC) and Pavement Quality Concrete (PQC)
- v. Use of 30-35% of fly ash at all RMC Plants for construction of Power plant structures
- vi. Use of Fly Ash Blocks (Fly Ash 50% to 60%) for construction of Boundary wall for all UMPP
- vii. Successful testing of Precast Concrete Piles with 35% cement replacement first time in the world at Krishnapatnam site
- viii. Adoption of Ground Granulated Blast Furnace Slag (GGBS) based Concrete for structures exposed to sea water

Benefits derived

- i. Better gas flow profile resulting in improved heat rate and Performance improvement of Gas Turbine
- ii. Performance improvement of cooling tower
- iii. Better utilization of fly ash
- iv. Reduction in construction time

Future plan of action

- i. Setting of coarse ash grinding system in order to utilize coarse ash gainfully
- ii. Design of Main Control room with modern concepts, including Large Video Displays adopted to enhance ease of Operation and enable faster response
- iii. Exploration of Foundation and Profibus Field Bus, typically for communication between transmitters/ actuators/ switchgear and PLC/ DCS. This would reduce cabling costs

Reliance Infrastructure Limited

Directors' Report

4. Expenditure incurred on R&D	₹ crore
a. Capital	13.95
b. Recurring	0.45
c. Total	<u>14.40</u>
d. Total R&D expenditure as per centage of total turnover	0.13 %

C. Technology absorption, adaptation and innovation

Power Plants and EPC division

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

- i. CDMA based Automated Meter Reading system for Goa distribution system
- ii. Upgradation of Oxygen (after APH) measurement system from single point to Grid type
- iii. Integrated energy measurement system to accurately measure the auxiliary power consumption and optimize plant operations
- iv. Introduction of additional heating surface in Heat Recovery Steam Generators to absorb more heat from gas turbine exhaust
- v. Silicone coating of switchyard insulators at Kochi to avoid flash over and trip during morning fog
- vi. LVDH (Low Vacuum Dehydration) Machine for Turbine Lub oil purification

2. Benefits derived as a result of the above efforts

- i. Optimization of excess air in Boiler
- ii. Improvement in station heat rate and lower stack outlet temperatures
- iii. Improved station reliability in all weather conditions
- iv. Precise Engineering designs due to advent in software technologies

3. Information regarding Imported Technology

Technology imported	Year of import	Status
Gas Turbine Compressor blades coated by M/s Sermatech, Germany to enhance life and efficiency improvement	2009	Absorbed

Foreign Exchange earnings and outgo:

Total foreign exchange earnings and outgo for the financial year is as follows:

a. Total Foreign Exchange earnings (Previous year ₹ 93.35 crore)	₹ 42.69 crore
b. Total Foreign Exchange outgo (Previous year ₹ 162.94 crore)	₹ 115.54 crore

Annexure - B

Auditors' Certificate on Corporate Governance

To the Members of Reliance Infrastructure Limited

We have examined the compliances of the conditions of Corporate Governance by Reliance Infrastructure Limited ('the Company') for the year ended March 31, 2010, as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreements.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Price Waterhouse

Chartered Accountants

Firm Registration No: 301112 E

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720 W

Partha Ghosh

Partner

Membership No. 55913

Place : Mumbai

Date : November 22, 2010

C D Lala

Partner

Membership No. 35671

Place : Mumbai

Date : November 22, 2010

Management Discussion and Analysis

Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors.

The financial statements are prepared on accrual basis of accounting and in accordance with Indian GAAP, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. Assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads. The management of Reliance Infrastructure Limited ("Reliance Infrastructure" or "RIInfra" or "the Company") accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profits for the year.

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

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

Overall Review

Reliance Infrastructure is India's leading private sector Infrastructure Company, with aggregate estimated group revenues of ₹ 24,493 crore (US\$ 5.5 billion) and total assets of ₹ 19,057 crore (US\$ 4.2 billion). Reliance Infrastructure is ranked amongst India's leading private companies on all major financial parameter, including assets, sales, profits and market capitalisation.

The highlights of performance of the Company for the year 2009-10 are:

- Total Income of ₹ 10,908 crore (US\$ 2.4 billion), as against ₹ 10,959 crore in the previous financial year.
- Cash Profit of ₹ 1,435 crore (US\$ 320 million) against ₹ 1,329 crore in the previous financial year.
- Net Profit of ₹ 1,152 crore (US\$ 256 million) against ₹ 1,139 crore in the previous financial year
- Cash Earnings Per Share for the year of ₹ 59 (US\$ 1.3) against ₹ 60 in the previous financial year.

- Earnings Per Share (EPS) of ₹ 51 (US\$ 1.1) against ₹ 49 in the previous financial year.

In order to optimise shareholder value, the Company continues to focus on in-house opportunities as well as selective large external projects for its Engineering, Procurement and Construction (EPC) Division. The EPC Division had an order book position of ₹ 19,250 crore (US\$ 4.3 billion) as on March 31, 2010.

Financial Review

Reliance Infrastructure's total income for the year ended March 31, 2010 was to ₹ 10,908 crore (US\$ 2.4 billion), compared to ₹ 10,959 crore (US\$ 2.4 billion) in the previous year.

The total income includes earnings from sale of electrical energy of ₹ 6,368 crore (US\$ 1.4 billion) as compared to 7,183 crore (US\$ 1.6 billion) recorded last year. The sale of electrical energy includes income of ₹ 383 crore (US\$ 85 million) and ₹ 283 crore (US\$ 63 million) from the Samalkot Power Station (SPS) and the Goa Power Station (GPS) respectively.

The turnover of EPC business was ₹ 3,522 crore (US\$ 740 million), against ₹ 2,499 crore (US\$ 569 million) in the previous year.

During the year, interest expenditure reduced to ₹ 292 crore (US\$ 65 million) as compared to ₹ 330 crore (US\$ 74 million) in the previous year. The Company had, in order to reflect the true value of its prime assets, revalued the assets of its Dahanu Power Station as at April 1, 2003 by ₹. 752 crore (US\$ 167 million). In view of this, the depreciation on such revalued assets is higher by ₹ 54 crore (US\$ 12 million), and the same has been adjusted by withdrawing equivalent amount from the general reserve, which is credited to the profit and loss account.

The generation plants – Samalkot power station, Goa power station and the wind farm in Karnataka are all eligible for tax holiday under Section 80IA of the Income Tax Act, 1961 for a total of 10 consecutive years out of 15 years. Hence, the effective tax rate for the Company as a whole is governed by Section 115JB of the Income Tax Act, 1961.

Upon the scheme of arrangement between the Company and its 6 resultant subsidiaries becoming effective, the Company has decided to transfer its investments in equity shares of BSES Kerala Power Limited and Reliance Goa and Samalkot Power Limited (SPVs) for an aggregate valuation of ₹ 1,095 crore carried out by KPMG, as a result of which SPVs owning and operating 433 MW generation plants comprising of 220 MW Samalkot Power plant in Andhra Pradesh, 165 MW power plant in Kerala and 48 MW Power plant in Goa shall become wholly owned subsidiaries of Reliance Power Limited. The objective of the above transaction is to bring the entire power generation portfolio under Reliance Power Limited. All three plants have significant potential for capacity expansion.

The corporate tax liability for the year was ₹ 145 crore (US\$ 32 million), compared to ₹ 55 crore (US\$ 12 million) in the previous year.

Cash profit for the year was ₹ 1,435 crore (US\$ 320 million) compared to ₹ 1,329 crore (US\$ 296 million) in the previous year.

Operating profit i.e. profit before depreciation, interest and tax (PBDIT) increased to ₹ 1,909 crore (US\$ 425 million) during the year from ₹ 1,769 crore (US\$ 394 million) in the previous year.

Reliance Infrastructure Limited

Management Discussion and Analysis

Net profit for the year was ₹ 1,152 crore (US\$ 256 million), against ₹ 1,139 crore (US\$ 254 million) in the previous financial year.

At its meeting held on April 29, 2010, the Board approved payment of interim dividend of ₹ 7.10 per share, aggregating to a pay-out of ₹ 174 crore (US\$ 39 million) (excluding dividend tax) for the year ended March 31, 2010.

The capital expenditure during the year was ₹ 560 crore (US\$ 125 million), primarily on account of expenditure incurred on modernizing and strengthening of the distribution network.

Total gross assets increased during the year to ₹ 7,428 crore (US\$ 1.7 billion).

The promoter, AAA Project Ventures Private Limited subscribed to 42.9 million share warrants, convertible into equity for further capital infusion of approximately ₹ 4,300 crore (US\$ 957 million) into the Company. Upon conversion, the Company's net worth would rise to over ₹ 16,000 crore (US\$ 3.6 billion), and consequently increase the borrowing capability to ₹ 32,000 crore (US\$ 7.1 billion), even at a conservative debt-equity ratio of 2:1.

During the year, 1.96 crore equity shares were allotted, against the aforesaid convertible warrants issued to them.

The Company ranks among leading Indian private sector companies in terms of net worth. As on March 31, 2010, the net worth of the Company stood at ₹ 15,152 crore (US\$ 3.4 billion).

Resources and Liquidity

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

The Company's gross debt as at the end of the financial year stood at ₹ 4,115 crore (US\$ 916 million). Of this, nearly 56 per cent represents foreign currency denominated debt. The average final maturity of the Company's long-term debt is about 4.4 years. The average annual interest cost is about 5.21 per cent.

The Company's current cash flow levels, for less than five years, are adequate to extinguish its entire gross debt, reflecting its inherent financial strength and conservatism. At net level, the Company is currently debt free.

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

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

Reorganisation of various businesses

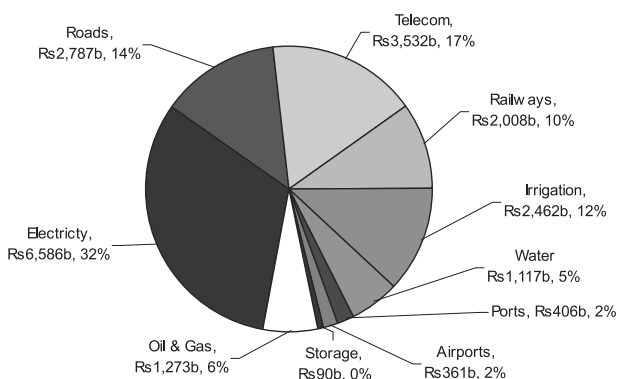
The Scheme of Arrangement envisaging transfer of various operating divisions of the Company, viz., Dahanu Thermal Power Station division, Goa and Samalkot Power Stations division, Power Transmission division, Power Distribution division, Toll Roads division and Real Estate division to its respective resulting six wholly owned subsidiaries has since been sanctioned by the Hon'ble Bombay High Court on July 24, 2009, subject to the Company receiving the requisite approvals.

The order of the Hon'ble High Court of Bombay for sanction of scheme has been filed with the Registrar of Companies on September 14, 2009 and the Scheme will be effective on receipt of certain approvals which are awaited.

Infrastructure Industry Structure and Development

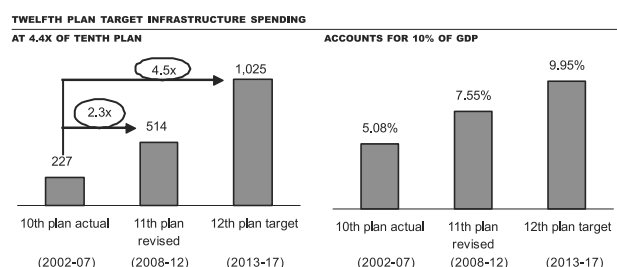
The infrastructure sector of India has witnessed significant changes over last few years and it is one of the fastest developing sectors. Poor infrastructure is one of the biggest constraints faced by Indian economy, restricting its entry into the elite group of fast growing economic powers. The infrastructure projects require huge investments, estimated at almost about ₹ 54 trillion (USD 1.2 trillion) over the next ten years. To meet the financial requirements, the Government of India encourages Private Public Participation model (PPP model). This will not only ease the Government's efforts to raise fund but also speed up the execution of the projects.

Sectoral allocation of Infrastructure investments in 11th plan (2008-12)



Source: Planning Commission

Infrastructure spending of the Government shall increase to 2.3 times in 11th plan which shall gradually be increased to 4.5 times in 12th plan constituting 10 per cent of GDP compared to 10th plan.

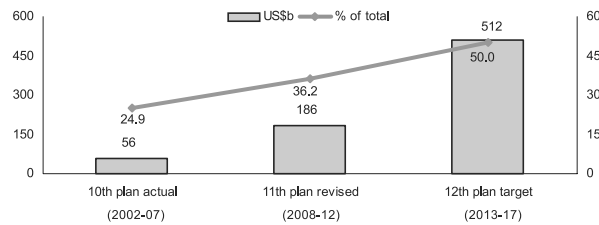


Source: Planning Commission

Historically, the public sector dominated the infrastructure development in India. This has changed over the past decade due to sheer size of the fund requirements. Consequently, the share of private sector in infrastructure is set to rise from 25 per cent in 10th Plan to 51 per cent in 11th plan. Increase in exposure of Indian banks to various infrastructure segments coupled with impressive growth in FDI inflows (11 per cent per year-on-year) despite liquidity crunch in FY 2009-10 are some of the encouraging signs signaling strong investor interest in India's infrastructure story.

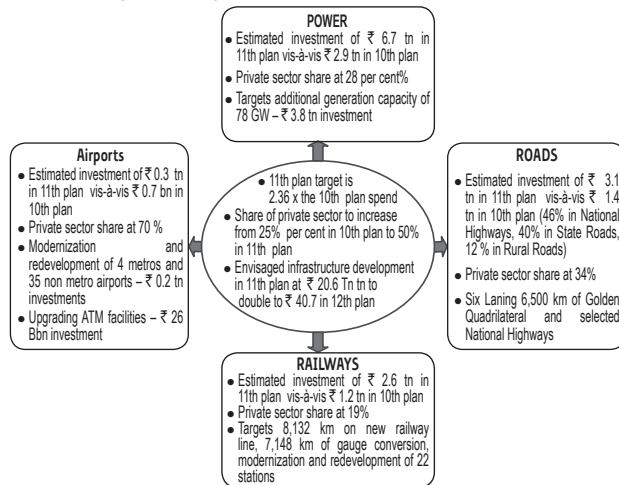
Management Discussion and Analysis

PRIVATE SECTOR SHARE TO GO UP FROM 25% IN TENTH PLAN TO 50% IN TWELFTH PLAN



Source: Planning Commission

Overview of India Infrastructure in 11th Plan



Power

India is among the world's largest power producing and consuming nation, with a total generation capacity of 157,229 MW as at March 31, 2010. The Ministry of Power has projected an annual growth rate of 9 per cent in electricity demand over 11th plan period and has thus set itself a target of augmenting India's capacity by 78,700 MW with further addition of 86,500 MW during 12th Plan. Regulatory reforms have been initiated in all Generation, Transmission and Distribution sector to enable higher private sector participation which has increased from 4 per cent in 1990 to 18 per cent in 2010. Indian power market is one of the fastest growing power markets in the world. With ambitious growth targets and Government of India's vision of Power For All by 2012, it is imperative to achieve expansion and strengthening of regional and interregional transmission networks synchronously with addition of generation capacities in the country.

Fuel wise generation capacity (in MW) as on March 31, 2010

Fuel	Installed Capacity (MW)	Share of installed capacity (Per cent)
Thermal		
Coal	84,198.38	52.8
Gas	17,055.85	10.7
Diesel	1,199.75	0.8
Sub Total	1,02,453.98	64.3
Hydroelectric	36,863.40	23.1
Nuclear	4,560.00	2.9
Renewable energy	15,521.11	9.7
Total	1,59,398.49	100.0

* Excluding captive generation capacity connected to grid: 19,509.49 MW. Source: CEA

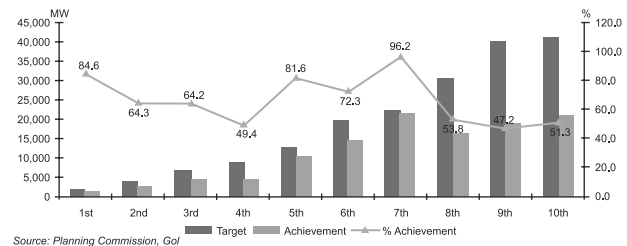
Transmission

Matching evacuation for additional power in 11th and 12th plan and transmitting it to the load centres are envisaged through an additional network of about 5,400 ckm of 765 kV lines, 49,200 ckm of 400 kV lines, 35,300 ckm of 220 kV lines and 5,200 ckm of 800 kV/500 kV HVDC lines during the 11th Plan. Along with this, an additional transformation capacity of 51,000 MVA at 765 kV level, 52,000 MVA at 400 kV level and 73,500 MVA at 220 kV level is proposed to be added. This would require investment of approximately ₹ 1,40,000 crore in 11th Plan. Similarly augmentation of transmission systems is envisaged to call for an investment of approximately ₹ 2,40,000 crore in 12th Plan. A sizable part of this huge investment is expected to come from private sector.

Distribution

A vast network of sub-transmission and distribution system has been set up so that power from the country's generation stations through the transmission system could be brought for about 150 million consumers. The distribution system in India, has been plagued by consistently higher Aggregate Technical and Commercial (AT&C) losses which are primarily due to inadequate investments over the years for system improvement works, which has resulted in unplanned extensions of the distribution lines, overloading of the system elements like transformers and conductors, and lack of adequate reactive power support.

The commercial losses are mainly due to low metering efficiency, theft & pilferages. These may be reduced by improving metering efficiency, proper energy accounting & auditing and improved billing & collection efficiency. With the initiative of the Government of India and of the States, the Accelerated Power Development and Reform Programme (APDRP) was launched in 2001, for strengthening sub-transmission and distribution network and reduction in AT & C losses. The APDRP programme is being restructured by the Government of India, so that the desired level of 15 per cent per cent AT&C loss could be achieved by the end of 11th plan



Source: Planning Commission, Gal

Roads

Pursuant to the target of achieving 9 per cent GDP growth, 15 per cent of the total infrastructure spending planned in the 11th plan, amounting to ₹ 2,70,000 crore – ₹ 3,15,000 crore is expected to be on roads. Investments to the tune of ₹ 1,08,000 crore are expected in road development during the year 2010-2011. Target of adding 20 km of road network each day would need greater private sector participation going forward. Huge network of state highways and Operation & Maintenance potential in the sector provide vibrant opportunities for the private players. To encourage participation of private sector, the Government has also announced several incentives such as tax exemptions and duty free import of road building equipments. The Public Private Partnership (PPP) route following Build, Operate and Transfer (BOT) mode is a huge opportunity for the private sector infrastructure players in the country.

Reliance Infrastructure Limited

Management Discussion and Analysis

Progress under various stages of NHDP programme

Phase	Scheduled date	Length (km)	Completed (km)	Under implement (km)	Still to be awarded (km)
Phase I and II					
GQ	Dec-05	5,846	5,766	80	-
NSEW	Dec-07	7,300	4,863	1,689	590
Port connectivity		380	274	100	6
Others		965	899	46	20
Phase III	Dec-12	12,109	1,478	3,926	6,705
Phase IV	Dec-15	20,000	-	-	20,000
Phase V	Dec-12	6,500	163	1,068	5,269
Phase VI	Dec-15	1,000	-	-	1,000
Phase VII	Dec-14	700	-	41	659
Total		54,800	13,443	6,950	34,249

Source: NHAI

Metro

The Indian Railways is a critical component of India's transport network with a total route length of around 63,221 Kms and holds the distinction of being the world's second largest rail network under a single management and the principal mode of transportation for bulk freight and long distance passenger traffic. The Ministry of Urban Development formulated a National Urban Transport Policy (NUTP) in April 2006 to provide efficient and affordable public transport for all. Subsequently, the Ministry also sanctioned a new scheme for capacity building in sustainable urban transport planning at national, state and city level as well as institutional level so that well coordinated and integrated transport systems gets built up. Various metro rail projects in the country have been planned and approved as part of this initiative, such as the Delhi Mass Rapid Transit System (MRTS) Project, Delhi Airport Express Link, Mumbai Metro Rail Project, Bengaluru Metro Rail Project, Chennai Metro Rail Project, etc. Several of these projects are being implemented in a PPP mode on a BOT basis thus offering opportunities for private sector participation in the infrastructure space. Public investment in the railways is projected at ₹ 2,34,600 crore and additional ₹ 27,200 crore is likely to be invested in Mass Rapid Transport Systems (MRTS) of which ₹ 7,200 crore would be contributed by the Central Government and ₹ 10,000 crore each by States and the private sector. The authorities have planned 2,000 kms of network with investment of ₹ 4 trillion over a period of 20 years

Airports

The Indian aviation industry is one of the fastest growing aviation industries in the world with a Compound Annual Growth Rate at 18 per cent and 454 airports and airstrips in place in India, of which 16 are designated as international airports. Total operational airports in India have increased from 15 in 2004 to over 90 in 2010. India has more than one million cities and thus requires large number of regional airports. Overall, 35 regional airports have been identified for privatization. Besides new greenfields airports have also been identified at Mopa, Navi Mumbai, Chakkan, Rajguru, Kannur, Hassan, Gulbarga and Jewar. India would require up to ₹ 400 billion until 2013-14 to develop non-metro airports as per estimates of the Government's panel on infrastructure.

Investment opportunities of ₹ 4,939 billion (US\$ 110 billion) are being envisaged up to 2020 with ₹ 3,592 billion (US\$ 80 billion) in new aircrafts and ₹ 1,347 billion (US\$ 30 billion) in development of airport infrastructure, according to the Investment

Commission of India. There is need for at least two international airports –in Mumbai and Pune– and upgradation of at least 35 non-metro airports. Investments of this scale are also leading to growth of supporting businesses of Maintenance Repair Overhaul (MRO) facilities, pilot training, aircraft parts manufacturing hubs, etc. Worldwide, private investment opportunities are coming up in South East Asia, North America, East Europe and Australia, for stake sale in operating airports.

Reliance Energy – Energy Distribution Division of Reliance Infrastructure

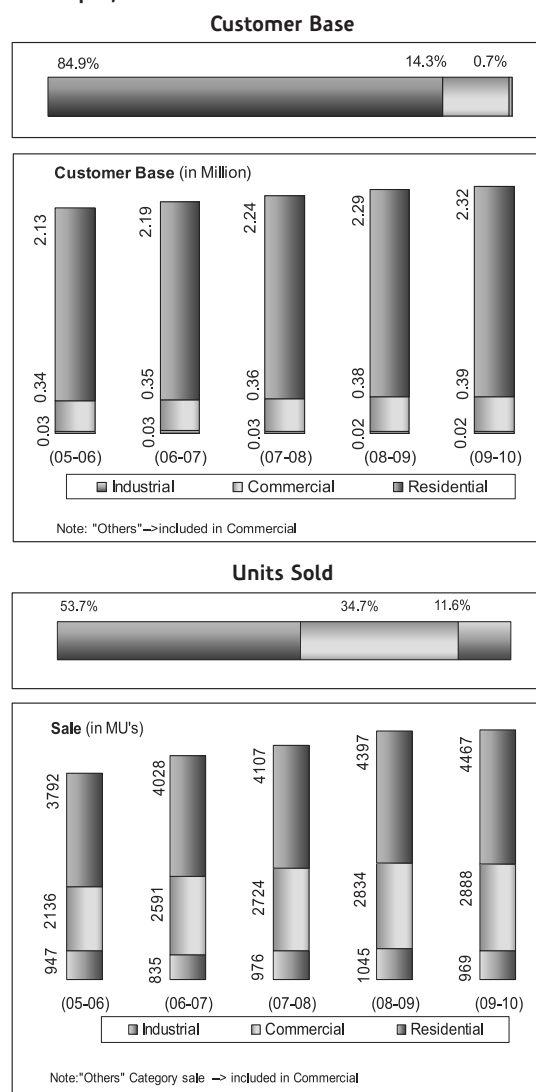
Mumbai Distribution Business

Reliance Energy, the Distribution business division of the Company, has been in the field of power distribution for over eight decades and has achieved the distinction of consistently operating its distribution network at 99.9 percent reliability.

Customer

The number of customers at the end of the year was 27.31 lakh (previous year 26.92 lakh).

Customer profile and units sold



Management Discussion and Analysis

Revenue

The billing revenue of Reliance Energy for the year was ₹ 5,693 crore (previous year ₹ 6,542 crore) based on the tariff determined by Maharashtra Electricity Regulatory Commission (MERC).

System Demand

The coincident peak demand registered during the year was 1,516 MW as against 1,509 MW during the previous year, growing at 3 per cent.

Network Augmentation

In order to meet the rising demand, network augmentation is a continuous process. At the close of the year, there were 4,113 kms of high tension and 3,817 kms of low tension mains in the Reliance Energy's system, with the addition of 234 kms of high tension and 188 kms of low tension lines during the year.

During the year, the installed capacity of Power Transformers increased by 260 MVA to 2,752 MVA. The installed capacity of Distribution Transformers increased by 229 MVA to 4,155 MVA. The Company added 303 new substation, and has 5,384 substations at the end of the year.

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

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

Meter Modernization

After the notification of the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, it is mandatory that all customer meters shall be of electronic (static) type. Reliance Energy had 27,50,672 meters as on March 31, 2010, out of which over 94 per cent meters (25,93,407 meters) are electronic meters and only 6 per cent meters (1,57,265 meters) were electro-mechanical, which were being replaced with electronic meters and will complete the change in due course of time. All the meters installed conform to IS-13779 specifications.

Customer Service

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

Billing

The efficient practices at Reliance Energy ensure monthly billing of its customer based on actual meter reading of 100 per cent accessible meters.

Reliance Energy has an informative electricity bill with higher visibility of key contents for quick reference. The bill is also a mode of communication, carrying customer education tips, personalized messages, past consumption trends, etc.

Reliance Energy offers its customers, bills in their choice of language - English, Hindi, Marathi and Gujarati. For the special needs of the visually challenged customers, Reliance Energy offers Braille Bill. E-bills are also simultaneously sent to e-mail addresses of registered customers. In addition, RInfra website allows customers to view and print their bills. Also, key bill details are made available as an SMS alert on mobile phone.

As a transparent practice, the customers are informed of their next meter reading date in their current month bill and also through SMS, a day earlier to the actual meter reading date. Other important customer alerts via SMS/email include Payment acknowledgement and status of ECS / Voluntary Deposit Scheme (VDS) services opted by the customer.

Payment

The Customers have access to wide spread multi modes both physical and electronic payment options. The payment options are available to customers consisting of collection centers, collecting banks, drop boxes, Pay-by-SMS and online options. The customers receive SMS reminding them to pay by the due date and as well as to acknowledge payment received.

Call Centre

The customer has access to Toll Free Call Centre service to reach Reliance Energy. This service is a single window call-centre with multi-lingual customer service staff.

In addition to handling complaint and enquiry calls, the Call Centre also extends the "E-Courtesy" service to its customers. "E-Courtesy" is an automated follow-up mail communication for information provided during the call.

IVR-based services for requesting billing and payment information are also available to customers. The Call Centre also supports a centralized web desk to handle all email-based queries from customers.

Customer Care Centres

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

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

Website

Reliance Infrastructure's website www.rinfra.com is informative, interactive and user-friendly. The website enables the customer to access the consumption profile, billing information, complaint status through a personalized 'My-Account', energy calculator, meter reading schedules. Customers having multiple premises/

Reliance Infrastructure Limited

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account can now view all their accounts through one integrated login. Recently, the Company has launched a new website, with more customer – friendly features and attractive user – friendly navigations.

Regulatory Initiatives, Developments and Issues

Maharashtra Electricity Regulatory Commission (MERC) had issued the tariff order for Mumbai Distribution Business on June 15, 2009 for FY 2010. The tariff order for certain consumer categories was stayed by MERC on July 15, 2009 for the purpose of ascertaining the increase in tariffs under the advice of the State Government. For aforesaid categories, tariff rates as per Order dated June 4, 2008 continues to apply. Simultaneously, MERC appointed Administrative Staff College of India (ASCI), Hyderabad to investigate into certain cost elements of the distribution business such as Capital expenditure, Power purchase, etc. ASCI after carrying out its investigation submitted their findings to MERC and validated the expenditure incurred by the Company for Capital Expenditure, Power Purchase and other expenses of regulated business and their observation on the Power Purchase Agreement (PPA) disputes with Tata Power Co. The report is made public by MERC by uploading the same on its web site and subsequently MERC vacated the tariff stay.

Performance study of Dahanu Thermal Power Station (DTPS) plant

MERC has appointed Central Power Research Institute (CPRI), Bengaluru to carry out a performance study of DTPS to ascertain whether all operational parameters of the generating plant are within the limits set by the Original Equipment Manufacturer (OEM), ascertain operating margins in various equipment and explore the feasibility of re-rating of DTPS. CPRI has completed the site study and have submitted their report to MERC. MERC may make the report public shortly.

Renewable Purchase Obligations

The MERC has issued MERC (Renewable Purchase Obligation, Its compliance and Renewable Energy Certificate framework) Regulations 2010. The said regulations stipulate separate RPO for Non-Solar and Solar projects for the period FY11 to FY16.

For meeting Non-Solar Renewable Purchase Obligation (RPO), RInfra has contracted 70 MW of Wind Generation and has concluded negotiations for execution of PPA for 115 MW wind power and 20 MW biomass power and 30MW cogeneration. RInfra is also exploring other RE sources as well and shortfall in meeting RPO, if any, shall be met through procurement of Renewable Energy Certificates (RECs).

For meeting Solar RPO, RInfra is in advanced stage of contracting 40 MW solar PV Power which is slated for commissioning during Q3 of FY2011-12. Till then RInfra propose to meet Solar RPO through procurement of Solar REC's.

Standby Charges

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

Take or Pay

MERC passed an order on December 6, 2007 on a petition filed by TPC in 2001 relating to Additional Energy Charges (AEC) and Take or Pay for 1998-1999 and 1999-2000 holding that an amount of ₹ 116 crore would be payable by RInfra with interest at 24 per cent per annum. Pursuant to this order, TPC raised a claim together with interest for ₹ 324 crore. RInfra has filed an appeal before the ATE, which held that additional energy charges are payable but remanded the issue of Take or Pay to MERC for re-determination. RInfra has also filed an appeal to the Supreme Court against ATE judgment, while TPC has filed an appeal in respect of Take or Pay. TPC in the hearing before Supreme Court claimed that they were asked to pay 50 per cent of the amount in the Standby matter and thus similar order should be passed against RInfra to deposit the amount. As directed by the Supreme Court, the Company has paid ₹ 25 crore to TPC and provided Bank Guarantee of ₹ 9 crore to the Supreme Court. The matter is admitted and awaits final hearing before the Supreme Court.

Status of Power Purchase Agreement (PPA) with TPC

TPS has refused to sign Power Purchase Agreement with RInfra on the ground that it does not have any surplus capacity to give to RInfra on a complaint made by RInfra to the Government of Maharashtra (GoM), GoM based on Committee's Report directed TPC to supply 360 MW till June 30, 2010 and 200 MW to RInfra till March 31, 2011 and referred the matter to MERC. Matter is pending before MERC. The GoM direction has been challenged by TPC before the Bombay High Court and the same is pending.

Medium Term and Long Term Power Procurement

RInfra had initiated the process of medium term (up to FY 2014) and long term (25 years) power procurement. The procurement process once completed, will improve availability of power at the prices discovered in this process.

Quality

The Company is an ISO-9001 Company. Mumbai Transmission is now among a few power utility companies that have Integrated Management System Certification covering OHSAS (18001:2007), EMS (14001:2004), apart from QMS (ISO 9001:2008).

A comprehensive quality roadmap is formulated with a view to enhancing quality standards at all levels and bringing in new quality culture within the Company. A quality council has been created to drive the quality movement. To broad-base participation, almost 60 projects have been initiated involving people at all levels. These projects aim at addressing specific quality related problems in the field. The results have been extremely encouraging; five of the completed projects have been awarded at the national level by Quality Circle Forum of India.

Demand Side Management : Value Added Services for Energy Conservation

In line with the Vision and Mission, the Company has initiated Energy Conservation and Energy Efficiency (EC&EE) Programmes under Demand Side Management (DSM).

The objective of EC&EE Program is to create awareness in the society on the importance of Energy Conservation and smart usage of energy, and facilitate adoption of energy efficient technology in order to reduce system demand and power purchase cost to protect the interest of consumers and to reduce environmental damage by Green House Gas (GHG) emission

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reduction. The ultimate goal is to make every citizen of Mumbai a part of this programme and make this Programme a Citizens' Movement.

Street Light Conversion Project: Under this project, 37,266 HPMV (125W and 80W) lamps have been replaced by lower wattage HPSV (70 W) lamps for streetlights. The Company has achieved an annual energy savings of 4.56 MU that translates to CO2 emission reduction of 4,495 MT.

Capacitor Installation Programme : RInfra has launched "Capacitor Installation Programme" for reactive power management for approximately 13,800 LT Commercial, LT Industrial and HT Category consumers, to whom the PF surcharge / incentive clause is applicable. In this programme, Capacitors are made available to consumers at heavily discounted price and extended warranty.

End-use Water Pumping Efficiency Improvement Project : With an objective to study and demonstrate the efficient use of water pumping system for housing societies, RInfra has participated in a pilot on End-Use Pumping Efficiency improvement through replacement of inefficient water pumps in the housing societies by energy efficient pumps. This programme is likely to save approximately 3,500 units annually for each pump.

Energy Audit Scheme for Commercial / Industrial Consumers (2007 Onwards) : Under this scheme, the consumers have been offered Energy Audit through renowned Energy Audit companies at substantially negotiated rates. To further motivate participation of the consumers, 75 per cent of audit fee has been paid by RInfra. RInfra has received encouraging response from consumers to this scheme and has, now, extended this facility to small commercial consumers wherein the audits are conducted by the Company's in-house team of certified Energy Managers, free of cost. RInfra has carried out 52 Energy Audit under this programme, and the annual potential benefit to consumers through energy saving is 3.65 MU.

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

Urja Samvardhan Upakram : RInfra has launched this Energy Conservation Awareness Campaign, an endeavor is to reach to every consumer and make her or him a partner in this campaign. Over past one year, several workshops have been conducted by RInfra in academic institutions, housing societies, offices and industrial estates. This initiative has so far reached to over 8,600 people educating them on "Why to conserve and How to conserve Energy".

Training

At RInfra, training is a vital function that responds to the ever growing and dynamically changing organizational needs. The dynamic tracking and understanding of training needs of each business segments of the organization, enable the Company to conduct training programme of high quality at the training institutions viz., Reliance Energy Management Institute (REMI), Versova Technical Training Centre (VTTC), Dahanu Technical Training Centre (DTTC) and at various locations across the country. The capacity and quality of the training institutions have been greatly appreciated and recognized by the apex regulatory authority of the power sector, the Central Electricity Authority (CEA), Ministry of Power, Government of India, New

Delhi, through its stringent rating mechanism. During the year 2009-10, RInfra conducted 350 training programmes in which more than 7,000 participants were trained spanning more than 20,000 man-days. This includes several on-site training programmes in our endeavour to expand our reach to employees engaged in infrastructure projects at various sites.

We have done pioneering work in the areas of Leadership and Customer Service, in which two initiatives EM-POWER and SPARSH that were designed completely in-house have been registered under the Copyrights Act, 1957. In addition, 11 video-based learning modules on various technical aspects of Power Business that have been created in-house too have been registered under the Copyrights Act, 1957.

With the enhanced business portfolio of R-Infra, Learning & Development (L&D) too has enhanced and aligned its competencies to partner the growth of various Businesses.

In order to make learning practices more accessible and flexible, high degree of technology support is continuously weaving learning and sharing as an integral part of the organization's cultural fabric.

Automation and Information Technology

In our quest for excellence, several initiatives have been taken and some major ones are as follows:

While GIS continues to be the workspace for Operation & Maintenance (O&M), a state-of-the-art Equipment Monitoring System (EMS) has been incorporated for remote monitoring of sub-stations in real time for proactive resolution of faults. Automatic Meter Reading (AMR) for select premium consumers now allows for remotely collecting consumption, diagnostic, and status data from the energy meter and transfers the same to a central database.

Our initiatives have received recognition and acclaim from both India and abroad and some of them are:

- PCQUEST 2009 – Best IT implementation of the year award for maximum Business impact.
- "IT User Award 2009" from NASSCOM.
- "Real IT Awards 2009 for Innovation in an IT project" from NASSCOM also

We have also won the 2010 Team Spotlight Awards by Teamstudio, IBM-USA for our Response Tracker (RT) Application used by Customer care for prompt redressal of customer issues.

In recognition of our world class IT systems, we have been empanelled by the Government of India in their R-APDRP of reforming Distribution companies and we have bid and won the IT consultancy project for Karnataka DISCOM and SCADA implementation for Haryana DISCOM.

Delhi Distribution Business

Delhi has witnessed one of the most successful Public-Private Partnership models in electricity distribution business. After the privatization of erstwhile Delhi Vidyut Board (DVB), two BSES discoms BSES Yamuna Power Limited (BYPL) and BSES Rajdhani Power Limited (BRPL) were awarded licenses for Central and East Delhi, and South and West Delhi respectively, supplying 70 per cent of overall Delhi area.

This success is evident from the following few facts:

- BSES discoms have successfully met the city's maximum demand of over 4,408 MW (BSES area 3,086 MW) – with growth rate of 8 per cent Year over Year.

Reliance Infrastructure Limited

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- The per capita electricity consumption of Delhi has reached 1,270 units, nearly double the national average of 704 units
- The city-state has one of the lowest tariff structures when compared to neighbouring states and other metro cities.
- The discoms have invested a capex of around ₹ 5,000 crore to augment and strengthen the distribution network.
- The AT&C losses of Delhi are down to sub 20 per cent from 55 per cent in 2002.
- 24x7 quality power supply is today a reality.
- SMS alert/ IVR launched
- Caller Identification mechanism implemented
- Many new initiatives aimed at Customer satisfaction
 - o "Vishisht Sahyogi" – BSES Brand Ambassadors
 - o "Vivad Samadhan" Enforcement schemes
 - o Lok Adalats and Amnesty Schemes for liquidating legal cases: Organised 'Green' paperless Lok Adalats. 3035 no. cases were settled saving around 46,000 A4 size papers, equivalent to nearly six full-grown trees.
- BSES installed payment drop boxes at all the Stations and Interchange Stations of the Delhi Metro.
- "Citizen's Charter" released. The Charter contains handy and relevant information for the customers.

Loss reduction performance

AT&C losses have declined steeply from 20.59 per cent in BRPL and 24.02 per cent in BYPL to 19.03 per cent and 23.11 per cent respectively during FY 2009-2010, against the MYT target of 20.23 per cent and 26.26 per cent respectively.

Performance incentives by State Regulator

With this over-achievement of AT&C losses, total incentive earned is approximately ₹ 134 crore having a discom share of ₹ 67 crore (BRPL – ₹ 27 crore, BYPL – ₹ 40 crore). This would add significantly to the shareholder value.

Key Financials

BSES Discoms registered an aggregate total income of ₹ 7,236 crore during the year (excluding income from sale of power aggregating to ₹ 934 crore) against ₹ 5,137 crore in the previous year, which is an increase of 41 per cent. The other operating expenses have either declined, remained constant or have increased marginally. This was achieved through tighter control and monitoring of all operating expenses and related processes.

Capital Expenditure and Funding

The aggregate capital expenditure incurred during the year amounted to ₹ 475 crore for upgradation, strengthening and modernization of the distribution system. The aggregate net block including current work in progress stood at ₹ 4,342 crore. The additional loans availed from various banks during the year 2009-10 for financing the capital expenditure of Discoms aggregated ₹ 2,093 crore, raising total loans outstanding of ₹ 4,175 crore. The aggregate fund based limits sanctioned by a consortium of banks for working capital was ₹ 454 crore (BRPL ₹ 290 crore and BYPL ₹ 164 crore) against which the utilization was ₹ 400 crore (net of cash and bank balances).

Growth in Consumer base

The aggregate consumer base has grown by 1,33,703 customers for BRPL and 70,000 customers for BYPL, bringing the total for BSES Delhi customer base to approximately 26 lakh.

Customer Care initiatives

There is a BSES office within a range of every 2.5 kms with a dedicated Customer Care Officer in all the 33 divisions across our license area to facilitate better customer interaction. Initiatives like "BSES Aapke Dwaar", "One Visit" and weekly Residents Welfare Association meetings are giving customers a forum to be heard by the senior management to resolve queries instantly. A unique scheme of appointing senior members of society as "Vishisht Sahyogi" has been highly appreciated.

- Substantial improvement across all customer care metrics
- Launch of Door Step services
- Upgraded website
- Unified Complaint number

Other technological advancements

- 8,500 pre-paid meter installations for Government consumers
- 50 Grids remotely operate through SCADA and Automated Log Sheets for all 115 grids
- Automatic switches for Street lights across license area
- Demand Side management in terms of load balancing
- SAP-ISU implementation in progress
- 100 per cent GIS digitization complete for EHV and HT network
- *Completely Metered network:* All single and three-phase consumer meters are now electronic. Entire 1,600 feeder base and 11,000 distribution transformers are also metered with strong analytics in place.
- *System reliability:* The Average System Availability Index has gone up from 99.06 to 99.63 in BRPL and 99.10 to 99.87 in BYPL during the said year.

Human resource transformation

- Focus has been on bolstering the organizational performance mainly through infusion of talent, training and inculcating performance orientation across the company.
- More than 3,000 man days of training covering around 1,600 employees
- Concept of root level approach- Town hall meets and Train the trainer program
- Performance appraisal for outsourced employees
- Innovative job rotation and leadership succession policies
- Rationalized top management information system with focus to assist management in monitoring performance

Other technological Advancements

- 6,500 pre-paid meter installations for Government consumers
- 50 Grids remotely operate through SCADA and Automated Log Sheets for all 115 grids
- Automatic switches for Street lights across license area
- Demand Side management in terms of load balancing
- SAP-ISU implementation in progress
- 100% GIS digitization complete for EHV and HT network

Recognition / Awards

- BSES Yamuna Power Limited received "Best Urban Utility" for loss reduction in India Power Awards conducted by Council of Power Utilities in India.

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- Haryana Electricity Regulatory Commission (HERC) has approved BSES Laboratories to carry out independent third-party meter testing for electricity consumers of Haryana. This approval makes these meter testing laboratories' the first Utility laboratory in the country to get such an approval from a State Electricity Regulatory Commission (SERC).
- BSES was declared as one of the three finalists in the "Energy and Utility" vertical in the prestigious "NASSCOM CNBC TV 18 IT User Awards 2009".

Green Power initiatives

- BSES signed a 25 year Power Purchase Agreement (PPA) with Timarpur-Okhla Waste Management Company Private Limited (TOWMCL) to procure 50 per cent of the exportable electricity from Delhi's largest 'city waste to power' initiative, being set up at Okhla.
- Taking the lead after, the Hon'ble Prime Minister launched Jawahar Lal Nehru National Solar Mission (JNNSM) – an ambitious project for generating 20,000 MW of Grid Solar Power by 2020 – both BSES discoms separately signed a 25-year Memorandum of Understanding (MoU) to procure 25 MW of solar power each.

Orissa Distribution Business

The operations of 3 distribution companies of Orissa viz. Western Electricity Supply Company of Orissa Limited (WESCO), North Eastern Electricity Supply Company of Orissa Limited (NESCO) and Southern Electricity Supply Company of Orissa Limited (SOUTHCO) were constrained by the un-remunerative tariffs and revenue requirement. The bulk supply tariff orders for 2006-07 and 2007-08 were having substantial adverse financial impact. The review petitions are being heard before ATE.

After a period of 10 years, OERC has inadequately increased Retail Supply Tariff (RST) for the FY 2010-11 against off shoot of abnormal hike in BSP (Bulk Supply Tariff) including Transmission charges of WESCO from ₹ 1.75 to ₹ 2.18 and that of NESCO from ₹ 1.51 to ₹ 2.18 witnessing an increase of 25 per cent and 41 per cent respectively. Discoms have filed review petition before OERC. Further to this, there is also an adverse impact of southward shift in industry consumptions in recent years.

Major drawback in Orissa Distribution Tariff and Annual Revenue Determinations, are unrealistic and unachievable loss targets i.e difference between actual prevailed loss level vis-à-vis target loss envisaged by the Regulatory Commission. The revenue loss account of not attaining target loss given by OERC loss reduction trajectory eats out the approved O&M expenses, Return on Equity and leaving scarcely to meet its Bulk Supply Price and urgent need based O & M expenses.

The Discoms have been seeking support from Regulators and other authorities to make operations financially viable including Complete restructuring and Rescheduling. With this, Government of Orissa has appointed a high level inter Ministerial Committee to resolve various chronic issues between Discoms and Grid Corporation of Orissa.

Generation Business

Dahanu Thermal Power Station (DTPS)

Dahanu Thermal Power Station (DTPS) continues to maintain its top position in the country's power sector in all operating parameters. During the year, Dahanu Thermal Power Station generated 4,481 million units against CEA target of 4,200 at an average Plant Load Factor (PLF) of 102.32 per cent.

The plant has been consistently operating at more than 100 per cent PLF for the last six years. The current PLF of 102.32 per cent is the highest ever achieved since inception. The station has also achieved a plant availability of 97.18 per cent during the year.

The Dahanu Power Station emerged as the country's best thermal power plant with respect to various parameters such as PLF, Availability and heat rate.

The Dahanu Power Station continues to surge ahead on six sigma quality initiatives for all round improvement in business processes. The station has the distinction of continuing Integrated Management System (IMS) for Quality, Environment and OHSAS 18001:2007 certifications. The station is certified for ISO-27001 (Information Security Management System). Upgradation audit of Social Accountability SA 8000:2008 certification was also carried out this year.

Power Plant process Simulator has been installed at CEA approved Technical Training centre. DTSPS migrated to SAP ECC system from existing ERP system for integration of all business processes.

Samalkot Power Station

During the year, the 220 MW combined cycle power station of the Company at Samalkot in Andhra Pradesh recorded a PLF of 92.95 per cent, against a PLF of 52.5 per cent in the previous year due to increased availability of natural gas.

The station generated 1,558 million units, against 1,012 million units in the previous year. The average gas availability to the station increased to 0.86 million cubic meters per day as against 0.53 million cubic meters per day last financial year.

The station reduced its Auxiliary power consumption to 1.97 per cent against 3.28 per cent in 2008-09 by taking various Energy Efficiency Measures and demonstrates one of the lowest Auxiliary Power Consumption in 220 MW Combined Cycle segment.

The station discontinued mixed fuel operation of Gas Turbine since May 2009 by discontinuing the use of Naptha after availability of KG-D6 gas. Since then, the unit is operating at base load delivering economic power to consumers of Andhra Pradesh.

The station is certified with Integrated Management Systems (IMS) covering ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and SA 8000 standards. The Station continues to surge ahead on six sigma quality initiatives for all round improvement in systems and processes.

Goa Power Station

During the year 2009-10, the 48 MW Combined Cycle Power Station of the Company at Goa generated 321 million units, at a PLF of 88.50 per cent against a generation of 334.62 million units and PLF of 79.58 per cent achieved in the previous year. The station achieved plant availability of 96.25 per cent compared to 95.19 per cent achieved in 2008-09. The Gross station heat rate was 2,099 Kcal/kWh as compared to 2,065 Kcal/kWh achieved in 2008-09.

The Goa Distribution achieved an overall availability of over 99.99 per cent against 99.90 per cent during 2008-09. Customer Satisfaction Indices (CSI) based on the customer feedback on power quality and service was also maintained at 85 per cent. The installation of CDMA based Automated Remote Metering is being implemented for all distribution consumers.

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The station achieved significant milestones in the fields of environment and safety practices during 2009-10. The Goa Power Station and Distribution was re-certified by DNV for ISO 14001:2004, ISO 9001:2008, ISO 27001:2005 and OHSAS 18001:2007 under the Integrated Management System. The Goa Power Station was adjudged the best among the Gas based power stations in the country and was awarded the prestigious Greentech Gold Award for Environment Management and Greentech Gold Award for Safety Management.

Kochi Power Station

BSES Kerala Power Limited (BKPL), the wholly owned subsidiary of the Company, owns and operates a 165 MW naphtha based combined cycle power plant at Kochi in the state of Kerala.

The plant is operated based on the dispatch instructions from the customer, Kerala State Electricity Board (KSEB). During the year under review, the plant has achieved a PLF of 41.3 per cent and generated 597 million units. The deemed PLF for the year was 84.5 per cent and plant availability stood at 86.5 per cent.

During the year, the station has completed the minor overhauling of Steam turbine generator and hot section exchange of Gas Turbine-2. Retrofit of all the three Heat Recovery steam generators completed to recover more heat from Gas turbine exhaust.

Wind Farm Project

During the year, Company's wind farm project consisting of 36 windmills with an aggregate capacity of 9.39 MW at Chitradurga in Karnataka generated over 19.82 million units. The wind farm recorded a PLF of 24.1 per cent during the year 2009-10 as against 25.29 per cent during 2008-09 on account of lower wind velocity patterns in the area. The Company has installed SCADA system at the wind farm for better monitoring and control of the windmills.

Power Purchase Agreement (PPA) for the Wind Farm expired in the month of September 2009. Under new arrangements, the Company has Wheeling and Banking Agreement with Karnataka Power Transmission Corporation Limited.

Transmission Business

The Electricity Act, 2003 (the "Electricity Act") focuses on reforms and reinforce the spirit of competition targeted at achieving least cost of landed power for consumers. Commensurate with the rising requirement, a good number of new transmission projects for the national grid were identified by the Government of India for development under tariff based competitive bidding route to be awarded on build, own, operate and maintain basis.

Out of these, bid process for 3 projects worth approximately ₹ 4,000 crore have already been concluded and Reliance Power Transmission Limited (RPTL) has emerged as successful bidder for two out of these three projects. Notices inviting Tender have been issued for 3 new projects worth approximately ₹ 4,000 crore and RPTL is actively participating in these projects as well. Further, huge investment at the intra-state level is envisaged for private participation through competitive bidding in this sector.

The Company is the leading private utility having secured the first set of projects of about ₹ 1,370 crore (Western Region System Strengthening Schemes - Maharashtra and Gujarat) through International Competitive Bidding conducted by Power Grid Corporation of India Limited (PGCIL). Further, with success in recently concluded bids, the Company is the largest private Transmission Service Provider in the country. With a portfolio

of ₹ 7,000 crore worth of projects, the Company is firmly on track of exponential growth. We are well placed to execute these projects successfully considering that we command the latest and most appropriate technologies, methodologies and services by virtue of having one of the early set ups in the sector and having partnered with the best in the world.

Projects under execution

Western Region System Strengthening Scheme II

Two projects under the scheme worth approximately ₹ 1,370 crore, were awarded to the Company on build, own and operate basis. These involve construction, maintenance and operation of 9 transmission lines of 3,285 ckt kms length for 25 years of license period [6 lines with line length, 2,317 ckt kms to be executed by Western Region Transmission (Maharashtra) Private Limited, and 3 lines with line length 967 ckt kms by Western Region Transmission (Gujarat) Private Limited]. The scheme will benefit 8 beneficiary states and union territories in the Western Region. Power Transmission Agreements with all these beneficiaries have been executed and transmission licenses have been granted by CERC. Financial Closure was achieved in May 2009 for these projects. Immediately on securing necessary statutory approvals for execution of projects, construction was started in August 2009 and we have made significant progress on these lines. With all engineering activities completed, more than 1,400 tower foundations laid and more than 300 towers erected already, project progress is in full swing despite constraints during project execution like soil substrata having fissured rock underneath and multiple Right of Way and forest. Project revenue is expected to start by December, 2010 and targeted commercial operations would be achieved for the projects within the approved time frame.

Parbati Koldam Transmission Corporation Limited

The project, awarded to the Company is a Joint venture with PGCIL involving construction, maintenance and operation of 400 KV Transmission lines from 800 MW Parbati-II HEP (being constructed by National Hydro Power Corporation Limited) and 800 MW Koldam HEP (being constructed by NTPC Limited) hydro projects in Himachal Pradesh. It entails construction of two lines- one from Parbati-II to Koldam, another from Koldam to Ludhiana, total line length 457 ckm.

The power evacuated from these stations shall be utilized by 13 beneficiaries of Northern Region states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh, Delhi, Chandigarh and Uttarakhand. The Company has entered into bulk power transmission agreements with all but one of these beneficiaries. Transmission License has been granted by CERC. Indemnification Agreement has been signed with the generator i.e. NHPC with Dec 2012 as zero date. Statutory approvals and aviation clearance are in place. Stage - I forest clearance has also been received for both lines. Loan sanctions have been received for project to be funded by Power Finance Corporation Limited and Rural Electrification Corporation Limited. Engineering and Procurement actions are in process with targeted completion schedule as June, 2012 for Koldam - Ludhiana and Dec '12 for Parbati - Koldam.

Mumbai Transmission system

With a view to continuing its mission of supplying quality and reliable power to the city of Mumbai which is witnessing a phenomenal load growth in recent years, the Company has conceptualized various state of the art technology projects.

Management Discussion and Analysis

In the first phase of the 5 year plans, the Company is executing projects worth ₹ 1,800 crore. The projects would boost the transmission network of Mumbai by augmentation of transmission capacity by 1,750 MVA and addition of 104 kms of transmission lines. Works for 5 of these projects in the first phase are in full swing and are targeted to be fully commissioned by FY13.

Schemes in the pipeline

In addition to this, the Company has planned to bring additional power of about 700 MW to Mumbai by conceptualizing the HVDC IGBT link between Mumbai and the State Grid. Technical clearance from State Transmission Utility has been obtained and project is under consideration of the MERC for its in-principle clearance. Other schemes for sourcing bulk power to Mumbai are also planned and are in various stages of approval from the statutory authorities.

Trading

During the last one year, two Power Exchanges have become fully functional, with majority of State Power Utilities and IPPs are their direct members. These exchanges have started taking away share of the power available to traders. Reliance Energy Trading Limited has positioned itself as favoured trader for trading of power from captive power plants in some of the States and looking for increase in volume through trading of such power as also trading of power for the Group distribution companies and from group upcoming projects.

The number of units traded by RInfra has increased to 3,312 MUs in Financial Year 2010 from 1,934 MUs in Financial Year 2009, an increase of 71 per cent year over year.

Medium / long term agreements for trading over a period of coming 10 years adds up to 22,000 MUs.

Quantum (in units / MW) under assured trading arrangements as on March 31, 2010:

• For the year, 2010-11	MUs
a. Firm contracts Short term trading for FY11	1,500
b. Contracts under discussion	300
• Medium / Long Term Agreement for trading over a period of coming 10 years	22,000

EPC Business

Overview

The Company undertakes Engineering, Procurement and Construction (EPC) contracts of projects in various fields like power generation, transmission and distribution. The EPC Division mainly focuses on the power sector projects but has recently ventured into non-power sector by taking up a few projects in the road sector. The division is equipped with the requisite expertise and vast experience to undertake the EPC works and execute them successfully on standalone basis. It employs state of the art technology in engineering, design and project management to execute the projects.

The division continued to perform well during 2009-10 with the order book position of ₹ 19,250 crore as on March 31, 2010. The performance would be further enhanced, as large projects are in the final stages of ordering.

Turnover for financial year 2010 is at ₹ 3,522 crore registering an increase of 45 per cent as against ₹ 2,499 crore on March 31, 2009 while Profit was ₹ 284 crore as against ₹ 205 crore

for 2008-09, an increase of 38 per cent.

In Financial Year 2010, EPC Division has been certified for the ISO 9001: 2008 systems by M/s Bureau Veritas. The Division was awarded in the "Social Upliftment" Category by Construction Industry Development Council (Established by Planning Commission and Construction Industry) during the 2nd Vishwakarma Awards Ceremony. The Division also received the "Amity HR Excellence" award from Amity International & Global Business School.

Opportunities and Challenges in Power and Infrastructure Sector

As evident, there are enormous investment opportunities for private players across the entire power sector value chain consisting of generation, transmission and distribution and in various infrastructure projects. The attainment of these objectives requires an enormous increase in engineering and management capabilities.

The entry of more private players into the power sector has resulted in increased competition and subsequently raised the demand for good quality manpower. This has further aggravated the issue of employee retention and escalated employee costs.

All these pose a great challenge to the EPC Division in terms of completing the projects on time, maintaining profitability as well as retention of skilled and experienced personnel. The EPC division however looks at these increased challenges as opportunities to be capitalised.

Ongoing Projects

2 X 600 MW Rajiv Gandhi Thermal Power Project, Hisar

The Project is a turnkey project awarded by Haryana Power Generation Corporation Limited for generating power in Haryana. The project has achieved an overall progress of over 92 per cent. The significant highlights and milestones reached are:

- Full load for the biggest unit size (600 MW) in the country successfully achieved, creating benchmark in the Indian power sector.
- Unit No 1 synchronized to grid on December 29, 2009 in the presence of Hon'ble Chief Minister of Haryana.
- Unit No 2 Boiler Light up took place in January 2010.
- Unit No 2 TG was put on barring gear in March 2010.

2 x 250 MW Parichha Thermal Power Plant – II (Unit 5 & 6) Balance of Plant (BOP) Package

The project awarded to RInfra by Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited for 2X250 MW Parichha Thermal Power Plant Ext-II has achieved an overall progress of over 82 per cent in spite of adverse conditions like change in scope of work, delay in work front encroached with dumped materials/equipment and front release by client. Significant highlights are :

- Successful commissioning of Demineralised Water plant, LDO system, air compressor and Raw Water for both units.
- HT/LT Switchgear for Unit-5, UPS and Battery successfully commissioned.
- DDCMIS commissioned for Unit-5.
- IDCT civil works completed for both Unit -5 & Unit-6.

6 x 660 MW Sasan Ultra Mega Power Project

Sasan Ultra Mega Power Project is the largest domestic coal based power plant. The project has achieved considerable progress despite adverse conditions like land disputes, stoppage

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of works by locals, etc.

The major project highlights are given below:

- Engineering work is in full swing; DBR and specification released for all major / critical packages;
- Procurement of major packages has been completed or in advanced stages of ordering;
- Enabling facilities works completed;
- Construction of boundary wall, permanent store works in final completion stage;
- Power block area civil works, chimney –shell concreting and flue can works is in progress;
- Boiler foundations ready for structure erection;
- Water intake pipe supply – Fabrication and laying work in progress; and
- Chimney completed over 15 meters.

2 x 600 MW Raghunathpur Thermal Power Station

The project awarded to RInfra by Damodar Valley Corporation (DVC) for 2x600 MW Thermal Power Plant at Raghunathpur West Bengal has achieved an overall progress of over 48 per cent.

Major highlights and milestones reached are :

- Boiler drum lifting achieved in January 2010;
- Engineering work is nearing completion;
- All major packages have been ordered;
- All major foundations including TG Deck are completed for Unit-1;
- Erection works of Unit-2 Boiler drum in progress;
- Erection of Electro Static Precipitator for both the Units is under progress;
- Structure erection of Power House Unit-1 is nearing completion; and
- Erection of Chimney and NDCT is in full swing.

1 x 300 MW Butibori Group Captive Power Plant

The Company is carrying out the EPC activities for the captive thermal power project, the first such captive project in the state of Maharashtra awarded to Reliance Power Limited by Maharashtra Industrial Development Corporation through the competitive bidding route. The project has so far achieved an overall progress of over 16 per cent.

Major highlights of the project are:

- Contracts placed for all priority civil works and priority packages;
- Boiler foundations completed;
- PHB (Power House building) foundations and structural erection for PHB in full swing;
- 110 Meter chimney shell casting completed; and
- Work in Progress for raw water reservoir, switchyard, cooling water system, civil works and non plant buildings.

Transmission and Distribution Projects

UPRE Rural Electrification Project

The EPC Division is executing the project under the Government's rural electrification scheme called Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY). All 5,690 villages electrified and over 1.15 lakh connections released

for Below Poverty Line. The project is nearly completed.

Western Region System Strengthening Scheme

The EPC division is executing the Western Region System Strengthening Scheme for Western Region Transmission (Maharashtra) Private Limited and Western Region Transmission (Gujarat) Private Limited. The project involves installation of transmission lines in states of Gujarat and Maharashtra. The designing and testing of tower is completed. The detailed survey is being carried out and tower spotting and profiling study is nearing completion.

GF Toll Road Project

The project involving upgrading of approximately 66 kms of roads in the Gurgaon and Faridabad districts has been awarded on the EPC division by GF Toll Road Private Limited. The job involves complete procurement and construction, testing and commencement of commercial operations.

New Initiatives

In response to the tremendous challenges being faced such as the execution of ultra mega power projects and ever changing business needs, the EPC division continuously takes new initiatives to successfully complete these projects. The Company has undertaken initiatives in the following areas:

Engineering

- **Core Engineering Group:** The Group is set-up to introduce latest technology, enhance engineering quality, standardization of all engineering deliverables, capturing lessons learnt and facilitating knowledge sharing from completed and on going projects.
- **Engineering Management:** Best Practices in engineering management have been adopted like Time sheets for effective resource utilization and productivity analysis for all engineering departments, in order to mobilize and de-mobilize resources as per the project requirements, intelligent document management and process tracking systems, SAP-DMS with the objective to deliver / transfer deliverables on right time.
- **Engineering Automation Group:** The Group incorporates the best and intelligent 3D plant design automation technology by using high end 3D modeling software to facilitate development of 3D plant models for solving major engineering problems. Also working extensively on development of intelligent P&ID's, training on Intergraph applications for construction teams at site and young engineers who need to understand power plant in general and engineering in particular.
- **E-Library:** World class facilities in terms of standard / reference materials have been collated and is continuously upgraded based on project requirements.
- **In-House Engineering:** The Group has been set-up to support engineering functions so that engineering is completely aligned to project requirements and stiff schedule deadlines. This initiative also helps reduce dependency on external engineering consultants.

Construction

- **Pre-cast Spun Piles:** Usage of pre-cast spun piles for foundations in soft soil condition was extensively studied and this usage is appropriately being implemented.
- **Usage of Bolted Structures:** This initiative is taken up

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for speedier fabrication and erection of structural steel for Power House, Mill Bay structures with bolted connections. This major initiative will tide over many problems like dependency on steel fabrication vendors who have limited capacity, transportation issues of large sections / members.

- **Fly Ash Utilization:** We have initiated in a big way use of fly ash in support of environment. For ongoing projects, fly ash concrete roads are being built. We have attained expertise in producing mix design concrete and quantum of fly ash is decided based on optimum technical values.

Health & Safety

- **Occupational Health & Safety:** Initiatives like Improvement in PPE compliance at project sites, Contractors' Worker Medical Examination, Work Permit System at sites, and Monetary Penalty Imposition for Serious Safety Violations, Integrated Management System (IMS) Certifications, Periodic OHS Audits and OHS Training Programs have been implemented to achieve zero accident at sites.

Quality

- **Quality Initiative:** In order to facilitate employees in delivering quality performance, follow best international standards and procedures in quality, carry out Quantity Survey, Estimation, testing and clearance procedures, various NDT Level-II professional certification training programs have been organized. A total of 429 man days and 3432 man hours of quality training have been achieved.

Human Resource at EPC Division

In the year 2009-10, in line with business requirement, a total of 164 new professionals have been inducted into the EPC Division, taking our talent pool to over 1,600 technically competent professionals.

During the year, renewed focus has been given to training and development with implementation of competency based training at the JMC level. A full fledged Technical Training and Development Centre has been set up to cater to the training needs of all technical staff.

Infrastructure Projects

Road Projects

The Company during 2009-10, submitted RFQ for 82 projects worth ₹ 69,000 crore and qualified in 40 projects. Qualification results are yet to be announced for remaining 42 projects. During the year, we have submitted RFP for 8 projects, of which, we have won three project. During 2010-11, up to September 2010 end, we have submitted 15 RFQs worth ₹ 21,700 crore qualifications is not announced for any of the projects. We have submitted 8 RFPs and have won 2 projects.

Projects Under Execution

The details of the projects in hand and their status are given in the table below.

Particulars	No. of Projects	Length (kms)	Project Cost (₹ crore)
Projects under Operation	2	94	761
Projects under Execution	4	370	3,110
Projects won this year	5	504	7,929
Total	11	968	11,800

Some of the salient features of all these projects include:

- **NK Toll Road Limited** has constructed and now operates 43 km long 4 lane National Highway (NH 7) road connecting Namakkal and Karur in Tamil Nadu with a concession period of 20 years. This toll road is in operation from August 2009. The major challenge during the construction was to construct a bridge of 800 metre across river Cauvery.
 - **DS Toll Road Limited** has constructed and now operates 53 km long 4 lane National Highway (NH 7) road connecting Dindigul and Samynallore near Madurai in Tamil Nadu with a concession period of 20 years. This toll road is in operation from September 2009. The major challenge during the construction was to construct Railway Over Bridges over Railway line that runs close to the National Highway all along the corridor.
 - **TK Toll Road Private Limited** is constructing 81 km long 4 lane National Highway (NH67) road from Trichy to Karur in the state of Tamil Nadu with a concession period of 30 years. 61 per cent of construction work is completed and the high way is scheduled for completion by December 2010.
 - **SU Toll Road Private Limited** is constructing 136 km long 4 lane National Highway (NH68) road from Salem to Ulunderpet in the state of Tamil Nadu with a concession period of 25 years. This was the first project of more than 100 km to be awarded by NHAI on build, own and transfer basis. 55 per cent of construction work is completed and the high way is scheduled for completion by January 2011.
 - **TD Toll Road Private Limited** is constructing 88 km long 4 lane National Highway (NH45) road connecting Trichy and Dindigul in the state of Tamil Nadu with a concession period of 30 years. 71 per cent of construction work is completed and the high way is scheduled for completion by December 2010.
 - **GF Toll Road Private Limited** is constructing 66 km of State / MDR road in the state of Haryana. GF Toll has signed the concession agreement with Haryan Public Works Department for a concession period of 17 years. Scope includes construction and tolling of 4 lane corridor between Gurgaon-Faridabad of 33.10 km. The project also includes improvement/reconstruction and tolling of Ballabgarh-Sohna road of 33.98 km. 27 per cent of Construction activity is completed and the high way is scheduled for completion by May 2011.
- The following five NHAI projects have been recently won and the Concession Agreement have been signed for all the projects.
- Four laning of NH 11 between Jaipur and Reengus of length 52 km in the state of Rajasthan connecting Northern part of Rajasthan to its capital city Jaipur for a concession period of 18 years, This is also along the corridor connecting tourist places of Rajasthan - Jaipur, Katusham Mandir, Sikar and Bikaner. The project along with 4 laning includes construction of two major structures and a few minor structures.
 - Six laning of NH 4 between Pune and Satara of length 140 km in the state of Maharashtra: Tolling starts from day one along with the commencement of construction activity. The concession period of the project is 24 years. This project is also along the main corridor connecting Mumbai - Pune to southern parts of Maharashtra and all southern states of

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India. The project scope includes construction of 53 major structures, 240 km of service road along with the six laning of the entire corridor.

- Four / Six laning of NH 8A between Kandla and Mundra Ports of length 72 km in the state of Gujarat: The scope includes initial construction of 4 lanes and subsequent widening of the same to six lanes after 8 years. The concession period of the project is 25 years. This project connects two major ports of India to other parts of India, thus attracting lot of truck traffic to the corridor. The project scope includes construction of 17 major structures, 27 km of service road along with the four/six laning of the entire corridor.
- Six laning of NH 7 between Hosur and Krishnagiri of length 60 kms in the state of Tamil Nadu: Tolling starts from day one along with the commencement of construction activity. The concession period of the project is 24 years. This project is also along the main corridor connecting Bengaluru and Chennai and Bengaluru to southern parts of India.
- Six laning of NH 2 between Delhi and Agra of length 180 km in the state of Haryana and Uttar Pradesh: Tolling starts from day one along with the commencement of construction activity. The concession period of the project is 26 years. This project is also along the main corridor connecting Delhi with other parts of India.

Achievements during the year

- Commissioning of NK and DS Toll Projects.
- Financial Closure of GF Toll Project and submission of ₹ 150 crore upfront premium to H-PWD.
- Winning 5 projects totaling 504 km costing ₹ 7,900 crore
- Signed Concession agreement for all 5 projects
- Started tolling on Pune-Satara corridor.

Western Freeway Sealink

The Company led consortium was awarded the prestigious Western Freeway Sea Link Project-Phase II-A ("WFSL") in February 2010. The Project was awarded through an international competitive bidding process under Public-Private-Partnership (PPP) format.

A special purpose vehicle, namely Reliance Sealink One Private Limited (RSOPL) for implementation of the Project has been incorporated and the Concession Agreement executed between Maharashtra State Road Development Corporation (MSRDC) and RSOPL.

The project envisages operation and maintenance of the existing Bandra – Worli Sealink (BWSL) and construction of Sealink between Worli to Haji Ali in Mumbai. RSOPL shall operate and maintain the Sealink from Bandra to Haji Ali through Worli for a Concession period of 40 years. The total project cost is estimated to be ₹. 5,100 crore which includes an upfront payment of ₹ 1,634 crore to MSRDC towards acquisition of tolling rights of BWSL. The construction of new Sealink from Worli to Haji Ali is envisaged to be completed within 42 months.

The concession agreement also provides the right of first refusal to the concessionaire for any extension, both southward and northward to the Sealink.

Project Development

The Company has commenced all activities for implementing the project on time and within the budgeted cost. Special care

is being undertaken to adapt international standards of safety and environment. The philosophy of project implementation has appropriately considered all aspects to ensure minimal disturbances to the marine life.

The Company has appointed various project consultants of international repute for

- a designing the new Sealink;
- b undertaking detailed traffic/ toll to understand users' needs; and
- c independent consultants to verify and ensure compliances of various applicable enactments.

The Company has already commenced the detailed geological surveys on the sea through reputed international agencies. The said surveys are critical to ensure optimization of design for construction of new Sealink. Meanwhile, the Company has completed the preliminary design. It may be noted that the surveys undertaken so far provides very sound outlook about the existing rock profile on the site. This in turn limits the chances of discovering difficult terrain of rock profile during actual construction. The quality and the profile of the rock found so far also provides larger room for value engineering to optimise the design for construction of new Sealink.

The Company is in advanced stage of discussions with potential lenders and financial institutions for tie-up of funds for the project. Based on the discussion, the Company had with the lenders, it is expected that the project will achieve the financial closure during the current fiscal year.

Take over of BWSL and commencement of construction for new Sealink

The tolling rights of BWSL shall be acquired and the Company shall commence its operation during the current fiscal year. The construction of new Sealink from Worli to Haji Ali shall also start during the current fiscal year. Necessary preparatory works for take-over of BWSL and commencement of construction of new Sealink from Worli to Haji Ali are being undertaken by the Company.

Metro Railways

RInfra is the only private player which is currently implementing three metro rail projects on a build, own and transfer basis in the country (two in Mumbai and one in Delhi) at a total project cost of about ₹ 16,000 crore.

1. Mumbai Metro One Private Limited

Versova-Andheri-Ghatkopar Corridor Mass Rapid Transit System (MRTS) project was awarded by Mumbai Metropolitan Region Development Authority (MMRDA) through a global competitive bidding process on Public-Private-Partnership (PPP) framework to RInfra led consortium in 2006. This was the first metro project awarded in the country on a PPP basis and entails design, financing, construction, operation and maintenance of a 12 km elevated metro with 12 stations enroute.

A special purpose vehicle, namely, Mumbai Metro One Private Limited (MMOPL) had been incorporated for the implementation of the project.

The metro will provide the much needed east to west connectivity and carry about 6 lakh commuters per day initially at very affordable fares benchmarked to fares charged by Brihanmumbai Electric Supply & Transport

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(BEST) Undertaking. The biggest advantage would be the substantial reduction in travel time from the current 90 minutes to about 20 minutes along with much improved and comfortable traveling experience.

The project achieved financial closure in 2008 and all contracts have been awarded. Civil works are going on in full fledged manner and have been substantially completed. Preparations for operations and maintenance are also in full swing.

The first train has arrived in Mumbai from China in April 2010. Factory Acceptance Test of various other rail systems equipment and their delivery to site are in progress. Till date, MMRDA has obtained ₹ 269 crore of Viability Gap Funding from MMRDA, out of a total of ₹ 650 crore. The project is scheduled to be commissioned 12 months before the contractual commissioning date despite various ground constraints.

2. Delhi Airport Metro Express Private Limited

Delhi Airport Express Line project was awarded by Delhi Metro Rail Corporation Limited (DMRC) through a global competitive bidding process on Public-Private-Partnership (PPP) framework to RInfra led consortium in 2008. This was the first high speed airport link project awarded in the country on a PPP basis and entails design, financing, construction, operation and maintenance of a 23 km line with 6 stations enroute. A special purpose vehicle, namely, Delhi Airport Metro Express Private Limited has been incorporated for the implementation of the project. RInfra led consortium shall undertake operations and maintenance of the project for the concession period of 30 years.

The High Speed Airport Express will connect the city centre i.e. New Delhi to the International Airport and will further connect to Dwarka. The project cost is estimated at ₹ 2,450 crore, with debt to equity ratio of 70:30. The project achieved financial closure in 2009 and all contracts have been awarded. All civil works have been completed, rail systems equipment, etc. have been installed, and testing and commissioning activities are in full swing. Final approval to open the metro rails is awaited from Commissioner of Metro Rail Safety (CMRS) and is expected to start operation very shortly.

3. Mumbai Metro Transport Private Limited

Charkop-Bandra-Mankhurd Corridor Mass Rapid Transit System (MRTS) project was awarded by Mumbai Metropolitan Region Development Authority (MMRDA) through a global competitive bidding process on Public-Private-Partnership (PPP) framework to RInfra led consortium in 2009. This project entails design, financing, construction, operation and maintenance of a 32 km elevated metro with 27 stations enroute.

A special purpose vehicle, namely, Mumbai Metro Transport Private Limited (MMTPL) had been incorporated for the implementation of the project.

The metro will provide the much needed connectivity between all the suburban lines i.e., Western line at Bandra, Central Line at Kurla and Harbour Line at Mankhurd and will carry about 14 lakh commuters per day initially at very affordable fares benchmarked to fares charged by BEST. The biggest advantage would be the substantial reduction in travel time along with much improved and comfortable

traveling experience.

MMTPL has already started the initial Design and Engineering works, appointment of consultants, obtaining necessary approvals, etc. MMTPL has announced the financial closure since all the debt for the project has been tied up. The project is scheduled to be commissioned in five years.

The estimated capital cost of the project is ₹ 11,000 crore out of which Capital Grant of ₹ 2,298 crore will be obtained from MMRDA.

Airports

RInfra bids and implements airport projects through the subsidiary company Reliance Airport Developers Private Limited (RADPL). It won the lease rights to upgrade and operate 5 brown-field regional airports in the state of Maharashtra at Nanded, Latur, Yavatmal, Baramati and Osmanabad. It has also extended support to other Reliance ADA Group Companies for planning and developing airstrips/ airports at Sasan and Bharuch.

The Company's vision is to differentiate itself by customer service and delight, aiming to become one of the biggest airport developers in the country.

Projects in Hand

The Company has 5 brownfield airport projects in Maharashtra taken on a 95 year lease from MIDC. Nanded and Latur are connected to Mumbai, Delhi and Nagpur by commercial scheduled flights. Nanded airport has recently been awarded a License by the Directorate General of Civil Aviation. Other airports host various air charter/ non-scheduled services. The airports are located in regions with strong political, industrial, agricultural and religious activities and play host to many national and international dignitaries. Aviation Training Academies are also being operated from 3 of the airports.

Projects under bidding

RADPL is also looking forward to aggressively bid for Navi Mumbai International Airport (NMIA). NMIA will be built over an area of 2,815 acres (1,140 hectares) with a design capacity of 10 mppa in 2012, 30 mppa by 2025 and ultimately 40 mppa by 2030. The total cost of the project estimated by CIDCO, the nodal agency, is ₹ 10,000 crore (around USD 2 billion over four phases). Many International Airport Operators have shown keen interest in partnering with RADPL on this project.

RADPL is also tracking the proposed development of non-metro airports, for which bidding process is likely to be initiated by AAJ in January/February 2011.

Cement

During the year under review, Reliance Cementation Private Limited, the Company for groups' foray into cement business became a 100 per cent subsidiary of RInfra. Being an infrastructure company and as a group having diverse interest in various industrial and consumer sectors reinforced our conviction about the homogenous growth opportunities in cement business. As a natural extension of the power and infrastructure businesses of the group, it was thought prudent to enter into the ever growing business of cement. This also has synergies with our existing portfolio of businesses of coal and power (and flyash) which constitutes about 40 per cent of cost of production of cement. To pursue cement business vigorously, the Company is actively engaged in identifying locations across the country.

Reliance Cementation has laid roadmap to be amongst the top

Reliance Infrastructure Limited

Management Discussion and Analysis

5 cement groups in India over the next 5 years by setting up capacities totaling to 25 million tons. Two of its first cement plants of 5 million tons capacity each will be coming up in Madhya Pradesh and Maharashtra. It has secured adequate limestone reserves for both these plants. Madhya Pradesh unit has already achieved financial closure and is expected to be commissioned by 2012-13.

Major Associate Company - Reliance Power Limited

Reliance Power Limited, an associate company in which the company has a 38.41 per cent equity stake is currently developing 16 large and medium sized power projects with a combined planned installed capacity of about 35,000 MW, one of the largest portfolio of power generation assets under development in India in the private sector.

Operational project

- a Rosa Stage 1 - 600 MW coal-fired power project, Uttar Pradesh

Projects under implementation

Thermal projects

- b Rosa Stage 2 - 600 MW coal-fired power project, Uttar Pradesh
- c Butibori Power Project - 600 MW coal-fired power project, Maharashtra
- d Sasan Ultra Mega Power Project- 3,960 MW pit head coal-fired power project, Madhya Pradesh
- e Krishnapatnam Ultra Mega Power Project - 4,000 MW imported coal-fired power project, Andhra Pradesh
- f Chitrangi Power Project - 3,960 MW coal-fired power project, Madhya Pradesh
- g Shahapur Coal and Gas Project - 1,200 MW imported coal-fired plant and 2,800 MW combined cycle gas fired plant in Maharashtra
- h Dadri Gas Project - 7,480 MW combined cycle gas-fired power project, Uttar Pradesh.
- i Talaiya Ultra Mega Power Project- 3,960 MW pit head coal-fired power project, Jharkhand

Hydroelectric Power Projects

- j Urthing Sobla - 400 MW hydroelectric project, Uttarakhand
- k Siyom - 1,000 MW hydroelectric project, Arunachal Pradesh
- l Tato II - 700 MW hydroelectric project, Arunachal Pradesh
- m Kalai II - 1,200 MW hydroelectric project, Arunachal Pradesh
- n Amulin - 420 MW hydroelectric project, Arunachal Pradesh
- o Emini - 500 MW hydroelectric project, Arunachal Pradesh
- p Mihundon - 400 MW hydroelectric project, Arunachal Pradesh

Risks and Concerns

RInfra is dependent on the domestic market for its business and revenues. The Company's power generation, transmission and distribution facilities are located in India, and virtually all of the Company's revenues including those from the EPC Division, are derived from the domestic market. The Company also makes significant investments in various new businesses in infrastructure sector in the country.

These factors may potentially expose the Company to the risk of any adverse impact to the national economy and any adverse changes in the policies and regulations related to the sector. The Company closely monitors the Government policy measures to identify and mitigate any possible business risks.

Generation of power at the Company's power stations can be affected due to various factors including non-availability of fuel, grid disturbances and such other factors in load management in the grid. The Company has entered into agreements with fuel suppliers for adequate supply of fuel, thus mitigating the fuel availability risk. To remain unaffected by the grid differences, the Company has developed systems to island its power stations from the grid in such eventualities.

The present license to distribute electricity in the licensed area expires on 15th August 2011. License for the next term of 25 years will be issued by the Maharashtra Electricity Regulatory Commission (MERC) as per the process under the Electricity Act, 2003.

The consumer tariffs are regulated by the MERC. Any adverse changes in the tariff structure could have an impact on the Company. However, the Company endeavours to achieve the highest efficiency in its operations, and has been implementing cost reduction measures in order to enhance its competitiveness and maintain profitability.

Pursuant to the Electricity Act 2003, there is risk of rising competition in the supply of electricity in the licensed area of the Company. The Company has built a large and established distribution network that is difficult to replicate by potential competitors, and will endeavour to provide reliable power at competitive costs, with the highest standards of customer care to meet the threat of competition.

Infrastructure projects are highly capital intensive, and as such run the risks of (i) longer development period than planned due to delay in statutory clearances, delayed supply of equipment or non-availability of land, etc., (ii) financial and infrastructural bottlenecks, (iii) execution delay and performance risk and (iv) cost over-run. RInfra is currently developing highways, transmission system strengthening and metro rail projects. The past experience of Reliance Infrastructure in implementing projects without significant time and cost overruns provides confidence about the timely completion of these projects.

Any adverse movement in the value of the domestic currency may increase the Company's liability on account of its foreign currency denominated external commercial borrowings in rupee terms. However, RInfra has adopted conservative foreign exchange risk management policies in this regard. The Company undertakes liability management initiatives on an ongoing basis to manage its foreign exchange rate risks. The Company manages other potential operational risks by adopting suitable policies including human resource development, appropriate health, safety and environment framework.

Adequacy of Internal Control

The Company has an adequate system of management-supervised internal controls which are aimed at achieving efficiency in operations, optimum utilization of resources, and compliance with all applicable laws and regulations. The internal control mechanism comprises a well-defined organization structure, pre-determined authority levels with segregation of duties, risk assessment and management framework. The Company's policies and standard operating procedures are well documented and has various ISO and OHSAS certifications.

Management Discussion and Analysis

The procurement and operational maintenance activities are planned well in advance to avoid any possible risk of late delivery of equipment and materials, delay in attending to maintenance needs, etc. The Company, on a regular basis, stores and maintains all the relevant data and information as a back up to avoid any possible risk of losing important business data.

The Management Audit and Risk Assessment Department (MA&RA) reviews the systems and processes jointly with professional internal audit firms. This is helpful in providing independent and professional audit observations, and the management audit coordinates and follows up for corrective and preventive action with various process owners.

The Company has a defined risk policy and risk management frame work for all units, functional departments and project sites. This helps in identifying, assessing and mitigating the risk that could impact the Company's performance and achievement of its business objectives. The risks are reviewed on regular basis by various process owners across the organization and every calendar quarter, the risk assessment is carried out by MA&RA,

the convener of the Risk Management Committee which meets quarterly to deliberate on all major and moderate risks faced by the Company.

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

Environment, Health and Safety

Dahanu Thermal Power Station

At Dahanu Thermal Power Station, necessary steps are taken to ensure the safety of employees and equipment. Both external and internal audits were conducted regularly. Mock drills were conducted periodically, to ensure emergency and disaster management preparedness. The joint safety committee consisting of generation and supply division identifies safety measures to be adopted to continually improve safe working conditions. There was no accident in more than 2,342 days up to March 31, 2010.

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

Sr. No.	Parameter	M P C B Limits/Norms	2007-08	2008-09	2009-10
a	Stack				
	Total Particulate Matter (TPM) mg/Nm ³	150	34.9	37.3	40.7
	Sulphur Dioxide (SO ₂) TPD	*8.04	29.4	3.9	4.0
	NO _x (ppm at 15 per cent excess oxygen v/v)	150	69.9	75.3	75.6
b	Ambient Air Outside Plant Premises				
	Suspended Particulate Matter (SPM) µg/M ³	100	56.0	55.0	58.6
	Sulphur Dioxide (SO ₂) µg/M ³	30	4.1	3.9	4.2
	Oxides of Nitrogen (NO _x) µg/M ³	30	10.2	10.6	12.6

* MPCB consent changed effective April 1, 2009

Samalkot Power Station

Samalkot power station started getting gas from KG-D6 basin from May, 2009. Since then, use of naphtha was discontinued and station is operating at base load exclusively on natural gas.

The average levels of emission recorded at the power station during the year 2009-10 were much below the limits stipulated by Andhra Pradesh Pollution Control Board. The Station is already certified for ISO 14001 and OHSAS 18001. The power station also carries out regular mock drills on disaster management.

"Zero Discharges of Industrial Effluents" for the past 47 months in a row is one of the major milestones of the power station which is achieved by using "Reduce, Recycle and Reuse" concepts (achieved through the recovery of SWAS water as well higher Cycle of Concentration (COC) operation of Cooling Water Systems).

Emission Parameters at Samalkot Power Station

Sr. No.	Parameters	UOM	APPCB* Limits	2007-08	2008-09	2009-10
a	Particulate Matter in ambient air	µg/m ³	200	156	139	113
b	Sulphur Dioxide (SO ₂) in ambient air	µg/m ³	80	33.98	12.50	11.36
c	Nitrogen Oxide (Stack)	PPM	75	33.96	34.67	43.29

*APPCB : Andhra Pradesh Pollution Control Board

Reliance Infrastructure Limited

Management Discussion and Analysis

Goa Power Station

The plant has taken up several initiatives towards conservation of resources and improving environmental performance. Improvement of Cycle of Concentration (COC) and average water consumption were achieved. The tree density was also maintained as per the requirement and the survival rate was above 75 per cent. An area of about 1.6 hectares is covered under forestation in and around the plant premises.

Goa Power Station had another accident free year and maintained a 'Zero Reportable Accident' record since its inception. Steps undertaken to ensure safety of men and machine included internal and external safety audits, Hazard identifications and Risk assessment, periodic inspection of plant areas by safety teams and daily unsafe observation records. The power station also carried out mock drills on disaster management.

Sr.No	Parameters	Limits	2007-08	2008-09	2009-10
a	NOX	188 mg/nm ³	30.17	32.51	38.07
b	SOX	50 mg/nm ³	25.75	22.18	25.02

Kochi Power Station

The Company gives top most priority to Safety, Health and Environment in line with its SHE policy. Safety committee comprising of employees and contract safety forum comprising of members from staff and contract workers meet on regular basis to evaluate the safety performance and to deliberate and finalize improvements required. Audit of both internal and external including statutory ones are carried out to assess the safety systems and bring about improvements based on the findings and suggestions.

There was no breach of environment safeguards during the year under consideration. There are on line systems installed to measure the emissions through gas turbine exhaust. The Company is implementing a zero effluent discharge scheme and a rain water harvest system which is in the final stages. A green belt is also maintained.

BKPL has an Integral Management system conforming to ISO 9001, ISO 14001 and OHSAS 18001 standards. The Company's IMS system has been recommended for certification for three more years with effect from May 2010.

Energy Conservation

Dahanu Thermal Power Station

The Dahanu Thermal Power Station achieved an average heat rate of 2,288 Kcal/KWh during the year against the norm of 2,500 Kcal/KWh specified by the Central Electricity Regulatory Commission for the unit of this size.

The Power Station undertook various energy conservation measures i.e. installation of IFC (full form) air controller GE (full form) -30 for service air system, installation and commissioning of Vapour Absorption Machine (VAM) in place of existing air conditioning system, wind turbo-ventilator, solar water heater, energy efficient lighting systems, etc. This resulted in saving of power to the tune of 1,040 KW.

The energy management cell at Dahanu consists of qualified energy managers and auditors, who continue to drive the conservation agenda with defined energy policy, procedures and work instructions. Internal and external energy audits of various systems were carried out regularly and all audit findings /recommendations were followed up with appropriate action to implement them.

The power station completed major overhaul of Unit No.2 within 15 days against planned period of 18 days.

Samalkot Power Station

The station reduced its auxiliary power consumption to 1.97 per

cent which is one of the best in 220 MW combined cycle power plant segment.

Various energy conservation measures i.e. installation of Variable Frequency Drive (VFD) in High Pressure Boiler Feed pump (HPBFP), Low Pressure Boiler Feed pump (LPBFP), raw water pump, Destaging of Condensate Extraction pump, wind turbo ventilators, energy efficient lighting system, Corrocoating of CW pumps, Optimization of Plant Air compressor, installation of energy efficient blade in cooling tower, replacement of illumination with CFL, modifying cooling tower make up system from motor driven pumping to gravity system and other plant operations, etc. are completed. This has resulted in total power saving of 1,278 KW.

Two additional cooling towers are being constructed which will help further reduce the heat rate. Periodic internal audit of equipments and systems are conducted and appropriate actions are initiated to correct the deviation with respect to designed performance.

The plant operational strategies have been suitably modified for achieving higher efficiencies, with the result that Samalkot station achieved a gross heat rate of 1,957 Kcal/KWh at an operating PLF of 80.86 per cent.

Goa Power Station

Goa Power Station achieved lower auxiliary power consumption of 2.63 per cent as compared to the CEA benchmark of 3 per cent for a plant configuration of this size. The initiatives undertaken for conservation of energy include installation of Vacuum Pump in place of Steam Ejectors, installation of Variable Frequency Drive (VFD) for High Pressure Boiler Feed Pump (HPBFP) and Installation of Solar System / LED Based lightning for plant and office areas.

The Company has also undertaken erection of one additional cooling tower and replacing High pressure Evaporator of Heat Recovery Steam Generator which will further lower Heat rate.

BSES Kerala Power Limited

BKPL has carried out various energy conservation projects. The reduction in plant net heat rate on account of these projects is 11 Kcal/Kwh. Various projects completed in the year 2009-10 were:

- Heat recovery by introducing additional coils in the exhaust of the existing Heat Recovery Steam Generator
- Replacement of cooling tower fan blades with high efficiency hollow FRP blades
- Foam cleaning of HRSGs

Management Discussion and Analysis

- Replacement of Main cooling water pump assembly with high efficiency pumps making use of the same motor
- Installation of vacuum pump
- Use of energy efficient lightings & luminaries like LEDs, Metal Halide
- Installation of solar street lights

Human Resource

The talent pool is created, developed and motivated with a customer-centric, process-based, synergetic, integrated, transparent, communication-led competency-based agile work-culture which is responsive to business needs and challenges which impart happiness to all our people while extracting professional ownership and innovative responses from all across. This has made our human resource an admirable and competitive workforce that not only epitomizes our company's mission but also has the skills to realize it. The present employee strength in the organization stands at 8,363.

Recruitment

To ensure and maintain our standards of the best talent pool, we recruit students from premier institutes after rigorous screening for consistent high levels of academic records and assessment of their competencies through various behavioural and technical world-class screening and interviewing methodologies. Our lateral recruits are taken at various levels as per needs of the business and are assessed on our competency framework before finalizing selection. This entire process is carried out after following a scientific manning methodology for every current and upcoming business and project. Our manpower planning is aligned with the business requirements right from its conception stage and phased as per the business plans.

Training and Development

To meet our commitment of making R'Infra a learning organization, the training and development team at Reliance Energy Management Institute (the learning and development centre of R'Infra) constantly strives to provide globally acclaimed programme on competencies and technical skills which are conducted by renowned faculties. Likewise, the Technical Training Institutes at Dahanu and Versova, impart training to upgrade the skills of our workers and staff of the Company. With a focus to create an environment of continuous capability building and foster our organization as a learning organization, we sharpen our employee's talents, develop their competencies and enhance their innovative and entrepreneurial talents through a comprehensive learning approach and competency based training for specific user groups. To ensure that learning is seamlessly integrated into our working we have developed online training modules. In addition to this, our employees are constantly exposed to the best of training/ developmental opportunities outside the organization as well. This is done with the intention of continually upgrading their competencies.

Employee Relations

Our advocacy of people practices is not only established in our professional workforce but we are equally proud of having established sound and proactive industrial relations with all employee bodies. This helps us resolve all issues through meaningful dialogue. This has helped us strengthen relationships between the union and the management.

Compensation

For compensation, we follow the philosophy of Pay for Position, Person and Performance. Our compensation methodologies are

aligned with our overall business strategies and the performance of an employee. To keep our compensation structures competitive and benchmarked with the market standards, compensation surveys are conducted at regular intervals. Besides compensation, a comprehensive non-monetary Reward and Recognition policy is implemented to recognize and appreciate significant acts of contribution by the employees either individually or as a team member and thereby create a culture of appreciation, recognition and reward. All these have helped us to create an inspired, innovative, entrepreneurial and committed workforce.

Leadership Development and Succession Planning

To meet our diverse and fast paced growth of businesses we have to ensure a continuous availability of talent at all levels. Therefore, a 'Leadership Development Programme has been designed and implemented at all levels of management wherein potential employees are groomed and developed to take critical leadership roles in future from within. These initiatives have enhanced our over all leadership team effectiveness, sharpened leadership competencies and created a leadership pipeline for the organization's growing need of 'leaders with a perspective', entrepreneurial ability and agility.

At HR, we strive continually to make R'Infra a place where people are enthused to produce innovative ideas and dedicated to turn R'Infra into a leading service and value that does more than build the bottom line and provide value not only to all its stakeholders but the nation at large.

Corporate Governance

The Company has adopted the Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct, which has laid down a set of systems, processes and principles conforming to the international standards.

A separate report on corporate governance conforming compliance with the conditions of corporate governance stipulated in clause 49 of the listing agreement of stock exchanges is annexed Annual report. The report sets out in detail the various best practices of governance voluntarily introduced, adopted and practised by the Company.

Corporate Social Responsibility

Dahanu Power Station

Dahanu Power Station has been carrying out activities for the welfare and well being of the nearby communities. Some of the CSR achievements of 2009-10 are mentioned below:

Education

- Education kits to ZP Primary Schools – Total 6,286 students from 56 schools around DTPS were given the educational kits.
- Best Teacher's Award & Merit Scholarship: Till date 75 teachers have been awarded the Best Teacher's award.
- DTPS Merit scholarships to 6 engineering and medical students.
- Computers for primary schools – 4 Schools.
- Beautification of primary school– Agwan Motapada
- Rain water harvesting programme at Primary School, Agwan Motapada
- Sponsorships of NSS camp organized by N.B.Mehta Sr. College, Bordi
- Uniforms to Anganwadi children – 1,518 children from 26 Anganwadis

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- Note book distribution at concessional rates – done with Rotary Club of Dahanu and more than 5,000 dozen note-books have been given
- Total 5,182 students from different colleges and schools have visited DTSPS for educational purpose.
- Energy Conservation Week celebrated by organizing awareness programme in local schools.
- Shiksha Daan – Classes for domestic workers conducted by Damini Ladies club – seven girls have been admitted in YCMOU to their graduation through Open University.

Healthcare

- Blood Donation Camp: 313 donors have donated blood through two camps.
- Medical Check-up Camp through Lions Club of Dahanu: 700 patients benefited from the camp.
- Mobile Medical Unit: 5,758 patients checked and given medicines in pilot five villages
- Cleft Lip: 5 patients have been operated free of cost.

Need Based Projects

- Drinking water to all through Bore well for Dahanu taluka community- 85 Hand pumps installed and commissioned.
- Rain water harvesting programs at 9 locations
- Development of Children park at Ambawadi in association with Lions Club of Dahanu
- Renovation of Community Hall at Agwan Motapada
- Gift of Computer Set to Agwan Grampanchayat

Water Conservation Projects at Dahanu

At the Dahanu power station, water management cell monitors and controls the water conservation projects. A number of conservation projects were completed in various areas like rainwater harvesting and reduction in consumption of demineralized water for power generation process.

For the benefit of local community, repair of check dams, construction of new check dams and bore wells were carried out.

The practice of monitoring water consumption, and the efforts towards water conservation were recognized by the Confederation of Indian Industry with awards for excellence in water management, within the fence as well as beyond the fence.

Mumbai Distribution Business

Young Energy Saver (YES)

YES, an initiative by RInfra to catch the kids young to sensitize them about Energy Conservation. This was done by reaching out to children from 2nd to 9th standard across various types of school in the Mumbai suburbs and spreading the message of energy conservation in a playful, interacting and interesting manner. This year RInfra covered 89 schools comprising 46,000 children.

Project Dignity

RInfra has provided support to the Brihanmumbai Municipal Corporation (BMC) in its endeavour to upgrade crematorias in Mumbai under "Project Dignity".

In the first phase, four crematoria in Mumbai were upgraded and will be handed over to BMC shortly. These crematoria are at

Daulat Nagar (Borivali East), Marve (Malad-W), Teachers Colony (Bandra-East) and Bail Bazar (Kurla).

Samalkot Power Station

Samalkot Power Station has been carrying out activities for the welfare and well being of the nearby communities of the Vetlapalem and Hussainpuram villages adjacent to the Samalkot Plant site. Some of the activities carried out this year (2009-10) include:

- Electrification of Seven Primary Schools in Vetlapalem
- Eye testing for the high school children from class VI to IX th class & Distribution of Spectacles to Students.
- Construction of Boundary walls around the 4 Nos of Primary schools in Vetlapalem village & 1 No at Hussainpuram village.
- Contribution of ₹ 5 lakh towards Chief Minister's Flood Relief Fund.
- Providing Drinking Water Containers at primary School/Anganwadi centres/Mid Day Meal Centre at Hussainpuram village.
- Providing 45 wooden benches for the primary schools in Vetlapalem village.
- Providing 200 tree guards and tree plantation in Vetlapalem village

Delhi Discoms (BRPL and BYPL)

Active CSR Initiative

- BSES officially partnered with World Wildlife Fund (WWF) and took multiple steps to promote the Earth Hour. A total of 173 MW saved in BSES' (BRPL 96 MW & BYPL 77 MW) area during the drive.
- Aiding Delhi Administration's efforts and rising to the occasion, BSES once again came to the rescue of the flood victims in Delhi and donated thousands of food packets to victims.
- On the occasion of the World Environment Day, BSES joined Delhi Government's 'Green Drain' project.
- For the third edition of the ARPAN initiative, senior officials of company distributed hundreds of articles of clothing and woollens to the needy and the underprivileged in their respective areas. BSES also partnered with 'Freedom Trust' and distributed 3,000 articles of clothing and woollens amongst the under privileged.

Goa Power Station

Goa Power Station is located in a rural area in the village of Sancoale. A number of community services initiatives are taken up focused on education, health, safety and environment giving priority to needy and economically vulnerable sections of the society of the village.

Programmes conducted included "Bal Sarva Shiksha Mela" to encourage the parents of slum children to send their children to school, conducting competitions for school children for creating awareness in safety and environment, providing financial assistance for development of basic infrastructure facilities like play grounds, sponsoring prizes for sports and cultural events thus encouraging social and cultural activities, organizing Blood Donation Camps and arranging talks on health and nutrition for residents of surrounding communities.

The Goa Power Station also provided support by maintenance

Management Discussion and Analysis

of reverse osmosis systems and water coolers donated to local schools for providing safe drinking water to children, besides distribution of school uniform to needy students of Government Schools located at plant vicinity.

EPC Division

RInfra's EPC Division has taken up several initiatives to improve the living conditions of the labourers at all the sites and making a positive difference in their lives. The approach towards CSR is designed to meeting the needs of environment and the community. Following is the snapshot of the CSR activities:

Basic Amenities: Establishment of separate labour colonies at all the project sites equipped with the basic amenities like electricity, streetlights, clean drinking water facility and a well hygienic central canteen with meals at subsidized rates.

Health: First aid centre, health check up camps and counseling sessions were arranged. Free HIV tests were also conducted for villagers located near project sites.

Education: R-Infra has distributed free stationary kits to the students of Primary School as part of CSR initiative.

Awards and Recognitions

1. Dahanu Power Station

- **Operational Performance Awards**
 - IMC Ramakrishna Bajaj National Quality Trophy 2009 (RBNQA)
 - Golden Peacock National Quality Award - 2009
 - CII - National Award for Excellence in Energy Management - 2009
 - Century International Diamond Quality ERA Award
 - "Executive Talent Search-2009" by TMA
 - Viswakarma Rastriya Puraskar from Ministry of Labour & Employment, GOI (Four Employees)
 - Prime Minister's Shram Shree - Award 2007 for 1 employee.
 - CII- National Award for Excellence in Water Management 2009 (Within the fence).
 - "Annual best performance award - Best HR practices 2009 " by Tarapur Management Association

- **Environmental Awards**

- Greentech Environment Excellence Award 2009

- **Safety Awards**

- "Greentech Safety Award - 2009"
- National Safety Awards -2007 (NSA-2007) for lowest accident frequency rate and accident free period by Ministry of Labour & Employment.
- Safety Innovation Award 2009 by the Institution of Engineers (India).

2. Samalkot Power Station

- Greentech Environment Excellence Award 2009, in Gold Category
- Andhra Pradesh State Governor Gold medal for Blood Donation Initiatives by SPS under Red Cross Society Scheme.

3. Goa Power Station

- 8th Annual Greentech Safety Award 2009
- 10th Annual Greentech Environment Excellence Award 2009

4. BSES Kerala Power Ltd.

- Second prize in Safety award by Govt of Kerala for the year 2009
- Award on "Energy Conservation" by Govt. of Kerala for the year 2009.

5. Mumbai Transmission Division

- Further to stream line the procedures we have taken up the implementation of IMS for O & M covering OHSAS 18001-2007 & EMS 14001-2004 in addition to ISO 9001-2008. BVQI certified the same in March 2010.
- Achieved Par Excellence Award in the SGA Activity in Chapter Convention of Quality Circle (CCQC) Mumbai and National Convention of Quality Circle (NCQC) Bangalore for problem solving "Delay in Retrieval of Available data or records".

Reliance Infrastructure Limited

Corporate Governance Report

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices on Corporate Governance, the report containing the details of governance systems and processes at Reliance Infrastructure Limited is as under:

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

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In our commitment to practice sound governance principles, we are guided by the following core principles:

1. Transparency

To maintain the highest standards of transparency in all aspects of our interactions and dealings.

2. Disclosures

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

3. Empowerment and Accountability

To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.

4. Compliances

To comply with all laws, rules and regulations applicable to the Company.

5. Ethical conduct

To conduct the affairs of the Company in an ethical manner.

6. Stakeholders' interest

To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

Governance practices beyond regulatory requirements

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

A. Values and commitments

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

B. Code of ethics

Our policy document on 'code of ethics', demands that our

employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

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

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

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

E. Prohibition of insider trading policy

This document contains the policy on prohibiting trading in the equity shares of the Company, based on inside or privileged information.

F. Prevention of sexual harassment

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

G. Whistle Blower policy

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

H. Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concerns in all our business activities.

I. Risk management

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

J. SA 8000 (standard for Social Accountability)

Dahanu Power Station and Samalkot Power Station of the Company are certified for SA 8000, initiated by the Council on Economic Priority with Social Accountability International, USA as the accreditation agency. The standards are based on recommendations of the International Labour Organization, United Nations Universal Declaration on Human Rights and UN's convention on the rights of the child and other conventions. The key attributes are social accountability with regard to child labour, forced labour, health and safety, discrimination, working hours, remuneration and management system, etc.

K. Six Sigma

Dahanu Power Station and Samalkot Power Station have adopted the six sigma quality management tool to measure the baseline performance of various processes, determine the root causes of variations and improve the processes to meet and exceed the desired performance levels. Every year projects are taken for continual improvement in processes. Fourth wave of six sigma is running successfully.

Corporate Governance Report

L. **OHSAS 18001**

All power stations at Dahanu, Samalkot, Goa and Kochi are OHSAS 18001 certified. OHSAS 18001 helps to establish occupational health and safety management system.

M. **ISO 9001**

ISO 9001 is concerned with establishing quality management system to achieve continual improvement of performance. All the power stations at Dahanu, Samalkot, Goa and Kochi are certified for ISO 9001. The Mumbai distribution group as well as the Company Secretarial and Investor Services group have also secured ISO 9001 certification.

N. **ISO 14001**

ISO 14001 is primarily focused on Environmental Management System and all the power stations of the Company are ISO 14001 certified.

O. **ISO 27001**

The Company has secured ISO 27001 Information Security Management System (ISMS) certification for its Information Technology group. In the process of achieving certification, the Company re-aligned several of its systems and processes. It also adopted and implemented many best practices as per the policy requirements of ISMS to ensure quality and security of data. This certification helps in protecting the confidentiality, integrity and availability of information relating to the businesses of the Company.

P. **Integrated Management System**

Samalkot Power Station is the first power plant in Reliance Anil Dhirubhai Ambani Group to secure Integrated Management System (IMS) certification consisting of ISO 14001, OHSAS 18001, ISO 9001, SA 8000 and ISO 27001. Power Station at Dahanu and Kochi have also integrated its ISO 9001, ISO 14001 and OHSAS 18001 systems under IMS. Goa Power Station has ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001 integrated under IMS. This integrated certificate provides an integrated approach towards quality, environment and safety.

Q. **Boardroom practices**

i. **Chairman**

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

ii. **Board charter**

The Board of Directors has adopted a comprehensive Charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board committees, etc.

iii. **Board committees**

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

iv. **Tenure of independent directors**

Tenure of independent directors on the Board of the Company shall not exceed nine years, subject to their re-appointment on retirement by rotation as per statutory provisions.

v. **Independent directors interaction with the Chairman**

The Chairman regularly interacts with non-executive directors to enable them to freely express their views on various matters concerning the business of the Company. A separate meeting between the Chairman and the non-executive directors is periodically held so that issue of business and management can be discussed freely without encumbrances.

vi. **Lead independent director**

Recognizing the need for a representative and spokesperson for the independent directors, the Board has appointed an independent director as the lead independent director. The lead independent director performs the following roles in addition to the role of a non-executive independent director:

- preside over all executive sessions of the Board's independent directors;
- work closely with the Chairman to finalize the information flow, meeting agenda and meeting schedules;
- liaise between the Chairman and the independent directors on the Board; and
- take a lead role along with the Chairman in the Board evaluation process.

The board designated Shri S L Rao as the lead independent director for the year 2009-10. The position of the lead independent director is rotated once in two years.

vii. **Independent directors interaction with shareholders**

Member(s) of the Shareholders'/Investors' Grievances Committee interact with shareholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

viii. **Meeting of independent directors with operating team**

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession, and other matters as the independent directors may determine.

During these executive sessions, the independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

ix. **Independent director on the risk management committee**

The Company has set up a risk management committee consisting of executives and a senior independent director, Gen V P Malik. The committee periodically reviews the existing risk management procedures in order to ensure that the risks to the Company are controlled through means of a properly defined framework.

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- x. **Monitoring Subsidiaries**
The minutes of meetings of Boards of subsidiary companies are periodically placed before the Board of the Company.
- xi. **Independent directors on boards of associate and joint venture companies**
Two independent directors of the Company are on the boards of associate companies in which it has significant equity stake. Shri S L Rao an independent director, is on the Board of Reliance Power Limited and Gen V P Malik an independent director, is on the boards of BSES Rajdhani Power Limited and BSES Yamuna Power Limited.
- xii. **Commitment of directors**
The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its committees.
- xiii. **Participation of directors through audio / video conference**
The Company encourages / facilitates participation in the deliberations of the board by directors who are unable to attend any meeting of the board through audio / video conference, subject to their accessibility and availability.
- xiv. **Training of Board members**
The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws. In the current year this included seminars on GST, Direct Tax Code, IFRS, Companies Bill, Corporate Governance Guidelines, etc.
- R. **Governance practices being followed to promote the interests of our stakeholders**
We have introduced several trend setting governance practices to improve stakeholder satisfaction. Some of the major ones among them are:
- i. **Customers** Details of bills are made available to customers as E-bills, web bills and as SMS bill alerts. Bills are also made available in Braille, on IVR and in a customer's choice of language. Bill can now be paid at over 2,200 payment locations, and through a multiplicity of options such as net banking, credit card payment, ECS/VDS and phone pay over RIM. For complaints and queries, the customer has the option of either approaching the Company's modern, redesigned Customer Care Centre or call the state-of-the-art 24x7, multi-lingual (4 languages) Call Centre. The Company's customer redressal mechanism includes setting of a consumer grievance redressal forum, which is an independent body headed by a retired judge of the High Court. Customers can make enquiries, lodge complaints, view and pay bills and calculate energy consumption through the website. The Company constantly monitors customer satisfaction through surveys and feedbacks.
- ii. **Employees**
In our relentless pursuit of driving 'operational excellence', and our resolve to make Reliance Infrastructure a "Great Place to Work", we focus on evolving efficient and agile organization structures, relentlessly driving capability, leadership and culture building and acquiring, developing and retaining high quality talent. We review and revise our HR policies constantly to align to the Market and Industry benchmarks and making them increasingly transparent and employee-friendly. These policies have been extensively communicated to employees and automated.
We have a dedicated service portal which offers various online HR services and facilities to employees. Some of these facilities are; details of current and past salaries, income-tax computations, attendance and leave management, goal setting with relevant Key Performance Indicators (KPIs), potential assessment module, performance evaluation system, feedback mechanism, reward and recognition policy, grievance redressal system, exit interviews, training and development module, etc.
We regularly conduct an employee engagement survey through an independent external organization aimed to identify the areas of strengths as well as those which need improvement. The results of this survey are communicated to all employees and appropriate action is initiated to enhance employee satisfaction based on their feedback. As a means of providing accelerated career growth to high performing talent, we have a pilot program of assessment centers, wherein employees who have a proven track record are put through a rigorous assessment program for higher role.
We have institutionalised a leadership development process, linked to Reliance DNA & leadership competencies, which identifies high potential talent on a periodic basis and provides necessary learning interventions to help them take on larger responsibilities and roles.
- iii. **Shareholders**
The Company recognizes the importance of two-way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. To ensure this, the Company's corporate website; www.rinfra.com has information for institutional and retail shareholders alike. Shareholders

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seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact RInfra via dedicated shareholders contact points as provided in this report or through any of Investor Service Centers of the Company's Registrars and Transfer Agents spread in more than 80 cities across India, details of which are available on the Company's website.

iv. **Lenders**

The Company has been prompt in honoring all debt obligations to its lenders.

v. **Society**

The Company, in keeping with its Corporate Social Responsibility policy, focuses on healthcare, education, and other social initiatives.

vi. **Role of the Company Secretary in Governance Process**

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

S. **Independent Statutory Auditors**

The Company's accounts have been audited by a panel of two leading independent audit firms as follows:

M/s Price Waterhouse, Chartered Accountants

M/s Chaturvedi & Shah, Chartered Accountants

It is proposed to appoint two leading independent audit firms for financial year 2010-11 as follows:

M/s Haribhakti & Co., Chartered Accountants.

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

T. **Awards**

The Company was presented several prestigious awards for excellence in performance, energy management, environmental management, energy conservation and pollution control, leadership in quality system and innovative management, water management, safety track record and management and corporate social responsibility.

Compliance with the code and rules of London Stock Exchange and New York Stock Exchange

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

Compliance with clause 49 of the listing agreement

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

We present our report on compliance of governance conditions specified in clause 49 of the listing agreement

I. Board of directors

1. Board Composition - Board strength and representation

As on March 31, 2010, the Board consisted of eight members. The composition and category of directors on the board of the Company were as under:

Category	Particulars of directors
Promoter, Non-executive and Non-independent director	Shri Anil Dhirubhai Ambani, Chairman
Non-executive and Non-independent director	Shri Satish Seth, Vice Chairman
Independent directors	Gen V P Malik Dr Leena Srivastava Shri S L Rao Shri V R Galkar*
Executive, Non-independent directors	Shri S C Gupta, Director (Operations) Shri Lalit Jalan, Whole-time Director

* Shri V R Galkar ceased to be the Director of the Company w.e.f. November 12, 2010

Notes:

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

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

2. Conduct of Board proceedings

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

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

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

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3. Board meetings

The Board held five meetings during 2009–2010 on April 23, 2009, July 30, 2009, October 31, 2009, January 29, 2010 and March 6, 2010. The maximum time gap between any two meetings was 97 days and the minimum gap was 35 days.

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

4. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures,

Passing of Resolutions by Circulation, Affixing of common Seal, Forfeiture of Shares and Board's Report.

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

5. Attendance of directors

The overall attendance of directors at the Board Meetings was almost 93.75 per cent. It is proposed to introduce tele-conferencing and video-conferencing facilities immediately upon amendment to the relevant statutes.

Attendance of the directors at the Board meetings held during 2009–2010 and the last Annual General Meeting (AGM) held on July 21, 2009 and details of directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Chairmanship and the Committee memberships held by the directors as on March 31, 2010.

Name of the Directors	Number of Board meetings attended out of five meetings held during the tenure	Attendance at the last AGM held on 21.07.2009	Number of directorship (including RInfra) ^a	Committee(s) ^a membership ^b	
				Memberships	Chairmanship
Shri Anil Dhirubhai Ambani	5	Present	6	3	1
Shri Satish Seth	3	Present	4	2	2
Shri Lalit Jalan	4	Present	6	3	2
Shri S C Gupta	5	Present	3	1	None
Gen V P Malik	5	Present	4	4	None
Shri S L Rao	5	Present	6	7	4
Dr Leena Srivastava	5	Present	1	2	1
Shri V R Galkar*	4	Present	1	2	None

* Shri V R Galkar ceased to be the director of the Company w.e.f. November 12, 2010.

a. The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the listing agreement:

- i. Audit committee
- ii. Shareholders/Investors grievances committee.

b. Membership of committees include Chairmanship, if any.

None of the directors held directorship in more than 15 public limited companies.

6. Other directorships

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

7. Membership of Board committees

No Director holds membership of more than 10 committees of Board nor any director is a Chairman of more than 5 committees of Board.

8. Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

Shri Anil Dhirubhai Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil Dhirubhai Ambani, 51, is the Chairman of Reliance Infrastructure Limited, Reliance Capital Limited, Reliance Communications Limited and Reliance Power Limited. He is also on the Board of Reliance Infratel Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat.

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

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

He is currently a member of :

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

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In June 2004, Shri Ambani was elected as an Independent member of the Rajya Sabha – Upper House, Parliament of India, a position he chose to resign voluntarily on March 29, 2006.

Select Awards and Achievements

- Awarded by Light Readings as the Person of the Year – 2008 for outstanding achievements in the communication industry
- Voted 'the Businessman of the Year' in a poll conducted by The Times of India – TNS, December 2006
- Voted the 'Best role model' among business leaders in the biannual Mood of the Nation poll conducted by India Today magazine, August 2006
- Conferred 'the CEO of the Year 2004' in the Platts Global Energy Awards
- Conferred 'The Entrepreneur of the Decade Award' by the Bombay Management Association, October 2002
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, December 2001

Shri Satish Seth, 54, is a Fellow Chartered Accountant and a law graduate. He has a wide exposure in developing, strategizing and overseeing businesses in petrochemicals, petroleum and financial sectors. Currently, he oversees and leads businesses in power, telecommunication and infrastructure sectors. He has vast experience in the areas of finance, commercial, banking, accounts, audit, taxation, legal, project execution and general management. Shri Seth was appointed to the board on November 24, 2000. Currently, he is the Vice Chairman of the Board of the Company. He is also a director of Reliance Telecom Limited and Reliance Anil Dhirubhai Ambani Group Limited. He is chairman of audit and shareholders / investors' grievances committee of Reliance Telecom Limited.

Shri S C Gupta, 61, is a graduate in electrical and mechanical engineering and also M.Sc. (Engineering) in power systems. He was appointed to the board on January 18, 2003. He was actively involved in the design and implementation of captive power plants of Reliance Industries Limited at Hazira, Patalganga, Naroda and Jamnagar totalling 750 MW and development of Independent Power Projects (IPPs) at various locations.

He is responsible for closely monitoring the operation of existing power plants of the Reliance Anil Dhirubhai Ambani Group totalling to approximately 980 MW and leading continuous improvements of operation and maintenance of Power Plants. He is also responsible for leading the EPC (Engineering, Procurement and Construction) Group and responsible for implementing a large numbers of power projects, within the Group and also for external agencies.

He is on the boards of, Utility Powertech Limited and BSES Kerala Power Limited. He is also a member of the audit committee of BSES Kerala Power Limited.

Shri Lalit Jalan, 53, was appointed to the board as whole-time director on April 25, 2007. He is also the Chief Executive Officer of the Company. He is responsible for the entire distribution, transmission, trading and shared

services of the Company and its affiliates in Mumbai, Delhi and Orissa covering 6 million customers. He successfully spearheaded the transformation from erstwhile BSES to Reliance Infrastructure in Mumbai and the complete turnaround of Delhi distribution. The success of Delhi made him a posterboy of distribution reforms.

Shri Lalit Jalan did his MBA in Finance from the prestigious Wharton School, University of Pennsylvania and MS in Computer Science from Moore School, University of Pennsylvania. He did his B Tech from the Indian Institute of Technology, Kanpur. He graduated throughout in top 2 percentile of his class. He was the winner of Directors Honours and Deans List at Wharton.

He has been awarded the Distinguished Alumni Award from IIT, Kanpur. He was also chosen as one of the 15 achievers from the IIT system. These 15 achievers were showcased as IIT Spirit during the opening ceremony of 50th anniversary celebration (PAN IIT 50) organized at Silicon Valley, California in January 2003.

He was ranked at 70th position in the Economic Times elite list of India's 100 Most Powerful CEOs. He has recently been selected in the prestigious IIT@ 50 at the Golden Jubilee Alumni Convention at IIT Kanpur.

He is on the Board of BSES Rajdhani Power Limited, BSES Yamuna Power Limited, Reliance Power Transmission Limited, Reliance Digital World Limited, Jaybee Merchantiles Limited and various private limited companies. He is also Chairman of Audit Committee of BSES Rajdhani Power Limited and BSES Yamuna Power Limited and member of Shareholders/ Investors Committee of the Company.

He joined Reliance Industries Limited as Chief Executive Officer, Polypropylene Business in 1995. He was the youngest CEO at Reliance.

Dr Leena Srivastava, 49, is the Executive Director, The Energy and Resources Institute (TERI), an independent not-for-profit research institution working in the areas of energy, environment and sustainable development. Dr Srivastava held additional charge as Dean, Faculty of Policy and Planning, TERI University from June 2000 – June 2008. She has a PhD. in Energy Economics from the Indian Institute of Science in Bangalore, India and has a number of publications to her credit. She is on the Editorial Boards of various international journals dealing with energy and environment issues.

Dr Srivastava is a member of the Advisory Group on Energy and Climate of the UN Secretary General; Member, International Advisory Panel, Global Carbon Capture and Storage Institute (GCCSI), Australia; Member, World Bank's ESMAP Expert Panel on "Sustainable Energy Supply, Poverty Reduction and Climate Change"; Member of the International Public Policy Advisory Board (IPPAB), The Coca Cola Company, USA; Member, Board of Directors, World Environment Center, USA; Member, Board of Directors, Meridian Institute, USA, Member of the Foresight Advisory Council of Suez Environment, France and Member of KPMG's Audit Committee Institute, India. She was a member of the Expert Committee to formulate India's Energy Policy, Planning Commission, Government of India and Member, National Security Advisory Board, Government of India. She serves on the research advisory councils of various academic institutions of international repute including the

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Wuppertal Institute of Climate and Energy, Germany and the Institute of Global Environmental Strategies, Japan. She was a Coordinating Lead Author for Working Group III of the Third Assessment Report of Intergovernmental Panel on Climate Change (IPCC) and cross-cutting theme Anchor on "Sustainable Development" for the Fourth Assessment Report of the IPCC. She is the Chairperson of Shareholders/Investors Committee and also a member of the Audit Committee of the Company.

Shri S L Rao, 74, is a professional manager and applied economist, a widely read newspaper columnist, writer and speaker on governance, the economy and infrastructure issues. He has taught marketing in the most reputed management schools in India as visiting faculty. He was a Visiting Fellow at the Indian Ocean Centre, Australia (1996-98). From 1990 to 1996 he was Director - General of the National Council of Applied Economic Research (NCAER), a premier research institution in India, which during his tenure, was known the world over for its work on Indian markets, human development indicators, social infrastructure and economic forecasting. He was the first Chairman of the Central Electricity Regulatory Commission (CERC) in 1998. His leadership made CERC highly regarded for its independence, transparency and objectivity. He worked in industry and as a management consultant for 28 years. He was President of the Madras Management Association (1983-84) and All India Management Association (1985-86), a founder and Vice President of the People's Union for Civil Liberties, Tamil Nadu (1981-84). He was founder Chairman of the Forum of Indian Regulators. He has co-authored or edited 13 books and articles on the economy and management. He writes regularly in the newspapers and is or has been a Columnist in the Telegraph, Deccan Herald, Economic times and The Week. He has written 13 books, the latest being "From Servants to Masters?, The Evolution of Professional Management in India" (2007).

He was Chairman and is Member of the Board of Governors, The Institute for Social and Economic Change, Bangalore. He is Member of the National Committee, Aga Khan Foundation of India, Board of Governors of Indian Institute of Management, Lucknow, and Institute for Integrated Learning and Management, Delhi, (CIRC)-CUTS Institute of Regulation and Competition, Trustee of Madras Craft Foundation and Bangalore International Centre,

He is on the Board of Honeywell Automation India Limited, Kanoria Chemicals and Industries Limited, Reliance Power Limited, Rain CII (Carbon) India Limited and three private limited companies. He is the Chairman of the Audit Committee of the Company and of Honeywell Automation India Limited, Rain CII (Carbon) India Limited and a member of the Audit Committee and of Shareholders/Investors Grievances Committee of Reliance Power Limited.

Gen V P Malik, 71, was chief of the Indian Army from October 1997 to September 2000. Concurrently, he was Chairman, Chief of Staff Committee of India for two years. As Army Chief, Gen Malik had dual responsibility of being an "advisor" to the Government as well as commander of over a million strong Indian army and managed all its functions to fulfill its national role and assigned missions. In India, every aspect of the management of the army-strategic and planning, equipment profile, human resource development, discipline, welfare, etc. is shouldered by the

Army Chief. During his tenure, he oversaw intensified anti terrorist operations in Jammu and Kashmir, in the north east, and management of disputed border with China and other neighbouring countries.

He planned, coordinated and oversaw execution of Operation Vijay to successfully defeat Pakistan's attempted intrusion in Kargil sector in 1999.

Gen Malik was awarded the Ati Vishishta Seva Medal in 1986, and Param Vishishta Seva Medal, the highest national award for distinguished services in India in 1996. He was given excellence in leadership award by Atur Foundation, Pune, Distinguished Fellowship of the Institute of Directors, New Delhi in 1999, and 'Pride of the Nation' award by the Doon Citizens' Council in July 2000.

Since retirement (September 30, 2000), he keeps himself engaged in spreading awareness and sharing his views on India's national security challenges and international relations. For two years, he served as a member of the National Security Advisory Board.

In 2007, he was nominated on the judges' panel to select and rank Top Companies for Leaders in Asia Pacific Region by Hewitt Associates, who undertook this exercise in collaboration with Fortune Magazine and The RBL Group

He is on the board of Hero Honda Motors Limited, BSES Rajdhani Power Limited and BSES Yamuna Power Limited. He is a member of the audit committee of the Company, Hero Honda Motors Limited, BSES Rajdhani Power Limited and BSES Yamuna Power Limited.

9. Insurance coverage

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

II. Audit Committee

In terms of Clause 49 of the listing agreement, as well as Section 292A of the Companies Act, 1956, the Board has constituted the Audit Committee of the Board of Directors. The Audit Committee of Reliance Infrastructure was set up way back in May 1986. At present the committee consists of Shri S L Rao, Gen V P Malik and Dr. Leena Srivastava. The Audit Committee is chaired by Shri S L Rao who has a wide experience on economic, financial and taxation issues. All members of the Committee are financially literate.

The Audit committee, inter alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with all the items listed in clause 49 (II) (D) and (E) of the listing agreement as follows:

- i. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- ii. Recommending the appointment, re-appointment and replacement / removal of statutory auditor and fixation of audit fee.
- iii. Approving payment for any other services by statutory auditors.

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- iv. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - a. Matters required to be included in the director's responsibility statement included in the report of the Board of Directors;
 - b. Any changes in accounting policies and practices and reasons thereof;
 - c. Major accounting entries based on exercise of judgment by management;
 - d. Qualifications in draft audit report;
 - e. Significant adjustments arising out of audit;
 - f. Compliance with listing and other legal requirements concerning financial statements;
 - g. Disclosure of related party transactions.
- v. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Reviewing with the management, the performance of the external and internal auditors, the adequacy of internal control systems.
- viii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix. Discussion with internal auditors on any significant findings and follow up thereon.
- x. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xi. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- xiii. To review financial statement of subsidiary investments.
- xiv. To review the functioning of the Whistle Blower mechanism.
- xv. To approve the appointment of Chief Financial Officer after assessing qualification, experience, background, etc.
- xvi. Carrying out all other function as is mentioned in the terms of reference of the audit committee.

- xvii. Review the following information:
 - a. Management Discussion and Analysis of Financial Condition and Results of Operations;
 - b. Internal audit reports relating to internal control weaknesses;
 - c. Management letters / letters of internal control weaknesses issued by statutory auditors;
 - d. Statement of significant related party transactions; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek any information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee held its meetings on April 22, 2009, May 11, 2009, July 30, 2009, August 11, 2009, October 31, 2009, November 12, 2009, January 28, 2010 and March 4, 2010, and the maximum gap between any two meetings was 80 days and the minimum gap was 11 days.

Attendance at the meetings of the Audit Committee held during 2009-10

Members	Meetings held during the tenure of directors	Meetings attended
Shri S L Rao, Chairman	8	8
Shri V R Galkar*	8	6
Gen V P Malik	8	8
Dr Leena Srivastava	8	8

*Shri V R Galkar ceased to be the Director of the Company w.e.f. November 12, 2010.

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

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

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

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

The committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the

Reliance Infrastructure Limited

Corporate Governance Report

Company. The committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The committee, after review expressed, its satisfaction on the independence of both the internal and the statutory auditors.

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

1. The audited annual financial statements of the Company for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. The audited abridged financial statements of the Company for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company.
3. The audited consolidated financial statements of the Company and its subsidiaries for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status.

III. Nomination / Remuneration Committee

The Nomination / Remuneration Committee of the Board is constituted to formulate from time to time (a) process for selection and appointment of new directors and succession

plans and (b) recommend to the Board from time to time, a compensation structure for directors. The Nomination/ Remuneration Committee comprises of three directors i.e. Gen V P Malik, Dr Leena Srivastava and Shri S L Rao. Dr Leena Srivastava is the Chairperson of the Committee. During the year, the Nomination / Remuneration Committee held its meeting on July 30, 2009.

Attendance at the meetings of the Nomination / Remuneration Committee held during 2009-10

Members	Meetings held during the tenure of directors	Meetings attended
Gen V P Malik, Chairman	1	1
Shri S L Rao	1	1
Shri V R Galkar*	1	-
Dr Leena Srivastava	1	1

*Shri V R Galkar ceased to be Director of the Company w.e.f. November 12, 2010.

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

Except Shri Lalit Jalan and Shri S C Gupta, all directors, being non-executive, are paid sitting fees for attending the meetings of the Board and its committees.

Remuneration paid to directors (excluding contribution to gratuity fund and provision for leave encashment on retirement) during 2009-2010

₹ in lakh

Sr. No.	Name	Position	Sitting Fees	Salary & Perquisites	Commission	Total
1.	Shri Anil Dhirubhai Ambani	Chairman	1.20	N.A.	Nil	1.20
2.	Shri Satish Seth	Vice Chairman	0.80	N.A.	8.00	8.80
3.	Shri S C Gupta	Director(Operations)	Nil	112.88	Nil	112.88
4.	Gen V P Malik	Director	3.20	N.A.	8.00	11.20
5.	Shri S L Rao	Director	3.20	N.A.	8.00	11.20
6.	Dr Leena Srivastava	Director	3.80	N.A.	8.00	11.80
7.	Shri V R Galkar*	Director	2.60	N.A.	8.00	10.60
8.	Shri Lalit Jalan	Whole-time Director	Nil	110.38	Nil	110.38
Total			14.80	223.26	40.00	278.06

*Shri V R Galkar represents Life Insurance Corporation of India (LIC) and hence, commission of Rs 8,00,000 was paid to LIC. Shri V R Galkar ceased to be Director of the Company w.e.f. November 12, 2010.

Notes:

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

Details of service contract

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

For any termination of service contract, the Company or the executive director is required to give a notice of 3 months or pay three months' salary in lieu thereof to the other party.

Corporate Governance Report

Equity shares held by Directors

The equity shares held by the directors in the Company as on March 31, 2010 are as follows:

Name	No of Shares
Shri Anil D Ambani	1,39,437
Dr Leena Srivastava	16

Directors' remuneration policy

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

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

Criteria for making payments to Non-Executive Directors

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

The Members has, through Postal Ballot on January 8, 2007 approved payment of commission up to 3 per cent to non-executive directors of the Company under the provisions of Section 309(4) of the Companies Act, 1956 ('Act'), computed in the manner specified in the Act for a period of five years from the financial year commencing 1st April, 2006. The Company had obtained approval from the Central Government for payment of commission to non executive directors upto a limit of 3 per cent of net profits of the Company each year for a period of 4 years from the financial year commencing 2007-08.

The Board of Directors based on recommendation of Nomination/Remuneration Committee at their meeting held on July 30, 2009 had approved payment of commission of ₹ 40 lacs to the Non Executive Directors of the Company for the year ended 31st March, 2009 based on various parameters, which was paid during the year 2009-10. Shri Anil Dhirubhai Ambani had not taken commission for the year 2009-10.

IV. Shareholders / Investors' Grievances Committee

The Board of Directors of the Company constituted the Shareholders / Investors' Grievances Committee in the year 1995. The Committee at present consists of three directors of the Company, viz. Gen V P Malik as Chairman, Dr Leena Srivastava and Shri Lalit Jalan as members. The Company has appointed M/s Karvy Computershare Private Limited to act as Registrar and Transfer Agent of the Company.

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

of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

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

During the year, the Shareholders / Investors' Grievances Committee held its meetings on April 23, 2009, July 30, 2009, October 31, 2009 and January 29, 2010 and the maximum gap between any two meetings was 97 days and the minimum gap was 89 days.

Attendance of members at the meeting of the Shareholders / Investors' Grievances Committee held during 2009-2010

Members	Meetings held during the tenure of directors	Meetings attended
Dr Leena Srivastava, Chairperson	4	4
Shri V R Galkar*	4	3
Shri Lalit Jalan	4	3

*Shri V R Galkar ceased to be Director of the Company w.e.f. November 12, 2010.

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

V. Compliance Officer

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

The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 232. There were no complaints pending as on March 31, 2010. The details of period taken for transfer of shares and nature of complaints are furnished in the Investor Information section of this Annual Report.

42 requests for transfers and 153 requests for dematerialisation were pending for approval as on March 31, 2010, which were approved, processed and despatched on or before April 5, 2010.

There were no pending requests for transfers of shares and dematerialisation as on March 31, 2010.

VI. Environment, Health and Safety Committee

The Environment, Health and Safety Committee of the Board is constituted, to monitor compliance as to environment, health and safety issues affecting the Company as also to promote environment protection. Currently, the Committee comprises, Gen V P Malik, Chairman, Shri S L Rao, Dr Leena Srivastava and Shri S C Gupta.

Attendance at the meeting of the Environment, Health and Safety Committee held during 2009-2010

Members	Meetings held during the tenure	No. of Meetings attended
Gen V P Malik	2	2
Shri S L Rao	2	2
Dr Leena Srivastava	2	1
Shri S C Gupta	2	1

The Environment, Health and Safety Committee held its meetings on August 11, 2009 and January 5, 2010.

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

Year	Date and time	Venue	Special Resolutions
2008-09	July 21, 2009 2.00 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg Mumbai 400 020	None
2007-08	September 16, 2008 2.00 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg Mumbai 400 020	None
2006-07	July 10, 2007 11.00 a.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg Mumbai 400 020	None

VIII. Postal Ballot

During the year, the Company had conducted postal ballot on May 24, 2009, under Companies (Passing of Resolutions by Postal Balot) Rules, 2001. Shri Anil Lohia, Chartered Accountant, was appointed as the scrutinizer for overseeing the Postal Ballot process.

The following resolutions were passed with the requisite majority.

Sr. No.	Date of declaration of the result of postal ballot	Particulars of special resolution	Percentage votes cast in favour of resolution
1.	June 24, 2009	Raising of long term funds	99.740
2.	June 24, 2009	Enabling resolution authorising the Board of Directors of the Company to issue equity shares to Qualified Institutional Investors	91.777

The Company has complied with the procedures for the postal ballot in terms of provisions of Section 192A of the Companies Act, 1956 as well as Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as amended thereto from time to time. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

IX. Means of Communication

- a. **Quarterly Results** : Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily Marathi vernacular newspaper and are also posted on the Company's website www.rinfra.com.
- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c. **Website:** The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company in a downloadable form, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to our investors, in a user-friendly manner.
- d. **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.
- e. **Chairman's Communique:** Printed copy of the Chairman's Speech is distributed to the shareholders at the Annual General Meetings. The same is also posted on the website of the Company.

f. **Corporate Filing and Dissemination System (CFDS):**

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

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

Toll free no. (India) : 1800 4250 999
Telephone nos. : +91 40 4030 8000
Fax no. : +91 40 2342 0859
Email : rinfra@karvy.com

Post your request : <http://kcpl.karvy.com/adag>

h. **Designated email-id:** The Company has also designated the email-id rinfra.investors@relianceada.com exclusively for investor servicing.

i. **Shareholders' Feedback Survey:** The Company regularly seeks feedback from the shareholders' on their views on various matters relating to investor services and the Annual Report of the Company. The feedback received from the shareholders is placed before the Shareholders/Investors Grievances Committee. The feedback survey form has also been posted on the website of the Company, to facilitate their feedback.

X. Compliance with other mandatory requirements

1 **Management Discussion and Analysis report**

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

Corporate Governance Report

2 Financial performance of the Company

The Company being a utility in the business of generation and distribution of electricity, its earnings are regulated by the regulatory authorities. The financial performance of the Company is subject to regulatory approvals and clearances and the Company is therefore unable to make any earnings projections or guidance with any reasonable degree of accuracy.

3 Subsidiaries/Associates/Joint Ventures

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary Company. The minutes of the proceedings of meetings of the Board of Directors of subsidiary companies are placed before the Board of Directors of the Company and the attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The Company has two of the independent directors on the boards of a major associate company and two joint venture companies.

4 Disclosures

a. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority during the financial year 2009-10.

b. Related Party Transactions

During the year 2009-10, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management, their subsidiaries or their relatives that may have a potential conflict with interest of the Company. The related party transactions with subsidiary companies and others are disclosed in Notes to Accounts.

c. Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standards) Rules, 2006, as applicable. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

d. Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

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

where internal controls and risk management practices can be improved.

e. Code of Conduct

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

"It is hereby declared that the Company has obtained from all members of the Board and senior management personnel affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2009-10."

Lalit Jalan
CEO

f. CEO and CFO certification

Shri Lalit Jalan, being the CEO and Shri Madhukar Moolwaney, the CFO give certification on financial reporting and internal controls to the Board as required under Clause 49(V) of the Listing Agreement.

g. Review of Directors' responsibility statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XI. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has appointed Shri Ramesh Shenoy, Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The Company's updated Code is available on the Company's website.

XII. Compliance with non-mandatory requirements

1 Tenure of independent directors on the Board

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

2 Nomination / Remuneration committee

The Board has set up a Nomination / Remuneration committee details whereof are furnished at Sr. No. III of this report.

3 Shareholder rights

The quarterly financial results including summary of

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significant events of relevant period of three months are published in newspapers and hosted on the website of the Company.

4 Audit qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

5 Training of Board members

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

6 Whistle blower policy

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

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

XIII. Corporate Governance Voluntary Guidelines 2009

During the year the Ministry of Corporate Affairs, Government of India, has released the "Corporate Governance Voluntary Guidelines 2009". These guidelines are intended to serve as a benchmark for corporates to help them to adopt highest standard of corporate governance. These guidelines do not substitute any extant law or regulation but are essential for voluntary adoption by the corporates. The Company is already in compliance with most of the requirements and has initiated action for appropriate compliance.

XIV. General shareholder information

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

Auditors' certificate on corporate governance

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

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Infrastructure, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognised practices of governance, so as to meet the expectations of all our stakeholders

Investor Information

Annual General Meeting

The Eighty First Annual General Meeting (AGM) of the Company will be held on Wednesday, December 22, 2010 at 11.00 a.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Financial year of the Company :

The financial year of the Company is from 1st April to 31st March every year.

Website: The website of the Company www.rinfra.com contains a sub-menu on *Investor Relations*. It carries comprehensive information of interest to our investors including on the financial results of the Company, dividends declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities of the Company and the services rendered / facilities extended by the Company to our investors.

Dedicated email id for investors: For the convenience of our investors, the Company has designated an exclusive email id for investors i.e. rinfra.investor@relianceada.com

Compliance Officer: Shri Ramesh Shenoy, Company Secretary, is the Compliance Officer of the Company.

Registrar and Transfer Agents (RTA)

M/s Karvy Computershare Private Limited
Unit: Reliance Infrastructure Limited
Madhura Estate, Municipal No. 1-9/13/C
Plot No 13 & 13C, Madhapur Village
Hyderabad 500 081. Andhra Pradesh. India

Shareholders / Investors are requested to forward share transfer documents, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to M/s. Karvy Computershare Private Limited at the above address for speedy response.

Dividend announcement

The Board of Directors of the Company have paid an interim dividend of ₹ 7.10 per equity share of the Company for the financial year ended March 31, 2010 [dividend paid in the previous year was ₹ 7.00 per equity share]. The interim dividend was paid on May 21, 2010 to those members whose names appeared in the Register of Members of the Company and those "deemed members" whose names appeared in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the Record date fixed for the purpose of payment of interim dividend i.e Thursday, May 20, 2010. The Board of Directors of the Company have decided to treat the interim dividend as final dividend for the financial year ended March 31, 2010.

Book closure dates for the purpose of AGM

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, December 16, 2010 to Wednesday, December 22, 2010 (both days inclusive) for the purpose of AGM.

Dividend remittance

With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic

Investor Information

and physical forms, residing in the following cities:

Agra, Ahmedabad, Allahabad, Amritsar, Asansol, Aurangabad, Bangalore, Baroda, Belgaum, Bhilwara, Bhopal, Bhubaneswar, Bikaner, Calicut, Chandigarh, Chennai, Cochin, Coimbatore, Cuttack, Deharadun, Erode, Gorakhpur, Guwahati, Gwalior, Haldia, Hubli, Hyderabad, Indore, Jabalpur, Jaipur, Jalandhar, Jammu, Jamnagar, Jamshedpur, Jodhpur, Kakinada, Kanpur, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Nashik, Nellore, New Delhi, Panjim, Patna, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Shimoga, Sholapur, Siliguri, Surat, Tirupathi, Tirupur, Trichur, Trichy, Trivandrum, Udaipur, Udupi, Varanasi, Vijaywada and Vizag.

Modes of payment of Dividend

The Dividend is paid under two modes viz:

- National Electronic Clearing Service (NECS)
- Physical dispatch of Dividend Warrant

Payment of dividend through National Electronic Clearing Service (NECS) facility

NECS facility is a centralised version of ECS facility. The NECS system takes advantage of the centralised accounting system in banks. Accordingly, the account of a bank that is submitting or receiving payment instructions is debited or credited centrally at Mumbai. The branches participating in NECS can, however, be located anywhere across the length and breadth of the country. NECS has no restriction of centres or of any geographical area inside the country. Presently around 32,000 branches of 114 banks participate in NECS.

Benefits of NECS (payment through electronic facilities)

Shareholders are advised to avail the payment of dividend through NECS, which has the following advantages:

- Shareholders need not make frequent visits to their bank for depositing the physical paper instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

How to avail of NECS Facility?

Register NECS Mandate and furnish correct bank account particulars with Company/ Depository Participant

Investors should provide a National Electronic Clearing Service (NECS) mandate to the Company in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the Depository Participant (DP) in case of shares held in demat form. This would facilitate in receiving direct credits of dividends, refunds etc., from Companies and avoiding postal delays and loss in transit. The NECS Mandate Form may be downloaded from the Company's website www.rinfra.com under the section "Investor Relations".

Investors must note that NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions. In this regard shareholders are requested to furnish the new Bank Account Number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining

to the concerned account, to the Registrar and Transfer Agent of the Company in case the shares are held in physical form and to the concerned depository participant in case shares are held in demat form. In case shareholders do not provide their new account number allotted after implementation of CBS, the ECS to their old account may either be rejected or returned.

Payment of dividend through Direct Credit

The Company will be appointing one bank as its Dividend banker for distribution of dividend. The said banker will carry out direct credit to those investors who are maintaining accounts with the said bank, provided the bank account details are registered with the DP for dematerialised shares and / or registered with the Registrar and Transfer Agent prior to the payment of dividend for shares held in physical form.

NECS Facility may be opted out by investors

Investors have a right to opt out from this mode of payment by giving an advance notice of four weeks, prior to payment of dividend, either to the Company's Registrar and Transfer Agent or to the concerned DP, as the case may be.

Company cannot take on record the bank details in case of dematerialised shares

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the bank account details furnished by the concerned Depository. Therefore, investors are requested to keep their bank particulars updated with the Depository Participants.

Course of Action in case of Non-receipt of Dividend, Revalidation of Dividend Warrant etc.

Shareholders may write to the Company's Registrar and Transfer Agent, furnishing the particulars of the dividend not received, and quoting the folio number/DPID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant is still shown as unpaid in records of the Company, duplicate warrant will be issued. The Registrar and Transfer Agent would request the concerned shareholder to execute an indemnity before issuing the duplicate warrant. However, duplicate warrants will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

Shareholders are requested to note that they have to wait till the expiry of the validity of the original warrant before a duplicate warrant is issued to them, since the dividend warrants are payable at par at several centres across the country and the banks do not accept 'stop payment' instructions on the said warrants.

Unclaimed Dividend

i. Transfer to the Central Government

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends up to and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Since 1995-96, the unclaimed dividends of subsequent years which remained unclaimed for more than 7 years have been transferred to the Investor Education and Protection Fund. The shareholders who have not encashed their dividend warrants relating to financial year(s) up to 1994-95 are requested to claim the amounts from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD Belapur, Near RBI Building, Navi Mumbai 400

Reliance Infrastructure Limited

Investor Information

614 Telephone: (022) 2757 6802 in the prescribed form which will be furnished by the Company on request.

ii. Transfer to the Investor Education and Protection Fund

The dividends for the year 1995-96 to 2003-04 (Q2) remaining unclaimed for 7 years from the date of declaration have been transferred to the Investor Education and Protection Fund established by the Government of India pursuant to Section 205C of the Companies Act, 1956. Consequently, no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first become due for payment.

iii Dividend to be transferred to the Investor Education and Protection Fund

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

Financial year	Dividend No.	Date of declaration	Due for transfer on
2003-04 (Q3)	118th	January 21, 2004	February 27, 2011
2003-04 (final)	119th	June 9, 2004	July 15, 2011
2004-05 (Q1)	120th	July 21, 2004	August 27, 2011
2004-05 (Q2)	121st	October 20, 2004	November 26, 2011
2004-05 (Q3)	122nd	January 19, 2005	February 25, 2012
2004-05 (final)	123rd	June 8, 2005	July 15, 2012
2005-06 (Q1)	124th	July 19, 2005	August 25, 2012
2005-06 (final)	125th	June 7, 2006	July 13, 2013
2006-07	126th	July 10, 2007	August 16, 2014
2007-08	127th	September 16, 2008	October 22, 2015
2008-09	128th	July 21, 2009	August 27, 2016

Members who have not so far encashed dividend warrant for the aforesaid years are requested to seek issue of duplicate warrant by writing to the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited, immediately. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that it first became due for payment and no payment shall be made in respect of any such claim.

Nomination facility

Individual shareholders holding physical shares can nominate any person/s for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to her/his name in the event of demise of the shareholder concerned. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company or visit the Investor Relations section at our website www.rinfra.com.

Share transfer system

Shareholders / investors are requested to send share transfer

related documents directly to our Registrar and Transfer Agent (RTA) whose address is given elsewhere in this report. The Board has delegated powers to the executives of the Company and RTA to approve transfers/transmission/dematerialisation/rematerialisation. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Odd lot shares scheme for small shareholders

In view of the difficulty experienced by the shareholders of the Company in selling their odd lot shares in the stock market and to mitigate the hardships caused to them, Reliance Anil Dhirubhai Ambani Group has framed a scheme for the purchase and disposal of odd lot equity shares at the prevailing market price. The scheme has been launched and is available to shareholders of Reliance Infrastructure Limited, who hold up to 49 shares in physical form. The shareholders who wish to avail the above facility can contact the Registrar and Transfer Agent of the Company.

Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969)

The following persons constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly, over the Company.

Shri Anil Dhirubhai Ambani, Smt Tina A. Ambani, Smt Kokila D Ambani, Shri Jai Anmol Ambani, Master Jai Anshul Ambani, K D Ambani Trust, Fidelity Shares and Securities Private Limited, Gaylord Investments and Trading Private Limited, Guruvas Textiles Private Limited, Hansdhvani Trading Company Private Limited, KDA Enterprises Private Limited, Shreeji Comtrade LLP, Guruvas Commercials LLP, Shrikrishna Tradecom LLP, Lord Comtrade LLP, Krupa Commercials LLP, Reliance Innoventures Private Limited, AAA Enterprises Private Limited, AAA Communication Private Limited, AAA Project Ventures Private Limited, AAA Power Systems (Global) Private Limited, AAA Pivotal Enterprises Private Limited, AAA Infrastructure Consulting & Engineers Private Limited, AAA Entertainment Private Limited, AAA Industries Private Limited, AAA Communication Partners, AAA Enterprises Partners, AAA Project Ventures Partners, AAA Project Ventures Holdings Partners, RCom Holdings Partners, RCap Holdings Partners, RPower Holdings Partners, RInfra Holdings Partners, Reliance Innoventures Partners, Reliance ADA Group Holdings Partners, AAA Global Ventures Private Limited, AAA Corporate Services Private Limited, AAA & Sons Enterprises Private Limited, AAA International Capital Private Limited, AAA Business Machines Private Limited, AAA Infrastructure Finance Management Private Limited, AAA Corporation Private Limited, AAA Facilities Solutions Private Limited, AAA Cap Advisory Services Private Limited, AAA Finance Management Private Limited, AAA Project Finance Management Private Limited, AAA Financial Services Private Limited, AAA Capital Finance Services Private Limited, AAA Resources Private Limited, AAA Home Entertainment Services Private Limited, AAA Micro Services Private Limited, AAA Integrated Services Private Limited, AAA Electrical Power Development Private Limited, Atlanta Advisory Services Private Limited, AAA Industrial Services Private Limited, Standard Management Services Private Limited, AAA Multi-Technologies Private Limited, AAA Software Technologies Private Limited, AAA Technical Services Private Limited, AAA Utility Ventures Private

Investor Information

Limited, AAA Infoservices Private Limited, AAA Commercial Enterprises Private Limited, Ace Industrial Services Private Limited, Nationwide Communication Private Limited, Relcom Software Solutions Private Limited, Sealink Engineering Services Private Limited, AAA Capital Consultants Private Limited, Aricent Commercial Services Private Limited, AAA Engineering Services Private Limited, Acerock Infrastructure & Consulting Private Limited, Nationwide Networks Technologies Private Limited, Sealink Infra Technology Private Limited, Ambani Enterprises Private Limited, Dhirubhai Ambani Enterprises Private Limited, Quadro Mercantile Private Limited, AAA Multivision Services Private Limited, Whitehills Mercantile Private Limited, Whitehills Corporate Services Private Limited, AAA Cincreation Services Private Limited, Alsoft Techventures Private Limited, AAA Allied Services Private Limited, AAA Advisory Services Private Limited, AAA Infra Advising Services Private Limited, AAA Advertisement Private Limited, Jumbo Mercantile Private Limited, Atlantic Ventures Private Limited, Microtech Development Private Limited, AAA Illuminative Solutions Private Limited, Talenthouse Entertainment Private Limited, ADA Enterprises and Ventures Private Limited, Ambani Industries Private Limited, Ambani International Private Limited, Reliance Limited, Reliance India Private Limited, Reliance Enterprises and Ventures Private Limited, Reliance Big Private Limited, Shreenathji Krupa Project Management Private Limited, Shriji Krupa Endeavour Management Private Limited, Solaris Information Technologies Private Limited, Sevenstar Corporate Services Private Limited, Telecom Infrastructure Finance Private Limited, Trans-Pacific Advisory Services Private Limited, Trans-Americas Holdings

Private Limited, Trans-Atlantic Holdings Private Limited, Dhvani Enterprises LLP, AAA Infrastructure Investments Private Limited, AAA Enterprises and Ventures Private Limited, AAA Telecom Holdings Private Limited, AAA Commercial Enterprises Private Limited, Deltainfra Technology Private Limited, ADAE Global Private Limited, Ikosel Investments Limited, Reliance Anil Dhirubhai Ambani Group (UK) Private Limited, Reliance Anil Dhirubhai Ambani Investments (UK) Limited, Trans-Pacific Holdings Private Limited, Reliance Big Entertainment Private Limited, Big Flicks Private Limited, Big Animation (India) Private Limited, Jump Games Private Limited, ND's Art World Private Limited, Reliance Big Broadcasting Private Limited, Reliance Big News Private Limited, Reliance Entertainment Ventures Private Limited, Zapak Digital Entertainment Limited, Reliance MediaWorks Limited, Digital Media Imaging Limited, Adlabs Distributors and Exhibitors Limited, Big Synergy Media Limited, Reliance Broadcast Network Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, Quant Capital Private Limited, Quant Broking Private Limited, Quant Securities Private Limited, Quant Commodities Private Limited, Quant Commodity Broking Private Limited, Reliance Net Limited, Reliance Land Private Limited, Reliance Communications Limited, Reliance Infratel Limited, Reliance Communications Infrastructure Limited, Reliance Telecom Limited.

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Shareholding Pattern

Sr, No	Category	As on 31.03.2010		As on 31.03.2009	
		No. of shares	%	No. of shares	%
A	Holdings of the Promoter Group				
	AAA Project Ventures Private Limited	10,30,98,937	42.10	8,34,98,937	36.88
	Reliance Innoventures Private Limited	8,64,675	0.35	8,64,675	0.38
	Reliance Capital Limited	1,653	0.00	1,653	0.00
	Hansdhvani Trading Company Private Limited	3	0.00	3	0.00
	Promoter Director and his relatives	6,63,378	0.27	6,63,378	0.29
	Sub-total	10,46,28,646	42.73	8,50,28,646	37.55
B	Non-promoters holdings				
	1 Institutional investors				
a.	Mutual Funds and Unit Trust of India	1,61,27,354	6.59	1,53,62,583	6.78
b.	Banks, Financial Institutions, Insurance Companies, Governments	4,86,74,310	19.88	4,68,01,672	20.68
c.	Foreign Institutional Investors	3,50,20,354	14.30	3,57,59,166	15.79
	Sub-total	9,98,22,018	40.77	9,79,23,421	43.25
	2 Others				
a.	Private Corporate Bodies	86,58,138	3.54	99,69,529	4.40
b.	Indian Public/Others	2,91,77,820	11.92	3,06,07,056	13.52
c.	Non Resident Indians/Overseas Corporate Bodies	16,13,563	0.66	15,12,397	0.67
d.	The Bank of New York (for GDRs)	9,70,077	0.40	13,82,718	0.61
	Sub-total	4,04,19,598	16.51	4,34,71,700	19.20
	Grand total	24,48,70,262	100.00	22,64,23,767	100.00

Note:

- a. On January 20, 2008, the Company had made an allotment of 4,30,00,000 warrants at ₹ 1,822.08 each to the Promoters on a preferential allotment basis. The warrant holders were entitled to apply for and be allotted one equity share of ₹ 10 each at a

Reliance Infrastructure Limited

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premium of ₹ 1,812.08 per share against each warrant at any time on or before July 19, 2009. However, the warrant holders had expressed their intention not to seek conversion of those warrants and consequently those warrants were cancelled.

- b. On July 9, 2009, the Company made an allotment of 4,29,00,000 warrants at ₹ 928.89 each to the Promoters on a preferential allotment basis. The warrant holders are entitled to apply for and be allotted one equity share of ₹ 10 each at a premium of ₹ 918.89 per share against each warrant at any time on or before January 8, 2011. The equity shares to be allotted on exercise of conversion option by the warrant holders will be locked-in for a period of three years from the date of allotment of warrants i.e. July 8, 2012.

Top 10 shareholders as of March 31, 2010

Sr. No.	Name of the Shareholder(s)	No. of Shares	% to total shareholding
1.	AAA Project Ventures Private Limited	10,30,98,937	42.10
2.	Life Insurance Corporation of India	2,21,83,058	9.06
3.	Reliance Capital Trustee Company Limited	87,77,660	3.58
4.	New India Assurance Company Limited	45,03,917	1.84
5.	LIC of India Market Plus - 1	39,44,365	1.61
6.	Oriental Insurance Company Limited	32,32,255	1.32
7.	General Insurance Corporation of India	28,84,303	1.18
8.	Morgan Stanley Mauritius Company Limited	26,24,253	1.07
9.	LIC of India Money Plus	24,73,481	1.01
10	Barclays	23,99,077	0.98

Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2010		Total shares as on 31.03.2010		Number of Shareholders as on 31.03.2009		Total shares as on 31.03.2009	
	Number	%	Number	%	Number	%	Number	%
1 – 500	15,02,398	99.59	2,38,19,907	9.73	15,84,483	99.60	2,48,77,275	10.99
501 – 5,000	5,508	0.37	65,98,174	2.69	5,507	0.35	66,17,037	2.92
5,001 – 1,00,000	564	0.04	1,29,94,669	5.31	560	0.04	1,32,55,845	5.85
1,00,001 and above	155	0.01	20,14,57,512	82.27	143	0.01	18,16,73,610	80.24
Total	15,08,625	100.00	24,48,70,262	100.00	15,90,693	100.00	22,64,23,767	100.00

Investors' grievances attended

Received From	Received during April to March		Redressed during April to March		Pending as on	
	2009-10	2008-09	2009-10	2008-09	31.3.2010	31.3.2009
Securities and Exchange Board of India	29	48	29	48	0	0
Stock Exchanges	15	28	15	28	0	0
NSDL/CDSL	3	8	3	8	0	0
Direct from investors	185	604	185	604	0	0
Total	232	688	232	688	0	0

Analysis of grievances

Particulars	Number		Percentage	
	2009-10	2008-09	2009-10	2008-09
Non-receipt of dividend warrants	168	566	72	82
Non-receipt of share certificates	55	88	24	13
Others	9	34	4	5
Total	232	688	100	100

Notes :

- Investors' queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.
- The queries and grievances received during 2009-10 correspond to 0.015 per cent (Previous Year 0.04 per cent) of the number of members.
- There was no complaint pending as on 31st March, 2010.

Investor Information

Legal proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company is made a party. These cases are however, not material in nature.

Dematerialization of shares

The Company was among the first few companies to admit its shares to the depository system of National Securities Depository Limited (NSDL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE036A01016. The Company was the first to admit its shares and go 'live' on to the depository system of Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by the Securities and Exchange Board of India (SEBI).

Status of dematerialization of shares as of 31.03.2010

Electronic holdings			Physical holdings			Total		
No. of Beneficial Owners	No. of Shares	%	No. of folios	No. of Shares	%	No. of Share holders	No. of shares	%
7,83,352	21,88,12,042	89.36	7,25,273	2,60,58,220	10.64	15,08,625	24,48,70,262	100.00

Equity capital build up

Details of issue of equity shares in the last one decade:

Dates	Particulars of issue / forfeiture	No. of shares	Total No. of shares
01.04.1998	Outstanding Equity Shares		13,77,24,516
29.01.1999	Allotment of equity shares from 15% FCDs which was kept under abeyance ¹	+ 300	13,77,24,816
29.01.1999	Annulment of forfeiture	+ 850	13,77,25,666
28.07.2003	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 49,336	13,77,75,002
07.10.2003	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 49,336	13,78,24,338
07.11.2003	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 1,50,00,399	15,28,24,677
24.02.2004	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 51,00,036	15,79,24,713
23.03.2004	Allotment of shares under preferential issue ³	+ 1,35,80,000	17,15,04,713
24.03.2004	Allotment of shares under preferential issue ³	+ 36,50,000	17,51,54,713
02.04.2004	Allotment of shares under preferential issue ³	+ 91,95,622	18,43,50,335
30.04.2004	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 9,99,009	18,53,49,344
29.07.2004	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 1,97,346	18,55,46,690
13.12.2004	Annulment and re-issue of forfeited shares	+ 25,909	18,55,72,599
13.12.2004	Allotment of equity shares from 15% FCDs which was kept under abeyance ¹	+ 200	18,55,72,799
02.05.2005	Allotment of equity shares against conversion of warrants ⁴	+ 97,50,000	19,53,22,799
21.07.2005	Allotment of shares under preferential issue ⁵	+ 41,84,000	19,95,06,799
05.08.2005	Allotment of equity shares against conversion of warrants ⁴	+ 1,11,228	19,96,18,027
19.08.2005	Allotment of equity shares on conversion of 0.5% FCCBs ²	+ 22,86,224	20,19,04,251
31.03.2006	Allotment of equity shares on conversion of warrants ⁶	+ 1,04,16,000	21,23,20,251
07.08.2006	Allotment of shares to shareholders of Reliance Energy Ventures Limited (REVL) pursuant to the scheme of amalgamation between RInfra and REVL	+ 9,17,34,781	30,40,55,032
07.08.2006	Shares held by REVL in the Company extinguished pursuant to the scheme of amalgamation between RInfra and REVL in the ratio of 15 shares of RInfra for 200 shares of REVL	- 9,09,24,724	21,31,30,308
30.01.2007	Allotment of shares on conversion of warrants ⁶	+ 1,54,00,000	22,85,30,308
	Allotment of shares on conversion of FCCBs ⁷	+ 79,99,954	23,65,30,262
	Extinguishment of shares consequent to Buy-back ^{8 & 9}	- 1,12,60,000	22,52,70,262
31.03.2010	Allotment of shares on conversion of warrants	+1,96,00,000	24,48,70,262

Reliance Infrastructure Limited

Investor Information

Dates	No. of shares	Total No. of shares	Dates	No. of shares	Total No. of shares
⁷ Allotment of shares on conversion of FCCBs			13.06.2008	- 10,03,002	23,24,70,262
15.10.2007	+ 5,59,139	22,90,89,447	28.06.2008	- 500,000	23,19,70,262
05.11.2007	+ 39,48,900	23,30,38,347	12.07.2008	- 11,00,000	23,08,70,262
19.11.2007	+ 10,71,553	23,41,09,900	04.11.2008	- 300,000	23,05,70,262
26.11.2007	+ 5,85,423	23,46,95,323	07.11.2008	- 491,834	23,00,78,428
01.12.2007	+ 4,61,870	23,51,57,193	15.11.2008	- 807,464	22,92,70,964
11.12.2007	+ 7,07,856	23,58,65,049	21.11.2008	- 400,702	22,88,70,262
15.12.2007	+ 3,87,512	23,62,52,561	05.12.2008	- 400,000	22,84,70,262
31.12.2007	+ 2,50,295	23,65,02,856	12.12.2008	- 200,000	22,82,70,262
22.01.2008	+ 449	23,65,03,305	20.12.2008	- 500,000	22,77,70,262
04.02.2008	+ 26,957	23,65,30,262			
⁸ Extinguishment of shares consequent to Buy-back (Board approval)			⁹ Extinguishment of shares consequent to Buy-back (Shareholders approval)		
01.04.2008	- 249,070	23,62,81,192	07.03.2009	- 400,000	22,73,70,262
04.04.2008	- 580,670	23,57,00,522	13.03.2009	- 530,968	22,68,39,294
11.04.2008	- 950,260	23,47,50,262	20.03.2009	- 315,527	22,65,23,767
22.04.2008	- 258,551	23,44,91,711	27.03.2009	- 100,000	22,64,23,767
08.05.2008	- 399,784	23,40,91,927	03.04.2009	- 398,173	22,60,25,594
09.05.2008	- 44,643	23,40,47,284	10.04.2009	- 429,904	22,55,95,690
16.05.2008	- 374,020	23,36,73,264	14.04.2009	- 325,428	22,52,70,262
30.05.2008	- 200,000	23,34,73,264			

Notes:

- Allotment of these shares was kept in abeyance to meet contingencies arising out of shares held by notified persons, pending court cases, etc. and the allotments were made upon orders passed by courts/with the approval of stock exchanges.
- Equity Shares were allotted on conversion of 0.5 per cent Foreign Currency Convertible Bonds (FCCBs). These FCCBs were convertible into Equity Shares at a pre-determined price of ₹ 245 from September 25, 2002 to September 25, 2007 at pre-determined exchange rate of US\$ 1 = ₹ 48.35. The entire outstanding 0.5 per cent FCCBs were converted into equity shares during the year 2005-06.
- Issued at ₹ 640 per share.
- Warrants converted into Equity Shares at a price of ₹ 640 per share.
- Issued at ₹ 573 per share.
- Warrants converted into Equity Shares at a price of ₹ 573 per share.
- Equity Shares were allotted on conversion of zero coupon FCCBs. These FCCBs were converted into Equity Shares at a pre-determined price of ₹ 1,006.92 from October 15, 2007 to February 4, 2008 at a pre-determined exchange rate of US\$1 = ₹ 45.24.
- Pursuant to the approval of the Board of Directors of the Company, the Company announced buy-back of its shares from March 5, 2008 and bought- back 87,60,000 equity shares up to February 6, 2009.
- Pursuant to the approval of the shareholders of the Company, the Company announced buy-back of its shares from February 25, 2009 and bought- back 25,00,000 equity shares up to April 16, 2009.

On July 9, 2009, the Company made an allotment of 4,29,00,000 warrants at ₹ 928.89 each to the Promoters on a preferential allotment basis. The warrant holders are entitled to apply for and be allotted one equity share of ₹ 10 each at a premium of ₹ 918.89 per share against each warrant at any time on or before January 8, 2011. Out of 4,29,00,000 warrants, the warrant holder exercised their option to convert 1,96,00,000 warrants into 1,96,00,000 equity shares on 31.03.2010. After conversion, the 2,33,00,000 warrants remained outstanding as on 31.03.2010.

Investor Information

Stock Exchange listings

The Company is an actively traded scrip on the bourses and is included in 'A' group of scrips on the Bombay Stock Exchange Limited.

A. Stock Exchanges on which the shares of the Company are listed

1. National Stock Exchange of India Limited (NSE)

Exchange Plaza,
Plot No C /1, G Block,
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Telephone : + 91 22 2659 8235/8236/8100-8114
Fax : + 91 22 2659 8237/38
e-mail : cmlist@nse.co.in
Website : www.nseindia.com

2. Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001
Telephone : + 91 22 2272 1233 / 34
Fax : + 91 22 2272 2037/39/41/61
e-mail : corp.relations@bseindia.com
Website : www.bseindia.com

B. Stock Exchange on which the GDRs are listed

The London Stock Exchange (LSE)
10, Paternoster Square, London EC4M 7 LS
United Kingdom
Telephone : 0044-020-7797 1000
Fax : 0044-020-7334 8954
e-mail : irinfo@londonstockexchange.com
Website : www.londonstockexchange.com
The listing fees payable to BSE and NSE for 2010-11 and to LSE for 2000-10 have been paid in full by the Company

C. Depository for GDR holders

1. Depository

The Bank of New York
Express Towers, 13th Floor
Nariman Point,
Mumbai 400 021
Tel: +91 22 2202 2936
Fax: + 91 22 2204 4942

The Bank of New York
101 Barclay Street 22nd Floor
West New York NY 10286
Telephone: (212) 815 3882
Fax: (212) 571 3050

2. Custodian

ICICI Bank Limited
Securities Marke Services
Empire Complex
F7/E7 1st Floor,
417 S B Marg,
Lower Parel,
Mumbai 400 013
Tel: +91 22 6667 2026
Fax: +91 22 6667 2740

D. Debt Securities

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

Debenture Trustees

Axis Bank Limited
Maker Tower F, 13th Floor
Cuffe Parade, Colaba
Mumbai 400 005

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R Kamani Marg
Ballard Estate
Mumbai 400 023

Stock codes

	Physical	Electronic
BSE (Equity shares)	500390	INE036A01016
NSE (Equity shares)	RELINFRA	INE036A01016

Security codes of GDRs

	Master Rule 144A GDRs	Master Regulation S GDRs
CUSIP	75945E109	Y09789119
ISIN	US75945E1091	USY097891193
Common Code	6099853	6099853

GDRs

GDRs of the Company are traded on the electronic screen based quotation system, the SEAQ (Securities Exchange Automated Quotation) International, on the portal system of the NASDAQ of U.S.A. and also over the counter at London, New York and Hong Kong.

Outstanding GDRs / warrants

Outstanding GDRs as on March 31, 2010 represents 9,70,077 equity shares constituting 0.40 per cent of the paid-up equity share capital of the Company. The Company had on July 9, 2009 allotted 4,29,00,000 warrants of ₹ 928.89 (including a premium of ₹ 918.89) each on preferential basis to one of the promoter companies, AAA Project Ventures Private Limited. The warrants are convertible into equity shares of ₹ 10 each at a premium of ₹ 918.89 per equity share on or before January 8, 2011. Out of 4,29,00,000 warrants, the warrant holder exercised their option to convert 1,96,00,000 warrants into 1,96,00,000 equity shares on 31.03.2010. After conversion, 2,33,00,000 warrants remained outstanding as on 31.03.2010.

An Index Scrip : Equity shares of the Company are included in BSE-30, BSE-100, BSE-200, BSE-500, BSE-Dollax, BSE-Power, CNX Infrastructure, CNX Service Sector, S&P CNX 500, S&P CNX Nifty Index, S&P CNX Defty.

Reliance Infrastructure Limited

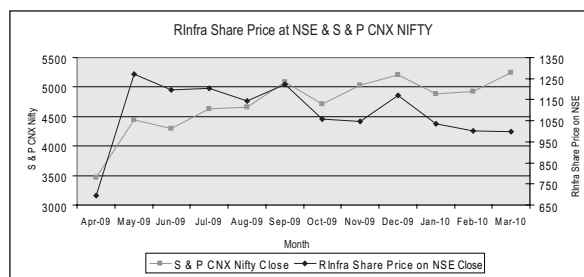
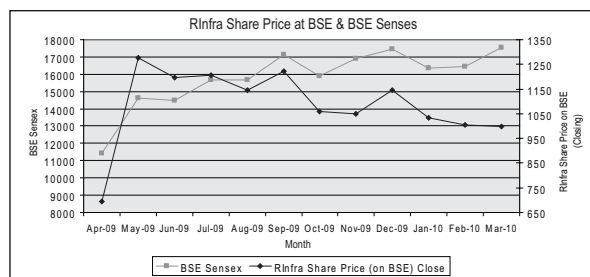
Investor Information

Stock Price and Volume

Monthly high and low quotations as also the volume of shares traded on Mumbai and National Stock Exchanges with monthly high and low quotations of GDRs								
2009-2010	BSE			NSE			GDRs	
	Highest ₹	Lowest ₹	Volume Nos.	Highest ₹	Lowest ₹	Volume Nos.	Highest US \$	Lowest US\$
April	750.95	507.35	4,89,08,042	751.50	507.20	137,466,764	44.60	32.52
May	1,321.00	705.25	3,42,29,495	1,322.90	715.95	94,298,834	81.04	41.68
June	1,373.70	1098.00	2,29,01,971	1,368.70	1095.35	67,380,512	83.16	70.85
July	1,346.55	951.60	2,80,78,440	1,346.95	951.00	85,159,000	78.38	58.94
August	1,243.80	1,068.50	1,42,37,648	1,242.00	1,067.40	4,81,59,420	76.96	66.49
September	1,261.85	1,105.00	89,39,241	1,261.00	1,108.10	31,251,182	77.92	68.61
October	1,404.45	1,048.00	1,08,92,342	1,404.50	1,045.00	3,62,85,261	87.63	67.48
November	1,197.80	980.00	1,20,94,082	1,200.00	975.00	4,38,18,490	77.02	62.74
December	1,163.00	1,021.50	79,53,797	1,163.20	988.00	2,96,89,253	73.93	65.76
January	1,225.00	993.25	65,23,912	1,198.00	991.30	2,35,52,320	77.35	66.81
February	1,080.00	952.50	5,415,445	1,081.00	950.10	20,960,987	68.72	61.97
March	1,050.00	968.70	5,828,860	1,121.50	950.15	25,241,237	68.22	64.20

Issue Price per GDR US\$ 14.40. Each GDR represents 3 Equity Shares. 1US\$ = ₹ 44.90 as on 31st March, 2010

Share Price Performance in comparison with broad based indices - Sensex (BSE) and Nifty (NSE)



Depository services

For guidance on depository services, shareholders may write to the Registrar and Transfer Agent (RTA) of the Company or National Securities Depository Limited, Trade World, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Telephone : +91 22 24994200, Fax: +91 22 24972993/24976351, e-mail : info@nsdl.co.in, website: www.nsdl.co.in or Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400 001 Telephone: +91 22 2272 3333 Fax: +91 22 22723199/2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com

Communication to members

The quarterly financial results of the Company are normally announced within 45 days of the end of the respective quarter. The Company's media releases and details of significant developments are also made available on the website. These are published in leading newspapers, in addition to hosting them on the company's website: www.rinfra.com

Policy on insider trading

The Company has formulated a code of conduct for prevention of insider trading (RInfra Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Board has appointed Shri Ramesh Shenoy, Company Secretary, as the Compliance Officer under the RInfra code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct under the overall supervision of the Board. The RInfra code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider or by any other company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The RInfra code is available on the Company's website.

Investor Information

Secretarial audit for reconciliation of capital

The Securities and Exchange Board of India has directed by circular No.D&CC/ FITTC/CIR-16/2002 dated December 31, 2002 read with CIR/MRD/DP/30/W dated September 6, 2010 that all issuer companies shall submit a certificate of reconciliation share capital Audit, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital. In compliance with this requirement, the Company has submitted certificates, duly certified by a qualified Chartered Accountant, to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Permanent Account Number

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Key Financial Reporting Dates for the year 2010-11

Unaudited results for the third quarter ending December 31, 2010 : On or before February 14, 2011
Audited results for the financial year 2010-11 : On or before May 31, 2011

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

Shri Madhukar Moolwaney
Sr Executive Vice-President
(Accounts & Finance)
Reliance Infrastructure Limited
Reliance Energy Centre
Santa Cruz (East)
Mumbai 400 055
Telephone: +91 22 3009 9430
Fax: +91 22 3009 9741
madhukar.moolwaney@relianceada.com

Correspondence on investor services may be addressed to the compliance officer :

Shri Ramesh Shenoy
Sr Executive Vice President and
Company Secretary
Reliance Infrastructure Limited
H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
Telephone: +91 22 3038 6290
Fax: +91 22 3037 6633
ramesh.shenoy@relianceada.com

Power Stations

Dahanu Power Plant

BSES Nagar
Dahanu Road 401 602
Thane District
Maharashtra

Samalkot Power Plant

Industrial Devp. Area
Pedapuram
Samalkot 533 440
Andhra Pradesh

Goa Power Plant

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

Wind Farm

Near Aimangala
577 558
Chitradurga District
Karnataka

Reliance Infrastructure Limited

Auditors' Report on Financial Statements

To the Members of Reliance Infrastructure Limited

1. We have audited the attached Balance Sheet of Reliance Infrastructure Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place : Mumbai
Date : November 22, 2010

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Financial Statements for the year ended March 31, 2010

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. However, we are informed that distribution system being underground is not physically verifiable.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year. Also refer Note 12 on Schedule 16 of the financial statements regarding Scheme of Restructuring.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has granted unsecured loans, to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 18.30 Crore and Rs. 9.36 Crore, respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of Reliance Infrastructure Limited on the Financial Statements for the year ended March 31, 2010

- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.Crore)	Period to which the amount relates	Forum where the dispute is pending
Works Contract Act, 1999	Works Contract Tax	0.05	2004-05	Deputy Commissioner (Appeal IV) of Sales Tax, New Delhi
Orissa Sales Tax Act, 1947	Sales Tax	3.16	2000-02	Orissa High Court
Finance Act, 1994	Service Tax	2.71	2004-06	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	391.41	2001-02, 2003-04 and 2006-07	Bombay High Court
Income Tax Act, 1961	Income Tax	66.83	1978-79, 1998-99, 1999-00, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06	Bombay High Court
Income Tax Act, 1961	Income Tax	1.56	1996-97	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.02	1999-00	Income Tax Appellate Tribunal, Hyderabad

10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has made preferential allotment of shares / warrants to a company covered in the register maintained under Section 301 of the Act during the year. In our opinion and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the Company.
19. The Company has created security or charge in respect of debentures issued and outstanding at the year-end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management except in case of theft of electricity reported by the vigilance department of the Company, the amount for which is not ascertainable.

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place : Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rs Crore	Rs Crore	Rs Crore	Rs Crore
I. Sources of Funds					
(1) Shareholders' Funds					
(a) Share Capital	1	244.92		226.07	
(b) Equity Share Warrants (Refer Note 22)		541.08		783.49	
(c) Reserves and Surplus	2	<u>14,366.19</u>		<u>10,897.88</u>	
			15,152.19		11,907.44
(2) Loan Funds					
(a) Secured Loans	3	1,475.00		1,848.33	
(b) Unsecured Loans	4	<u>2,639.90</u>		<u>5,483.85</u>	
			4,114.90		7,332.18
(3) Deferred Tax Liability (net) (Refer Note 9)			157.71		193.95
			<u>19,424.80</u>		<u>19,433.57</u>
II. Application of Funds					
(1) Fixed Assets	5				
(a) Gross Block		7,428.27		6,922.69	
(b) Less: Depreciation		<u>3,951.13</u>		<u>3,582.52</u>	
(c) Net Block		<u>3,477.14</u>		<u>3,340.17</u>	
(d) Capital Work-in-Progress		<u>602.27</u>		<u>564.42</u>	
			4,079.41		3,904.59
(2) Investments	6		10,019.57		12,147.10
(3) Current Assets, Loans and Advances	7				
(A) Current Assets					
(a) Inventories		269.15		440.68	
(b) Sundry Debtors		1,742.93		1,523.33	
(c) Cash and Bank Balances		301.82		251.01	
(d) Other Current Assets		1,421.26		1,012.05	
(B) Loans and Advances		<u>8,219.37</u>		<u>5,576.56</u>	
		<u>11,954.53</u>		<u>8,803.63</u>	
Less: Current Liabilities and Provisions	8				
(A) Current Liabilities		5,646.72		4,655.50	
(B) Provisions		<u>981.99</u>		<u>766.25</u>	
		<u>6,628.71</u>		<u>5,421.75</u>	
Net Current Assets			5,325.82		3,381.88
			<u>19,424.80</u>		<u>19,433.57</u>
Notes forming part of the Financial Statements	16				

As per our attached Report of even date

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place: Mumbai
Date : November 22, 2010

For and on behalf of the Board

Anil D Ambani
Satish Seth
S C Gupta
Lalit Jalan
Gen V P Malik
Dr Leena Srivastava
S L Rao

Chairman
Vice Chairman
Director (Operations)
Whole-time Director

} Directors

Ramesh Shenoy

Company Secretary

Place: Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

Profit and Loss Account for the year ended March 31, 2010

		Year ended March 31, 2010		Year ended March 31, 2009	
	Schedule	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Income					
Revenue from Electricity Business (Refer Note 11)		6,392.59		7,203.40	
Less: Discount for prompt payment of bills		24.83		20.30	
		6,367.76		7,183.10	
Revenue from EPC and Contracts Business	9	3,521.92		2,513.43	
Other Income	10	1,018.38		1,262.26	
		10,908.06		10,958.79	
Expenditure					
Cost of Electrical Energy purchased (Net)		3,321.94		4,253.99	
Cost of Fuel		1,219.83		1,166.78	
Tax on Sale of Electricity		154.13		152.96	
Generation, Distribution, Administration and Other Expenses	11	1,040.68		1,277.02	
Expenditure of EPC and Contracts Business	12	3,262.49		2,339.23	
Interest and Finance Charges	13	292.21		330.50	
Depreciation / Amortisation		381.76		306.56	
Less: Transferred from Revaluation Reserve (Refer Note 15)		53.90		53.95	
Less: Transferred from Service Line Contribution		8.02		7.73	
		319.84		244.88	
		9,611.12		9,765.36	
Profit before Taxation					
		1,296.94		1,193.43	
Profit from continuing operations before Taxation (Refer Note 12)		696.50		525.52	
Provision for Current Tax (including Fringe Benefit Tax)		150.11		79.98	
Deferred Tax (net)		9.36		(43.95)	
Tax adjustments for earlier years (net)		(98.04)		(72.34)	
Profit from continuing operations after Taxation		635.07		561.83	
Profit from discontinuing operations before Taxation (Refer Note 12)		600.44		667.91	
Provision for Current Tax (including Fringe Benefit Tax)		129.42		101.47	
Deferred Tax (net)		(45.60)		(10.61)	
Profit from discontinuing operations after Taxation		516.62		577.05	
Profit after Tax					
		1,151.69		1,138.88	
Balance of Profit brought over from previous year		683.20		703.76	
Balance of Profit transferred on Amalgamation		-		71.10	
		1,834.89		1,913.74	
Less : Statutory Reserves and other Appropriations	14	16.96		14.55	
Amount available for distribution and Appropriations					
		1,817.93		1,899.19	
Appropriations					
Interim / Proposed Final Dividend on Equity Shares		173.86		157.69	
Dividend on Equity Shares (including Tax on Dividend) for previous year		-		(1.85)	
Corporate Tax on dividends (net)		9.78		26.80	
Transfer to Debenture Redemption Reserve		35.83		33.35	
Transfer to General Reserve		1,000.00		1,000.00	
Balance carried to Balance Sheet		598.46		683.20	
		1,817.93		1,899.19	
Earnings per Equity Share (Face Value of Rs.10 per share)	15				
Basic		Rupees 51.11		Rupees 49.45	
Diluted		50.32		48.54	
Notes forming part of the Financial Statements	16				

As per our attached Report of even date

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

For and on behalf of the Board

Anil D Ambani
Satish Seth
S C Gupta
Lalit Jalan
Gen V P Malik
Dr Leena Srivastava
S L Rao

Chairman
Vice Chairman
Director (Operations)
Whole-time Director

Directors

Company Secretary

Place: Mumbai
Date : November 22, 2010

Place: Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

		As at March 31, 2010	As at March 31, 2009
		Rs. Crore	Rs. Crore
Schedule 1 - Share Capital			
(a) Authorised -			
35,00,00,000	(35,00,00,000) Equity Shares of Rs.10 each	350.00	350.00
80,00,000	(80,00,000) Equity Shares of Rs.10 each with differential rights	8.00	8.00
155,00,00,000	(155,00,00,000) Redeemable Preference Shares of Rs 10 each	1,550.00	1,550.00
4,20,00,000	(4,20,00,000) Unclassified Shares of Rs.10 each	42.00	42.00
		<u>1,950.00</u>	<u>1,950.00</u>
(b) Issued -			
22,84,25,832	(23,79,80,827) Equity Shares of Rs.10 each	228.43	237.98
	Add: 1,96,00,000 (NIL) Equity Shares on conversion of warrants (Refer Note 22)	19.60	-
	Less : 7,53,505 (95,54,995) Shares bought back (Refer Note 21)	0.75	9.55
		<u>247.28</u>	<u>228.43</u>
(c) Subscribed and Paid-up -			
22,60,23,767	(23,55,78,762) Equity Shares of Rs.10 each fully paid up	226.03	235.58
	Add: 1,96,00,000 (NIL) Equity Shares on conversion of warrants (Refer Note 22)	19.60	-
	Add: Forfeited Shares - Amounts originally paid up	0.04	0.04
		245.67	235.62
	Less : 7,53,505 (95,54,995) Shares bought back (Refer Note 21)	0.75	9.55
		<u>244.92</u>	<u>226.07</u>
Of the above Equity Shares -			
(i)	1,38,400 Shares were allotted as fully paid up pursuant to a contract without payment being received in cash		
(ii)	80,96,070 Shares were allotted as fully paid up Bonus Shares by capitalisation of Rs.0.02 crore from Securities Premium Account and Rs. 8.08 crore from General Reserve		
(iii)	8,36,790 Shares were allotted on conversion of 7% `B' Class Convertible Debentures		
(iv)	56,100 Shares were allotted on conversion of 8.5% `F' Class Convertible Debentures		
(v)	4,59,92,760 Shares were allotted on conversion of 12.5% Fully Convertible Debentures		
(vi)	5,39,87,736 Shares were allotted on conversion of 15% Fully Convertible Debentures		
(vii)	2,60,41,650 Shares were issued by way of Global Depository Receipts (GDR) through an international offering in U.S.Dollars. [Out of which outstanding GDRs as at March 31, 2010 - 3,23,359 (4,60,906)]		
(viii)	3,16,81,580 Shares were issued by way of GDRs on conversion of Foreign Currency Convertible Bonds (FCCB)		
(ix)	8,58,86,850 (6,62,86,850) Shares were issued on preferential allotment of equity / warrants.		
(x)	8,10,057 Shares were issued on Merger with Reliance Energy Ventures Limited		
(xi)	1,12,60,000 (1,05,06,495) Shares were bought back (Refer Note 21)		

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 2 - Reserves and Surplus				
(a) Capital Reserves -				
1. Capital Reserve:				
Balance as per last Balance Sheet	-		-	
Add: Transfer on Forfeiture of Equity Share Warrants (Refer Note 22)	<u>783.49</u>		<u>-</u>	
		783.49		-
2. Service Line Contributions:				
Balance as per last Balance Sheet (net)	106.78		100.41	
Add : Contributions / Refunds (net)	20.07		14.10	
Less: Transfer to Profit and Loss Account	<u>8.02</u>		<u>7.73</u>	
		118.83		106.78
3. Sale proceeds of Fractional Equity Shares Certificates and Dividends thereon @ [Rs. 37,953 (Rs. 37,953)]		@		@
(b) Capital Redemption Reserve -				
Balance as per last Balance Sheet	124.84		115.29	
Add : Transferred from General Reserve (Refer Note 21)	<u>0.75</u>		<u>9.55</u>	
		125.59		124.84
(c) Securities Premium Account -				
Balance as per last Balance Sheet	5,224.82		5,974.55	
Add: Premium received on Issue of Shares (Refer Note 22)	1,801.02		-	
Less: Premium on Equity Shares bought back (Refer Note 21)	<u>42.40</u>		<u>749.73</u>	
		6,983.44		5,224.82
(d) Revaluation Reserve -				
On Revaluation of Fixed Assets (Refer Note 15)	589.74		643.69	
Less: Transfer to Profit and Loss Account (Refer Note 15)	<u>53.90</u>		<u>53.95</u>	
		535.84		589.74
(e) Statutory Reserves -				
1. Contingencies Reserve:				
Balance as per last Balance Sheet	114.73		100.18	
Add: Transfer from Profit and Loss Account	<u>16.96</u>		<u>14.55</u>	
		131.69		114.73
2. Development Reserve Account No.1 (Represents Development Rebate Reserve admissible under the Income-tax Act)		1.69		1.69
3. Development Reserve Account No.2 (Represents Investment Allowance Reserve admissible under the Income-tax Act)		18.97		18.97
4. Debt Redemption Reserve		<u>2.30</u>		<u>2.30</u>
Carried Forward		8,701.84		6,183.87

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 2 – Reserves and Surplus (Continued)				
Brought Forward		8,701.84		6,183.87
(f) Other Reserves –				
1. Debenture Redemption Reserve				
Balance as per last Balance Sheet		169.51	136.16	
Add: Transfer from Profit and Loss Account		35.83	33.35	
Less: Transfer to General Reserve		86.85	-	
		118.49		169.51
2. Rural Electrification Scheme Reserve		0.11		0.11
3. Reserve to augment production facilities		0.04		0.04
4. Reserve for Power Project		100.00		100.00
5. Development Reserve Account No. 3		140.88		140.88
6. Conversion Reserve		563.45		563.45
(g) General Reserve –				
Balance as per last Balance Sheet		3,056.82	2,066.37	
Add: Transfer from Debenture Redemption Reserve		86.85	-	
Add: Transfer from Profit and Loss Account		1,000.00	1,000.00	
		4,143.67	3,066.37	
Less: Transfer to Capital Redemption Reserve (Refer Note 21)		0.75	9.55	
		4,142.92		3,056.82
(h) Profit and Loss Account		598.46		683.20
		14,366.19		10,897.88
Schedule 3 – Secured Loans				
Debentures				
6.35% – 25,000 (25,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) (Refer Note (a) below)		250.00		250.00
6.70% – 12,500 (12,500) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on August 19, 2018) (Refer Note (a) below)		125.00		125.00
5.95% – 10,000 (10,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) (Refer Note (a) below)		100.00		100.00
5.60% – 15,000 (15,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) (Refer Note (a) below)		150.00		150.00
11.55% – 8,500 (8,500) Non Convertible Debentures of the face value of Rs. 10 lakh each (Redeemable in 3 equal instalments on February 24, 2017, February 24, 2018 and February 24, 2019) (Refer Note (a) below)		850.00		850.00
Loan from Banks				
Working Capital Loans (Refer Note (b) below)		-		373.33
		1,475.00		1,848.33
Security:				
(a) Non Convertible Debentures are secured on Company's certain fixed assets, present and future, by way of a first charge, ranking pari passu with the charges created in favour of the Company's existing and proposed lenders.				
(b) Working capital loans are secured by way of first charge on hypothecated stock book debts and other current assets and lien on mutual fund units of the Company.				
Schedule 4 – Unsecured Loans				
Short Term Loans – From Banks *		350.00		1,629.13
Other Loans – External Commercial Borrowings *		2,289.90		3,854.72
		2,639.90		5,483.85

* Repayable within next 12 months Rs. 350 Crore (Rs. 2,897.13 Crore)

Schedules Annexed to and forming part of the Financial Statements

Schedule 5 – Fixed Assets

Particulars	Gross Block (At Cost)			Depreciation		Net Block		
	As at April 1, 2009	Additions during the year	Deductions/ Adjustments March 31, 2010	Upto April 1, 2009	For the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
(A) Intangible Assets								
Softwares	28.58	4.82	-	19.78	5.09	-	8.53	8.80
(B) Tangible Assets								
Freehold Land	52.99	0.37	-	-	-	-	53.36	52.99
Leasehold Land	18.70	-	-	4.48	0.40	-	13.82	14.22
Buildings and Roads	381.37	28.48	1.71	91.85	9.81	0.44	306.92	289.52
Railway Siding	51.64	-	-	40.95	2.00	-	8.69	10.70
Plant and Machinery	4,851.52	233.02	11.33	2,829.08	278.38	10.51	1,976.26	2,022.45
Distribution Systems	1,373.16	228.08	-	505.66	70.29	-	1,025.29	867.51
Furniture and Fixtures, Computers and Office Equipments	101.41	13.36	0.70	59.35	10.88	0.57	44.41	42.06
Vehicles	31.15	7.81	1.98	15.94	3.16	1.09	18.97	15.21
Electrical Fittings and Apparatus	26.18	5.32	0.76	12.84	1.45	0.52	16.97	13.34
Refrigerators and Domestic Appliances	5.99	0.82	0.02	2.59	0.30	0.02	3.92	3.40
Total (A + B)	6,922.69	522.08	16.50	3,582.52	381.76	13.15	3,477.14	3,340.17
Previous Year	6,396.14	588.30	61.75	3,328.56	306.56	52.60	602.27	564.42
(C) Capital Work in Progress (including Capital advances Rs. 64.11 crore (Rs. 75.55 crore))							4,079.41	3,904.59
TOTAL (A) + (B) + (C)								

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Schedule 6 - Investments (Non-trade)

	No of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
(A) Long Term Investments						
(a) Contingencies Reserve Investments						
Quoted						
6.85% India Infrastructure Finance Company Limited -Tax Free Bonds, 2014	8,586	100,000	85.86		80.86	
[Market Value Rs. 91.01 Crore (Rs. 80.86 Crore)]	(8,086)					
11.50% Central Government of India, 2011A*	532,000	100	5.57		5.65	
5.87% Central Government of India, 2010*	-	100	-		5.00	
	(500,000)					
7.46% Central Government of India, 2017*	500,000	100	5.35		5.40	
7.40% Central Government of India, 2012*	1,694,600	100	17.55		17.83	
*[Aggregate Market Value Rs. 28.14 Crore (Rs. 33.70 Crore)]				114.33		114.74
(b) Others in Equity Shares						
(Fully Paid-up, unless otherwise stated)						
i) Subsidiary Companies						
Unquoted						
Reliance Infraprojects Limited	502,100,000	10	502.10		502.10	
Reliance Power Transmission Limited	50,000	10	0.05		0.05	
Reliance Infraventures Limited	502,110,000	10	502.11		502.11	
BSES Kerala Power Limited	127,760,000	10	147.81		147.81	
Noida Global SEZ Private Limited	5,100	10	0.01		0.01	
Mumbai Metro One Private Limited [138,000,000 equity shares Rs. 7.50 paid-up]	207,006,900	10	172.51		172.51	
Reliance Energy Trading Limited [100,000 equity shares allotted during the year]	20,650,000 (20,550,000)	10	30.55		20.55	
Parbati Koldam Transmission Company Limited [4,440,000 equity shares allotted during the year]	9,657,000 (5,217,000)	10	9.66		5.22	
Delhi Airport Metro Express Private Limited	9,500	10	0.01		0.01	
DS Toll Road Limited	5,210,000	10	5.21		5.21	
NK Toll Road Limited	4,477,000	10	4.48		4.48	
TK Toll Road Private Limited [5,663,000 equity shares allotted during the year]	11,405,000 (5,742,000)	10	11.41		5.74	
TD Toll Road Private Limited [5,311,000 equity shares allotted during the year]	9,768,000 (4,457,000)	10	9.77		4.46	
SU Toll Road Private Limited [8,041,000 equity shares allotted during the year]	16,454,000 (8,413,000)	10	16.45		8.41	
GF Toll Road Private Limited	10,000	10	0.01		0.01	
CBD Tower Private Limited	163,696,154	10	163.70		163.70	
Tulip Realtech Private Limited	10,000	10	0.01		0.01	
Reliance Property Developers Limited	50,000	10	0.05		0.05	
Reliance Energy Limited	500,000	10	0.50		0.50	
Reliance Energy Generation Limited	50,000	10	0.05		0.05	
Reliance Cementation Limited * [22,110,000 equity shares purchased during the year]	22,110,000	10	53.78		-	
KM Toll Road Private Limited * [10,000 equity shares allotted during the year]	10,000	10	0.01		-	
PS Toll Road Private Limited * [7,400 equity shares allotted during the year]	7,400	10	0.01		-	
				1,630.25		1,542.99
* Subsidiary relationship during the year						
Carried Forward				1,744.58		1,657.73

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Schedule 6 - Investments (Non-trade)

	No of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Brought Forward				1,744.58		1,657.73
ii) Associate Companies						
Quoted						
Reliance Power Limited	1,077,500,000	10	1,720.00		1,720.00	
[Market Value Rs.16,103.24 Crore (Rs.11,028.21 Crore)]						
Unquoted						
Reliance Infrastructure Engineers Private Limited [10,000,000 equity shares allotted during the year]	10,005,000 (5,000)	10	10.01		0.01	
Reliance Infrastructure and Consultants Limited	10,291,700	10	10.29		10.29	
Urthing Sobla Hydro Power Private Limited @ Cost Rs. 20,000	2,000	10	@		@	
Baramati Airport Private Limited * @ Cost Rs. 26,000 [2,600 equity shares allotted during the year]	2,600	10	@		-	
Latur Airport Private Limited * @ Cost Rs. 26,000 [2,600 equity shares allotted during the year]	2,600	10	@		-	
Nanded Airport Private Limited * @ Cost Rs. 26,000 [2,600 equity shares allotted during the year]	2,600	10	@		-	
Osmanabad Airport Private Limited * @ Cost Rs. 26,000 [2,600 equity shares allotted during the year]	2,600	10	@		-	
Yavatmal Airport Private Limited * @ Cost Rs. 26,000 [2,600 equity shares allotted during the year]	2,600	10	@		-	
JR Toll Road Limited @ Cost Rs. 48,000 [4,800 equity shares allotted during the year]	4,800	10	@		-	
Mumbai Metro Transport Private Limited [24,000 equity shares allotted during the year]	24,000	10	0.02		-	
Metro One Operation Private Limited @ Cost Rs.30,000 [3,000 equity shares allotted during the year]	3,000	10	@		-	
* The Balance equity stake is held by another subsidiary Reliance Property Developers Limited				1,740.32		1,730.30
iii) Joint Ventures						
Unquoted						
BSES Rajdhani Power Limited	225,400,000	10	225.40		225.40	
BSES Yamuna Power Limited	56,840,000	10	56.84		56.84	
Tamil Nadu Industries Captive Power Company Limited [Rs.5.35 paid up]	23,000,000	10	-		-	
Utility Powertech Limited	792,000	10	0.40		0.40	
				282.64		282.64
iv) Other Companies						
Unquoted						
Western Electricity Supply Company of Orissa Limited (WESCO) @ Cost Rs. 1,000	100	10	@		@	
North Eastern Electricity Supply Company of Orissa Limited (NESCO) @ Cost Rs. 1,000	100	10	@		@	
Southern Electricity Supply Company of Orissa Limited (SOUTHCO) @ Cost Rs. 1,000	100	10	@		@	
Sonata Investments Limited	409,795	10	0.41		0.41	
Carried Forward			0.41		0.41	
Carried Forward				3,767.54		3,670.67

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Schedule 6 - Investments (Non-trade)

	No of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Brought Forward				3,767.54		3,670.67
Brought Forward			0.41		0.41	
Tech Reliance Private Limited @ Cost Rs.10,000	1,000	10	@		@	
Indian Energy Exchange Limited	1,250,000	10	1.25		1.25	
Reliance Infra Projects International Limited *(USD 1)	10,000	*	0.04		0.04	
Rampia Coal Mine and Energy Private Limited [5,217,432 equity shares allotted during the year]	10,434,864 (5,217,432)	1	1.04		0.52	
Larimar Holdings Limited *(USD 1), @ Cost Rs. 4,909	111	*	@		@	
				2.74		2.22
(c) Preference Shares (Fully paid-up, Unquoted)						
(i) 8% Cumulative Non-Convertible Redeemable Preference Shares						
Reliance Infra Projects International Limited * (USD 1) [62,420 preference shares redeemed during the year]	519,080 (581,500)	*		2,330.68		2,949.37
(ii) 0% Convertible Preference Shares						
Larimar Holdings Limited * (USD 1)	20,045,000	*		88.64		88.64
(d) Sub-ordinate Debts						
DS Toll Road Limited				46.80		46.80
NK Toll Road Limited				40.29		40.29
TK Toll Road Private Limited				120.83		51.59
TD Toll Road Private Limited				96.71		40.52
SU Toll Road Private Limited				166.99		75.63
					471.62	254.83
(B) Current Investments						
(Fully paid up, unless otherwise stated)						
(a) In Mutual Fund Units - Quoted						
Reliance Fixed Horizon Fund IV - Series 5 - Institutional - Growth Plan #	- (75,000,000)	10	-			75.00
Reliance Fixed Horizon Fund IV - Series 6 - Institutional - Growth Plan #	- (200,000,000)	10	-			200.00
Reliance Fixed Horizon Fund IV - Series 7 - Institutional - Growth Plan #	- (100,000,000)	10	-			100.00
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional - Growth Plan	125,000,000	10	125.00			125.00
Reliance Fixed Horizon Fund XII - Series 4 - Super Institutional - Growth Plan	500,000,000	10	500.00			500.00
Reliance Fixed Horizon Fund XII - Series 5 - Super Institutional - Growth Plan	25,000,000	10	25.00			-
Reliance Liquidity Fund - Growth (1,556,505,831)	- (1,556,505,831)	10	-			2,054.78
Reliance Liquid Fund - Treasury Plan - Institutional - Growth (578,894,419)	- (578,894,419)	10	-			1,228.76
Reliance Medium Term Fund - Retail - Growth (332,356,574)	- (332,356,574)	10	-			600.00
Reliance Money Manager Fund - Institutional - Growth (2,331,321) (2,108,822)	2,331,321 (2,108,822)	1,000	292.57			250.00
Carried Forward			942.57			5,133.54
Carried Forward				6,661.22		6,965.73

Schedules Annexed to and forming part of the Financial Statements

Schedule 6 - Investments (Non-trade)

	No of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Brought Forward				6,661.22		6,965.73
Brought Forward			942.57		5,133.54	
LIC Mutual Fund - Liquid Fund - Growth	-	10	-		25.00	
	(15,634,185)					
LIC Mutual Fund - Income Plus Fund - Growth	16,177,626	10	20.00		-	
Birla Sun Life Savings Fund - Institutional Plan - Growth	5,721,527	10	10.00		-	
ICICI Prudential Flexible Income Plan - Premium - Growth	583,999	100	10.00		-	
HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale - Growth	4,954,377	10	10.00		-	
Blackrock US Dollar Liquidity First Fund - Institutional Distributing Share Class (formerly BGI US Dollar Liquidity First Fund - Institutional Share Class)	340,807 (339,877)	*	1.53		1.72	
* (USD 1)				994.10		5,160.26
[Market Value Rs.1,045.13 crore (Rs. 5,234.11 Crore)]						
# Matured / Redeemed during the year						
(b) In Bonds - Quoted						
6.60% Tax Free ARS Bonds	-	100	-		1.97	
[Market Value Rs. Nil (Rs. 2.04 Crore)]	(204,416)					
6.85% India Infrastructure Finance Company Limited -Tax Free Bonds, 2014	1,414	100,000	14.14		19.14	
[Market Value Rs. 14.98 Crore (Rs. 19.14 Crore)]	(1,914)			14.14		21.11
(c) In Certificates of Deposits - Banks - Unquoted				1,940.64		-
(d) In Commercial Papers - Unquoted						
Export Import Bank of India			114.84		-	
National Bank for Agriculture and Rural Development			294.63		-	
			409.47		-	
			10,019.57		12,147.10	
Less:Diminution in the value of Long Term Investments						
@ Rs. 3,000				@	@	
				10,019.57		12,147.10
			Market Value	Book Value	Market Value	Book Value
Aggregate value of Quoted Investments			17,282.50	2,842.57	16,398.06	7,016.11
Aggregate value of Unquoted Investments				7,177.00		5,130.99
				10,019.57		12,147.10

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 7 - Current Assets, Loans and Advances				
(A) Current Assets				
(a) Inventories				
Fuel	164.97		172.28	
Stores, spares and loose tools	104.18		<u>268.40</u>	
		269.15		440.68
(b) Sundry Debtors				
(i) Debts outstanding for a period exceeding six months				
Secured	255.41		216.42	
Unsecured				
- Considered good	642.24		543.12	
- Considered doubtful	140.47		<u>92.94</u>	
	782.71		636.06	
Less: Provision for doubtful debts	140.47		<u>92.94</u>	
	642.24		543.12	
(ii) Other Debts				
Unsecured - considered good	845.28		<u>763.79</u>	
		1,742.93		1,523.33
(c) Cash and Bank Balances-				
Cash balance on hand	2.12		2.81	
Bank Balances-				
(i) with Scheduled Banks-				
- Current Accounts	199.28		143.81	
- Deposit Accounts	6.00		<u>1.04</u>	
	205.28		144.85	
(ii) with Others- (Refer Note 19)	82.62		<u>52.30</u>	
	287.90		197.15	
Cheques in hand	11.80		51.05	
		301.82		251.01
(d) Other Current Assets				
Interest accrued on Investments	13.10		26.88	
Premium receivable on redemption of preference shares	374.73		239.81	
Due from customers for contract work	254.40		161.64	
Retentions on contract	779.03		<u>583.72</u>	
		1,421.26		<u>1,012.05</u>
Carried forward		3,735.16		3,227.07

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 7 - Current Assets, Loans and Advances (Continued)				
Brought forward		3,735.16		3,227.07
(B) Loans and Advances				
(Unsecured, considered good, unless otherwise stated)				
(a) Advances recoverable in cash or in kind or for value to be received				
Considered good (including Rs.1,044.91 Crore (Rs. 747.11 Crore) due from Subsidiaries) (Refer Note 18)	3,704.70		2,688.41	
Considered doubtful	<u>5.44</u>		<u>9.84</u>	
	3,710.14		2,698.25	
(b) Tariff Adjustment Account (Refer Note 11)	1,602.78		1,034.45	
(c) Loans to Employees [Rs. 21.98 Crore (Rs. 20.06 Crore) - Secured]	22.03		20.20	
(d) Advance Tax and Tax deducted at source [net of Provision for Taxation Rs. Nil (Rs. 449.45 Crore)]	-		124.78	
(e) Deposits -				
(i) Inter-Corporate Deposits [including Rs. 9.36 Crore (Rs. 35.90 Crore) due from Subsidiaries] (Considered good)	2,764.71		1,619.39	
(ii) Other Deposits				
Considered good	125.15		89.33	
Considered doubtful	<u>0.10</u>		<u>0.12</u>	
	125.25		89.45	
	8,224.91		5,586.52	
Less : Provision for doubtful advances / deposits	<u>5.54</u>		<u>9.96</u>	
		<u>8,219.37</u>		<u>5,576.56</u>
		<u>11,954.53</u>		<u>8,803.63</u>

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 8 - Current Liabilities and Provisions				
(A) Current Liabilities				
Sundry Creditors (Refer Note 16) (Includes Rs. 10.24 Crore (Rs. 2.95 Crore) due to a Subsidiary)		1,922.91		1,618.64
Security Deposits from Consumers				
a) Energy bills	314.00		301.71	
b) Recoverable jobs	42.82		<u>43.90</u>	
		356.82		345.61
Deposits and Advances from Consumers				
a) Contracts	2,580.74		2,186.45	
b) Energy Bills	22.07		<u>16.60</u>	
		2,602.81		2,203.05
Unclaimed Dividend		4.42		4.93
Due to Customers for Contract work		305.33		61.24
Other Liabilities (including provision for gratuity Rs. 9.15 Crore (Rs. Nil) Refer Note 13)		406.90		343.61
Interest accrued but not due on loans / debentures		47.53		<u>78.42</u>
		5,646.72		4,655.50
(B) Provisions				
Provision for Taxation (net of Advance Tax Rs. 508.70 Crore (Rs. Nil))	156.50		-	
Interim dividend	173.86		-	
Proposed final dividend	-		157.69	
Corporate Tax on Dividend (net)	9.78		26.80	
Provision for Contingency / Disputed Matters (Refer Note 17)	629.68		559.68	
Provision for leave encashment (Refer Note 13)	12.17		<u>22.08</u>	
		981.99		766.25
		6,628.71		<u>5,421.75</u>
Schedule 9 - Revenue from EPC and Contracts Business				
	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Value of Contracts billed and service charges	3,322.09		2,556.38	
Work-in-progress at close	254.40		161.64	
Less: Work-in-Progress at commencement	161.64		<u>281.26</u>	
Increase / (Decrease) in Work-in-Progress	92.76		<u>(119.62)</u>	
Net Income from EPC and Contracts		3,414.85		2,436.76
Interest on Deposits / Others		0.06		0.04
Insurance Claim received		1.64		2.45
Profit on sale of Assets (net)		0.10		0.11
Gain on Foreign Exchange Fluctuation (net)		-		14.41
Provisions / Liabilities written back		4.92		3.39
Miscellaneous Income		100.35		56.27
(Tax Deducted at Source Rs. 9.79 Crore (Rs. 2.39 Crore))				
		3,521.92		<u>2,513.43</u>

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 10 – Other Income				
Provisions / Liabilities written back		20.03		49.83
Insurance Claim received		0.45		-
Profit on sale of Assets (net)		3.64		5.39
Miscellaneous Income		126.13		203.93
(Tax Deducted at Source Rs. 0.82 Crore (Rs. 1.18 Crore))				
Gain on Foreign Exchange Fluctuation (net)		-		53.64
Gain on Derivative Instruments (net) (Refer Note 24)		103.90		-
Income from Investments				
- Dividends from Subsidiary Companies – Long Term Investments	114.98		-	
- Dividends – Others (including on Long term Investments Rs. 0.12 Crore (Rs. 0.48 Crore))	50.42		3.50	
- Premium on Redemption of Preference Shares – Long Term Investments	195.52		368.56	
- Profit on sale / redemption of investments – Current Investments (net)	135.08		238.64	
		496.00		610.70
Interest – On Inter-Corporate Deposits	215.15		293.97	
- Others	53.08		44.80	
(Tax Deducted at Source Rs. 21.86 Crore (Rs. 49.98 Crore))		268.23		338.77
		1,018.38		1,262.26
Schedule 11 – Generation, Distribution, Administration and Other Expenses				
Consumption of stores and spares parts	64.51		45.00	
Less: Allocated to repairs and other relevant revenue accounts	35.21		26.46	
		29.30		18.54
Wind mill project expenses		0.73		1.10
Rent		20.65		15.37
Repairs and maintenance:				
- Buildings	5.51		8.60	
- Plant and Machinery (including Distribution Systems)	177.16		169.00	
- Others	8.58		6.23	
		191.25		183.83
Salaries, wages and bonus (Refer note 13)		362.52		302.20
Contribution to provident fund and other funds (Refer note 13)		26.60		26.40
Gratuity (Refer note 13)		21.40		15.93
Workmen and staff welfare expenses		54.37		49.42
Insurance		15.26		14.05
Rates and taxes		10.42		6.07
Community development and environment monitoring expenses		3.13		4.33
Legal and professional charges		25.44		30.37
Bad Debts		0.72		-
Directors' fees		0.15		0.14
Miscellaneous expenses		137.70		83.10
Loss on foreign exchange fluctuation (net)		56.65		-
Loss on derivative instruments (net) (Refer note 24)		-		191.46
Loss on sale / disposal of unserviceable assets (net)		0.82		4.49
Provision for contingency / disputed matters (Refer note 17)		70.00		320.00
Provision for doubtful debts / advances / deposits		13.57		10.22
		1,040.68		1,277.02

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

	Year ended March 31, 2010 Rs. Crore	Year ended March 31, 2009 Rs. Crore
Schedule 12 - Expenditure of EPC and Contracts Business		
Cost of Materials and Sub-contract Charges	2,882.55	1,966.49
Rent	14.02	12.48
Repairs and Maintenance:		
- Buildings	2.95	1.27
- Plant and Machinery	3.12	5.58
- Other assets	2.37	1.45
Salaries, Wages and Bonus (Refer Note 13)	157.88	114.37
Contribution to Provident Fund and other Funds (Refer Note 13)	7.02	5.67
Gratuity (Refer Note 13)	2.75	4.59
Workmen and Staff Welfare Expenses	20.32	18.04
Insurance	4.89	6.66
Rates and Taxes	3.82	8.01
Legal and Professional Charges	39.59	47.33
Miscellaneous Expenses	51.50	98.51
Loss on Foreign Exchange Fluctuation (net)	33.91	-
Loss on sale of assets	0.22	0.03
Bad Debts	0.02	-
Provision for Doubtful Debts	35.56	48.75
	<u>3,262.49</u>	<u>2,339.23</u>
Schedule 13 - Interest and Finance Charges		
Interest and Financing Charges on:		
- Debentures	136.78	48.14
- External Commercial Borrowings and Commercial Paper	94.04	163.16
- Working capital and other borrowings	44.24	91.17
- Security Deposits from Consumers	17.15	15.11
Other finance Charges	-	12.92
	<u>292.21</u>	<u>330.50</u>
Schedule 14 - Statutory Reserves and Other Appropriations		
Contingencies Reserve	<u>16.96</u>	14.55
	<u>16.96</u>	<u>14.55</u>
Schedule 15 - Earnings Per Equity Share		
(i) Profit for Basic and Diluted Earning per Share (a)	<u>1,151.69</u>	1,138.88
(ii) Weighted average number of Equity Shares		
For Basic Earnings per share (b)	225,334,003	230,317,785
Add : Adjustment for conversion / Issue of shares / Warrants	3,517,036	4,300,525
For Diluted Earnings per share (c)	<u>228,851,039</u>	<u>234,618,310</u>
(iii) Earnings per share (Weighted Average)	Rs.	Rs.
Basic (a/b)	51.11	49.45
Diluted (a/c)	50.32	48.54

Schedules Annexed to and forming part of the Financial Statements

Schedule 16 - Notes Forming part of the Financial Statements

1. Significant Accounting Policies :

(a) Basis of preparation of financial statements :

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

(b) Use of Estimate :

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialized.

(c) Revenue Recognition Policy :

(i) Electricity Business :

Revenue from sale of electrical energy is accounted for on the basis of billing to consumers and is inclusive of fuel adjustment charges (FAC) and unbilled revenue carried forward in the Balance sheet as Tariff Adjustment Account. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters. Where meters have stopped or are faulty, the billing is done based on the past consumption for such period.

The Company determines revenue gaps (i.e surplus/shortfall in actual returns over assured returns) in respect of its regulated operations based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by MERC. In respect of such revenue gaps, appropriate adjustments are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments representing unbilled revenue are carried forward as Tariff Adjustment Account under the schedule 'Loans and Advances' which would be recovered through future tariff determination by the regulator in accordance with the electricity regulations.

(ii) EPC and Contracts Business :

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

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

Profit is recognised when the outcome of the contract can be estimated reliably. Profit proportionate to value of work done is arrived at by deducting cost of work done plus cost estimated by the management to complete the work from the agreed contract value, after deduction of contingency.

Contract in progress is valued at cost plus proportionate profit less anticipated loss.

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

(iii) Others :

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

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

(d) Foreign Currency Transactions :

(i) Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities are recognised in the Profit and Loss Account.

(ii) In respect of integral foreign operations of the Company, its fixed assets are translated at the rate on the date of acquisition, monetary assets and monetary liabilities are translated at the rate on the date of the balance sheet and income and expenditure are translated at the average of month-end rates during the year.

(iii) Non-Monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

(iv) In respect of derivative transactions, gains / losses are recognised in the Profit and Loss Account on settlement. On a reporting date, open derivative contracts are revalued at fair values and resulting losses on an overall basis (including reversal of losses for earlier periods), if any, are recognised in the Profit and Loss Account.

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

(e) Fixed Assets :

Tangible Assets

- (i) The gross block of fixed assets is stated at cost of acquisition or construction (except revalued assets), including any cost attributable to bringing the assets to their working condition for their intended use.
- (ii) All project related expenditure viz. civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under Capital Work-In-Progress (CWIP). These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

(f) Depreciation / Amortisation :

(i) Electricity Business :

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 relating to license business and other electricity business. The depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the contributions received from consumers.

Depreciation on revalued assets is charged over the balance residual life of the assets considering the life prescribed under Schedule XIV of the Companies Act, 1956.

(ii) EPC and Contracts Business :

Fixed assets of EPC Business have been depreciated under the reducing balance method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(iii) Other Activities :

Fixed assets of other activities have been depreciated under the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(iv) Leased Assets :

Depreciation on all assets given on lease upto March 31, 2001 is provided on straight line method at the higher of the rates determined with reference to the primary period of the lease and the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(v) Intangible Assets :

Softwares are amortised over a period of three years.

(g) Investments :

Long-term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

(h) Inventories :

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares "cost" means weighted average cost. Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

(i) Allocation of Indirect Expenses :

(i) Electricity Business :

The allocation to capital and revenue is done consistently on the basis of a technical evaluation.

(ii) EPC and Contracts Business :

Common overheads are absorbed by various jobs in proportion to the prime cost of each job.

(j) Retirement Benefits :

Contributions to defined contribution schemes such as provident fund, superannuation fund etc. are charged to Profit and Loss Account / Capital Work-in-Progress, as applicable. The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to Profit and Loss Account/ Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries.

(k) Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(l) Accounting for Taxes on Income :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised

Schedules Annexed to and forming part of the Financial Statements

in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(m) Provisions :

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(n) Impairment of Assets :

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(o) Accounting for Oil and Gas Activity :

The Company follows "successful efforts method" for accounting of oil and gas exploration activities as set out by the guidance note issued by the Institute of Chartered Accountants of India on 'Accounting for Oil and Gas Producing Activities'. The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred.

2. (a) Contingent Liabilities :

- (i) Counter guarantees given to banks against guarantees issued by the banks on behalf of the joint ventures aggregate to Rs. 10.50 Crore (Rs. 14.55 Crore). Bank guarantees issued for performing its own obligations are not considered as part of contingent liability.
- (ii) Corporate Guarantees given to banks and other parties aggregating Rs. 2,367.88 Crore (Rs. 3,155.66 Crore) in respect of financing facilities granted to other body corporates.
- (iii) Uncalled liability on partly paid shares Rs. 45.20 Crore (Rs. 45.20 Crore).
- (iv) Claims against the Company not acknowledged as debts and under litigation aggregates to Rs. 684.90 Crore (Rs. 638.39 Crore), these include claim from suppliers aggregating to Rs. 218.43 Crore (Rs. 282.68 Crore), income tax claims Rs. 459.82 Crore (Rs. 343.17 Crore) and other claims Rs. 6.65 Crore (Rs. 12.54 Crore).
- (v) The Company's application for compounding in respect of its ECB of USD 360 million has been deemed by the Reserve Bank of India (RBI) as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there is no liability in respect of the compounding fee of Rs. 124.68 Crore earlier specified by RBI. The Company is legally advised that it is in compliance with the regulations under the Foreign Exchange Management Act, 1999. Accordingly, no provision is considered necessary in this regard.

(b) Capital Commitments :

Estimated amount of contracts remaining unexecuted on capital account and not provided for Rs. 92.41 Crore (Rs. 130.54 Crore).

3. Managerial remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement) paid/ payable to directors :

Particulars	Rs. Crore	
	2009-10 Rs. Crore	2008-09 Rs. Crore
Managing / Whole time directors		
(i) Salary	2.13	2.13
(ii) Perquisites	0.01	0.01
(iii) Contribution to Provident Fund	0.07	0.07
(iv) Contribution to Superannuation Fund	0.02	0.02
	<u>2.23</u>	<u>2.23</u>
Non Executive Directors		
(i) Sitting fees	0.15	0.14
(ii) Commission paid / payable	0.40	1.37
Total	<u>2.78</u>	<u>3.74</u>

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956

Particulars	Rs. Crore	
	2009-10	2008-09
Profit before Taxation	1,296.94	1,193.43
Add : Provision for Doubtful Debts / Advances	49.13	58.97
Provision for / (Written back of) Diminution in value of Investments (net)	0.41	(45.05)
Managerial remuneration	2.78	3.74
Loss on sale of Fixed Assets	1.04	4.52
	1,350.30	1,215.61
Less : Profit on sale of Fixed Assets	3.74	5.50
Other Income (on Investments)	330.60	607.20
Provision for Wealth Tax	0.15	0.15
Net Profit for the year	<u>1,015.81</u>	<u>602.76</u>

4. Details of Remuneration to Auditors :

	Rs. Crore	
	2009-10	2008-09
(a) As Auditors	2.26	1.18
(b) For Other Services	0.60	0.30
(c) For Reimbursement of out-of-pocket expenses	0.02	0.02
	<u>2.88</u>	<u>1.50</u>

5. Quantitative Information :

	kWh (million)	
	2009-10	2008-09
(a) Generation and Supply of Electricity :		
(i) Generation of Energy	6,361	5,770
(ii) Purchase of Energy [excluding 3,998 (3,951) kWh (million) from Generating Station]	5,266	5,287
(iii) Sale of Energy	10,163	9,582
(b) Wind Mill Project :		
(i) Generation of Energy	20	21
(ii) Sale of Energy	20	21

6.

	Rs. Crore	
	2009-10	2008-09
(a) C.I.F. Value of Imports :		
(i) Components and Spare parts	9.76	7.40
(ii) Fuel-Coal	282.44	204.79
(iii) Other Materials (including EPC contract materials)	1,526.28	962.38
(iv) Capital Goods	12.47	26.35
	<u>1,830.95</u>	<u>1,200.92</u>
(b) Expenditure in Foreign Currency (on cash basis) :		
(i) Professional and Consultation Fees	14.37	35.39
(ii) Interest and Other Charges	81.66	124.14
(iii) Others	19.51	3.41
	<u>115.54</u>	<u>162.94</u>

Schedules Annexed to and forming part of the Financial Statements

- (c) Value of components, stores and spare parts consumed :
(including fuel consumed)

Particulars	2009-10		2008-09	
	Value Rs. Crore	% to Total Consumption	Value Rs. Crore	% to Total Consumption
Imported	273.30	17.00	236.88	14.90
Indigenous	1,335.12	83.00	1,353.31	85.10
	<u>1,608.42</u>	<u>100.00</u>	<u>1,590.19</u>	<u>100.00</u>

- (d) The Company has not made any remittance in foreign currency on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends (after deducting tax) on account of non-resident shareholders are as under :

Final Dividend :	2009-10	2008-09
(i) Number of Non-Resident shareholders	18,556	18,478
(ii) Number of shares held by them	45,097,450	48,848,896
(iii) Amount of dividend	Rs. 31.57 Crore	Rs. 30.77 Crore
	(Dividend for the Year 2008-09 on Equity Shares)	(Dividend for the Year 2007-08 on Equity Shares)

- (e) Earnings in Foreign Exchange (on cash basis):*

	2009-10	Rs. Crore 2008-09
Miscellaneous Income	42.69	93.35
	<u>42.69</u>	<u>93.35</u>

* Excluding amount received in Foreign Currency from Indian Customers

7. Related Party Disclosure :

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below :

- (a) Parties where control exists :

Subsidiaries (including step down subsidiaries)	(a) Reliance Infraprojects Limited (RInFL)
	(b) Reliance Power Transmission Limited (RPTL)
	(c) Western Region Transmission (Gujarat) Private Limited (WRTG)
	(d) Western Region Transmission (Maharashtra) Private Limited (WRTM)
	(e) Reliance Infraventures Limited (RInvL)
	(f) BSES Kerala Power Limited (BKPL)
	(g) Noida Global SEZ Private Limited (NGSPL)
	(h) Reliance Energy Trading Limited (RETL)
	(i) Mumbai Metro One Private Limited (MMOPL)
	(j) Parbati Koldam Transmission Company Limited (PKTCL)
	(k) Delhi Airport Metro Express Private Limited (DAMEPL)
	(l) CBD Tower Private Limited (CBDTPL)
	(m) Tulip Realtech Private Limited (TRPL)
	(n) Reliance Energy Generation Limited (REGL)
	(o) Reliance Energy Limited (REL)
	(p) Reliance Property Developers Private Limited (RPDPL)
	(q) DS Toll Road Limited (DSTL)
	(r) NK Toll Road Limited (NKTL)
	(s) SU Toll Road Private Limited (SUTL)
(t) TD Toll Road Private Limited (TDTL)	
(u) TK Toll Road Private Limited (TKTL)	
(v) GF Toll Road Private Limited (GFTL)	
(w) KM Toll Road Private Limited (KMTL) w.e.f. February 4, 2010	
(x) PS Toll Road Private Limited (PSTL) w.e.f. February 9, 2010	

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

- | | | |
|--|------|---|
| Subsidiaries
(including
step down
subsidiaries) | (y) | Reliance Goa and Samalkot Power Limited (RGSPL) |
| | (z) | Reliance Cementation Private Limited (RCPL) w.e.f. September 5, 2009 |
| | (aa) | Reliance Cement and Infra Private Limited (RCIPL) w.e.f. September 5, 2009 |
| | (bb) | Reliance Cement Corporation Private Limited (RCCPL) w.e.f. September 5, 2009 |
| | (cc) | Reliance Cement Works Private Limited (RCWPL) w.e.f. September 5, 2009 |
| | (dd) | Reliance Airport Developers Private Limited (RADPL) w.e.f. September 25, 2009 |
| | (ee) | Latur Airport Private Limited (LAPL) w.e.f. September 29, 2009 |
| | (ff) | Baramati Airport Private Limited (BAPL) w.e.f. September 29, 2009 |
| | (gg) | Nanded Airport Private Limited (NAPL) w.e.f. September 29, 2009 |
| | (hh) | Yavatmal Airport Private Limited (YAPL) w.e.f. September 29, 2009 |
| | (ii) | Osmanabad Airport Private Limited (OAPL) w.e.f. September 29, 2009 |
- (b) Other related parties where transactions have taken place during the year :
- | | | |
|--|-----|--|
| (i) Associates
(including
subsidiaries of
associates) | (a) | Reliance Power Limited (RePL) |
| | (b) | Reliance Infrastructure Engineers Private Limited (RIEPL) |
| | (c) | Reliance Infrastructure and Consultants Limited (RICL) |
| | (d) | Urthing Sobla Hydro Power Private Limited (USHPPL) |
| | (e) | Rosa Power Supply Company Limited (ROSA) |
| | (f) | Sasan Power Limited (SPL) |
| | (g) | Vidarbha Industries Power Limited (VIPL) |
| | (h) | Maharashtra Energy Generation Limited (MEGL) |
| | (i) | Chitrangi Power Private Limited (CPPL) |
| | (j) | Tato Hydro Power Private Limited (THPPL) |
| | (k) | Siyom Hydro Power Private Limited (SHPPL) |
| | (l) | Jharkhand Integrated Power Limited (JIPL) |
| | (m) | Coastal Andhra Power Limited (CAPL) |
| | (n) | Reliance Coal Resources Private Limited (RCRPL) |
| | (o) | JR Toll Road Private Limited (JRTL) w.e.f. December 09, 2009 |
- | | | |
|---------------------|-----|--|
| (ii) Joint Ventures | (a) | BSES Rajdhani Power Limited (BRPL) |
| | (b) | BSES Yamuna Power Limited (BYPL) |
| | (c) | Tamilnadu Industries Captive Power Company Limited (TICAPCO) |
| | (d) | Utility Powertech Limited (UPL) |
- | | | |
|---|--|---------------------|
| (iii) Persons
having control
over investing
party / Major
shareholder | | Shri Anil D. Ambani |
|---|--|---------------------|
- | | | |
|-------------------------------------|-----|------------------|
| (iv) Key
Management
Personnel | (a) | Shri S.C.Gupta |
| | (b) | Shri Lalit Jalan |
- | | | |
|---|-----|--|
| (v) Enterprises
over which
person
described
in (iii) has
control | (a) | Reliance Natural Resources Limited (RNRL) |
| | (b) | Reliance Communications Limited (RCL) |
| | (c) | Reliance Innoventures Private Limited (REIL) |
| | (d) | Reliance Communications Infrastructure Limited (RCIL) |
| | (e) | AAA Projects Venture Private Limited (AAPVPL) |
| | (f) | Reliance Cementation Private Limited (RCPL) (upto September 4, 2009) |
| | (g) | Reliance Land Private Limited (RLPL) |
| | (h) | Reliance Webstores Limited (RWeb) |
| | (i) | Reliance Big Entertainment Private Ltd (RBig) |
| | (j) | Reliance General Insurance Company Limited (RGI) |
| | (k) | Reliance Capital Limited (RCap) |

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

c) Details of transactions during the year and closing balances as at the year end :

Rs. Crore

	Particulars	Subsidiaries	Associates and Joint Ventures	Enterprises over which person described in (iii) has control	Key Managerial Personnel/ Persons having control over investing party/Major shareholder
(a)	Profit and Loss Account Heads :				
	(I) Incomes :				
	(i) Sale of Electricity	18.14	-	-	-
		9.04	-	-	-
	(ii) Revenue from EPC and Contracts Business	269.08	313.35	-	-
		-	88.28	-	-
	(iii) Dividend Received	114.98	0.12	-	-
		-	0.48	-	-
	(iv) Rent / Lease Rent earned	0.01	-	-	-
		0.01	-	-	-
	(v) Interest earned	0.97	10.76	-	-
		2.70	10.82	-	-
	(vi) Other Income	1.99	0.38	-	-
		8.00	0.56	0.74	-
	(II) Expenses :				
	(i) Purchase of Electricity	467.25	-	-	-
		166.37	-	-	-
	(ii) Purchase / (Returns) of other items on revenue account	-	(8.43)	271.42	-
		-	3.94	207.36	-
	(iii) Purchase of other items on Capital account	-	2.35	-	-
	(iv) Receiving of Services	-	20.22	70.23	-
		-	22.25	131.07	-
	(v) Rent paid	0.01	0.53	-	-
		0.01	0.76	-	-
	(vi) Interest Paid	-	-	-	-
		-	14.06	-	-
	(vii) Dividend Paid	-	-	59.06	-
		-	-	53.15	-
	(viii) Salaries, Commission and Other benefits	-	-	-	2.23
		-	-	-	3.20
(b)	Balance Sheet Heads (Closing Balances) :				
	(i) Sundry Creditors / other liabilities for rendering services	37.77	2,002.98	41.33	-
		3.04	1,624.93	67.31	-
	(ii) Investment in Equity Shares / Preference Shares	1,630.25	2,022.96	-	-
		1,542.99	2,012.94	-	-
	(iii) Loans / ICDs Placed (Including accrued interest)	9.36	140.62	-	-
		35.90	142.75	-	-
	(iv) Subordinate Debts	471.62	-	-	-
		254.83	-	-	-
	(v) Advance against Investments	933.55	45.90	-	-
		742.76	51.05	-	-
	(vi) Recoverable Expenses	111.34	0.65	-	-
		0.31	6.30	1.68	-
	(vii) Sundry debtors	65.52	3.56	1.15	-
		6.56	26.17	-	-
	(viii) Equity Warrants issued / subscribed	-	-	541.08	-
		-	-	783.49	-

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Rs. Crore

	Particulars	Subsidiaries	Associates and Joint Ventures	Enterprises over which person described in (iii) has control	Key Managerial Personnel/ Persons having control over investing party/Major shareholder
(c)	Contingent Liabilities (Closing balances) :				
	Guarantees and Collaterals	1,520.60	312.45	7.78	-
		<i>2,010.11</i>	<i>612.45</i>	<i>6.05</i>	-
(d)	Transactions During the Year :				
	(i) Guarantees and Collaterals provided	489.51	-	1.74	-
		<i>626.51</i>	<i>10.00</i>	-	-
	(ii) Deposits Given to	24.19	18.55	-	-
		<i>174.35</i>	<i>106.90</i>	-	-
	(iii) Deposits Returned by	50.74	20.68	-	-
		<i>200.39</i>	<i>1.75</i>	-	-
	(iv) Recoverable Expenses :-				
	(a) incurred for related parties	114.22	2.47	0.96	-
		<i>1.33</i>	<i>39.25</i>	<i>9.72</i>	-
	(b) incurred by related parties on our behalf	-	-	-	-
		-	<i>1.34</i>	-	-
	(v) Investment in Equity Shares / Preference Shares	87.27	10.03	-	-
		<i>282.03</i>	-	-	-
	(vi) Subordinate Debts	216.79	-	-	-
		<i>81.65</i>	-	-	-
	(vii) Advance against Investments	380.65	3.35	-	-
		<i>742.76</i>	<i>1.05</i>	-	-
	(viii) Advance against Investments received back	189.86	8.50	-	-
		-	-	-	-
	(ix) Sale of Investments	-	-	-	-
		-	@	-	-
	(x) Purchase of Investments	-	-	53.78	-
		-	-	-	-
	(xi) Sale of Fixed Assets	-	0.03	-	-
		<i>0.13</i>	<i>0.61</i>	<i>0.07</i>	-
	(xii) Advances received towards contracts	-	800.00	-	-
		-	<i>1,795.00</i>	-	-
	(xiii) Advances towards contracts refunded	-	-	-	-
		-	<i>105.00</i>	-	-
	(xiv) Warrants money received	-	-	2,361.70	-
		-	-	-	-
	(xv) Warrants money converted into Equity Shares	-	-	1,820.62	-
		-	-	-	-

@ Rs. 3,167.50.

Figures in italics represent previous year

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

Schedules Annexed to and forming part of the Financial Statements

(d) Details of Material Transactions with Related Party

- (i) **Transactions during the year (Balance Sheet heads):** Guarantees and Collaterals provided to DAMEPL Rs. 489.51 crore (Rs. 625.00 crore). Deposit given to RETL Rs. 15.00 crore (Rs. 18.45 crore), RICL Rs. 18.55 crore (Rs. 106.10 crore). Deposit returned by NGSPL Rs. Nil (Rs. 27.32 crore), DAMEPL Rs. Nil (Rs. 92.90 crore), RPTL Rs. Nil (Rs. 34.89 crore), BKPL Rs. 8.95 crore (Rs. 26.84 crore), RICL Rs. 20.68 crore (Rs. 0.95 crore), DSTL Rs. 11.60 crore (Rs. Nil), NKTL Rs. 10.97 crore (Rs. Nil), RETL Rs. 15.00 crore (Rs. 18.45 crore). Recoverable Expenses incurred for REGL Rs. 18.23 crore (Rs. Nil), RGSPL Rs. 13.95 crore (Rs. Nil), REL Rs. 72.97 crore (Rs. Nil), RICL Rs. 0.15 crore (Rs. 1.26 crore), REIL Rs. Nil (Rs. 9.46 crore), SPL Rs. 0.08 crore (Rs. 7.97 crore), ROSA Rs. 0.21 crore (Rs. 10.97 crore), REIL Rs. 0.05 crore (Rs. 9.46 crore) and CAPL Rs. 0.02 crore (Rs. 8.47 crore). Recoverable Expenses incurred by BKPL Rs. 0.01 crore (Rs. Nil) and MMOPL Rs. 0.01 crore (Rs. Nil). Investment in Equity Shares of RIEPL Rs. 10.00 crore (Rs. 0.01 crore), RETL Rs. 10.00 crore (Rs. Nil), RCPL Rs. 53.78 crore (Rs. Nil), MMOPL Rs. Nil (Rs. 103.50 crore) and CBDTPL Rs. Nil (Rs. 163.70 crore). Warrants money received from AAAPVPL Rs. 2,361.70 crore (Rs. 783.49 crore). Warrants money of AAAPVPL converted into equity shares Rs. 1820.62 crore (Rs. Nil). Subordinate debt given to NKTL Rs. Nil (Rs. 15.38 crore), DSTL Rs. Nil (Rs. 13.64 crore), SUTL Rs. 91.36 crore (Rs. 19.41 crore), TDTL Rs. 56.18 crore (Rs. 10.62 crore) and TKTL Rs. 69.24 crore (Rs. 22.60 crore). Advance against Investments paid to DAMEPL Rs. 93.05 crore (Rs. 373.90 crore), RInfl Rs. 66.27 crore (Rs. Nil) and GFTL Rs. 165.42 crore (Rs. 0.20 crore). Advance against Investments received back from RPTL Rs. 189.86 crore (Rs. Nil), Purchase of Investments from RNRL Rs. 53.78 crore (Rs. Nil). Sale of Investments to RIEPL Rs. Nil (@). Sale of Fixed Assets to RePL Rs. Nil (Rs. 0.37 crore), SPL Rs. 0.03 crore (Rs. 0.13 crore) and CAPL Rs. Nil (Rs. 0.10 crore). Advances received towards contract from SPL Rs. 700 crore (Rs. 700 crore), VIPL Rs. 100 crore (Rs. 200 crore) and CAPL Rs. Nil (Rs. 700 crore). Advance towards contracts refunded to MEGL Rs. Nil (Rs. 105 crore).
- (ii) **Balance sheet heads (Closing balance):** Sundry Creditors / Other Liabilities for rendering services SPL Rs. 1,183.18 crore (Rs. 1,351.11 crore), VIPL Rs. 195.73 crore (Rs. 380.42 crore), CAPL Rs. 615.88 crore (Rs. 679.37 crore). Investment in Equity RInfl Rs. 502.10 crore (Rs. 502.10 crore), RInvl Rs. 502.11 crore (Rs. 502.11 crore) and RePL Rs. 1,720.00 crore (Rs. 1,720 crore). Deposits Given BKPL Rs. 9.36 crore (Rs. 18.30 crore) and RICL Rs. 140.62 crore (Rs. 142.75 crore). Subordinate debt NKTL Rs. 40.29 crore (Rs. 40.29 crore), DSTL Rs. 46.80 crore (Rs. 46.80 crore), SUTL Rs. 166.99 crore (Rs. 75.63 crore), TDTL Rs. 96.71 crore (Rs. 40.52 crore) and TKTL Rs. 120.83 crore (Rs. 51.59 crore). Advance against Investments DAMEPL Rs. 466.95 crore (Rs. 373.90 crore), RPTL Rs. 151.46 crore (Rs. 341.32 crore) and GFTL Rs. 165.62 crore (Rs. 0.20 crore). Recoverable Expenses RNRL Rs. Nil (Rs. 1.68 crore), REGL Rs. 18.23 crore (Rs. Nil), RGSPL Rs. 13.95 crore (Rs. Nil), REL Rs. 72.97 crore (Rs. Nil), THPPL Rs. Nil (Rs. 3.67 crore) and USHPPL Rs. Nil (Rs. 1.78 crore). Sundry Debtors WRTG Rs. 27.84 crore (Rs. Nil), WRTM Rs. 37.68 crore (Rs. Nil), CAPL Rs. Nil (Rs. 12.92 crore) and VIPL Rs. Nil (Rs. 13.24 crore).
- (iii) **Income heads:** Sale of Electricity to RETL Rs. 18.14 crore (Rs. 9.04 crore). Gross Revenue of EPC and Contracts Division / Sales reversal from WRTG Rs. 98.19 crore (Rs. Nil), WRTM Rs. 147.95 crore (Rs. Nil), SPL Rs. 162.04 crore (Rs. 38.38 crore), CAPL 81.06 crore (Rs. 22.19 crore) and VIPL Rs. 70.26 crore (Rs. 27.18 crore). Dividend received from UPL Rs. 0.12 crore (Rs. 0.48 crore), RInfl Rs. 54.73 crore (Rs. Nil) and RInvl Rs. 60.25 crore (Rs. Nil). Rent / Lease Rent earned from BKPL Rs. 0.01 crore (Rs. 0.01 crore). Interest earned from BKPL Rs. 0.97 crore (Rs. 2.70 crore) and RICL Rs. 10.76 crore (Rs. 10.82 crore). Other Income DSTL Rs. Nil (Rs. 4.00 crore), NKTL Rs. Nil (Rs. 4.00 crore), SUTL Rs. 0.45 crore (Rs. Nil), TDTL Rs. 0.45 crore (Rs. Nil), TKTL Rs. 0.45 crore (Rs. Nil), GFTL Rs. 0.45 crore (Rs. Nil) and ROSA Rs. 0.38 crore (Rs. Nil).
- (iv) **Expenses heads:** Purchase / Services on Revenue account from RNRL Rs. 242.20 crore (Rs. 198.56 crore). Purchase of electricity from RETL Rs. 467.25 crore (Rs. 166.37 crore). Purchase of other items on Capital account from RICL Rs. Nil (Rs. 2.35 crore). Receiving of Services from REIL Rs. 4.72 crore (Rs. 33.07 crore), UPL Rs. 15.81 crore (Rs. 19.25 crore), RNRL Rs. 55.99 crore (Rs. 65.42 crore) and RGI Rs. 9.44 crore (Rs. 32.57 crore). Rent paid to RICL Rs. 0.53 crore (Rs. 0.76 crore). Interest paid to MEGL Rs. Nil (Rs. 3.85 crore), SHPPL Rs. Nil (Rs. 10.21 crore). Dividend paid AAAPVPL Rs. 58.45 crore (Rs. 52.60 crore).
- (v) Salaries, Commission and Other Benefits paid / payable to Shri S.C. Gupta Rs. 1.13 crore (Rs. 1.12 crore) and Shri Lalit Jalan Rs. 1.10 crore (Rs. 1.10 crore).
- (vi) The Company has given (a) equity support undertakings to power procurers in respect of Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP, Tiliya UMPP and Chitrangi Power Project of Reliance Power Limited for setting up the respective projects, (b) funding support undertaking for cost overrun and equity support undertaking to Financial Institutions / Banks in respect of Rosa Power Project and (c) keep well letter in favour of a bank, who in turn has issued a letter of credit in favour of the foreign currency convertible bond (FCCB) holders of RNRL (now Reliance Power Limited); the amounts of which currently are not ascertainable.

8. Segment Reporting

Basis of Preparation : The Company operates in two Business Segments : Electrical Energy and Engineering, Procurement and Contracts (EPC). Business segments have been identified as reportable primary segments in accordance with Accounting Standard-17 Segment Reporting, as prescribed under Companies (Accounting Standards), Rules, 2006, taking into account the organisation and internal reporting structure as well as evaluation of risks and returns from these segments. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Company.

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In the case of electrical energy, the Company operates a 500 MW Thermal Power Station at Dahanu, a 220 MW combined cycle power plant at Samalkot, a 48 MW combined cycle power plant at Mormugao, a 7.59 MW Windfarm at Chitradurga and also purchases power from third parties and supplies the power through the Company's own distribution grid. The Company supplies power to residential, industrial, commercial and other consumers. EPC segment renders comprehensive value-added services in construction, erection and commissioning.

Geographical Segments : The Company's operations are mainly confined within India. The Company does not have material earnings from business segments outside India. As such there are no reportable geographical segments.

Information about Business Segments – Primary

Particulars	March 31, 2010			March 31, 2009		
	Electrical Energy	EPC	Total	Electrical Energy	EPC	Total
Revenue :						
External Sales	6,505.41	3,521.85	10,027.26	7,369.64	2,498.97	9,868.61
Inter-segment sales	-	-	-	-	-	-
Total Revenue	6,505.41	3,521.85	10,027.26	7,369.64	2,498.97	9,868.61
Result :						
Segment Result	548.53	283.77	832.30	624.24	204.24	828.48
Unallocated Income net of unallocable expenses			488.56			356.64
Interest Income [net of Interest Expense]			(23.92)			8.31
Profit before taxation			1,296.94			1,193.43
Taxes			145.25			54.55
Profit after Tax			1,151.69			1,138.88
Other Information :						
Segment Assets	7,159.25	4,501.56	11,660.81	6,590.18	3,163.41	9,753.59
Unallocated Corporate Assets			14,392.70			15,101.73
Total Assets			26,053.51			24,855.32
Segment Liabilities	1,858.67	4,083.78	5,942.45	1,775.83	3,008.35	4,784.18
Unallocated Corporate Liabilities			4,958.87			8,163.70
Total Liabilities			10,901.32			12,947.88
Capital Expenditure	541.76	18.17	559.93	569.88	13.92	583.80
Depreciation	372.25	9.51	381.76	300.95	5.61	306.56
Non Cash expenses other than depreciation	-	-	-	-	-	-

9. Deferred Taxation :

Computation of Deferred Tax Asset / Liability :	Rs. Crore	
	As at March 31, 2010	As at March 31, 2009
(a) Deferred Tax Liability on account of : Depreciation Difference and Premium on Redemption of Preference Shares	417.44	362.73
(b) Deferred tax asset on account of :		
(i) Provisions	229.48	167.10
(ii) Unrealised Forex Loss (MTM)	29.60	-
(iii) Disallowance under section 40(a) of the Income Tax Act, 1961	0.65	1.68
Total	259.73	168.78
Net Deferred Tax Liability	157.71	193.95

Schedules Annexed to and forming part of the Financial Statements

10. (a) Standby Charges :

In the matter of liability of Rs. 515.60 crore of standby charges with The Tata Power Company Limited (TPC) for the period April 1, 1999 to March 31, 2004, the Appellate Tribunal of Electricity (ATE) set aside the order of Maharashtra Electricity Regulatory Commission (MERC) dated May 31, 2004 and directed to TPC to refund Rs. 354 crore (inclusive of interest of Rs. 15 crore upto March 31, 2004) to the Company plus interest @ 10% p.a. commencing from April 1, 2004 till the date of payment. Against the said order, TPC filed an appeal with the Supreme Court. The Hon'ble Supreme Court passed an interim order dated February 7, 2007 granting stay of the impugned order of the ATE subject to the condition that, TPC furnish a bank guarantee in the sum of Rs. 227 Crore and, in addition, deposit a sum of Rs. 227 Crore with the Registrar General of the Court which may be withdrawn by the Company subject to the Company giving an undertaking that in the event of the appeal being decided against the Company, wholly or in part, the amount as may be found refundable by the Company shall be refunded to TPC without demur together with interest as may be determined by the Court. The Company accordingly withdrew the amount of Rs. 227 Crore after complying with the conditions specified and has accounted the said amount as other liabilities pending final adjustment. Moreover, pending final order of the Hon'ble Supreme Court, the Company has not accounted for the reduction in standby charges liability of Rs. 15.60 Crore as well as interest amount determined by ATE as payable by TPC to the Company.

(b) Take or Pay and Additional Energy Charges :

In the matter of claims raised by TPC towards (a) difference in the energy supplied by TPC for the period March 2001 to May 2004 and (b) minimum offtake charges for energy for the period 1998 to 2000, MERC had issued an order dated December 12, 2007 in favour of TPC, on an appeal filed by the Company, ATE in its order dated May 12, 2008 held that in respect of matter (a) above, the Company is liable to pay the amount for an estimated aggregate amount of Rs. 323.87 crore alongwith interest upto December 31, 2007. In respect of matter (b) above, ATE remanded back the matter to MERC to examine it afresh. The Company and TPC has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the matter stated in (a) above. The Company has complied with the interim order directions of depositing Rs. 25 crore with the Registrar of Supreme Court and providing a Bank Guarantee of Rs. 9.98 crore.

The said amount is disclosed under Contingent Liability in Note 2(a)(iv) above.

11. Revenue from Sale of Electrical Energy and Regulatory Matters :

(a) Tariff Adjustment Account

In accordance with accounting policy (refer note 1 (c) (i)) the Company has accounted for Rs. 568.33 Crore (Rs. 1,034.45 Crore) during the year as unbilled revenue under Tariff Adjustment Account.

(b) Regulatory Matters

MERC vide its order dated June 15, 2009 had determined the tariff for the distribution business for the financial year 2009-2010. However, considering the directives received from the Government of Maharashtra, MERC vide its order dated July 15, 2009 stayed the tariff order with respect to the certain consumer categories where there is an increase in tariff as compared to the previous year tariff. Accordingly, the Company billed to the consumers as per the old tariff. Further, MERC vide its order dated September 8, 2009, based on the directives received from Government of Maharashtra, appointed Administrative Staff College of India (ASCI) to investigate whether the Company has discharged its duties as envisaged in Electricity Act, 2003 in the most economical and efficient manner. After considering the contents of the report submitted by ASCI, MERC vide its order dated September 9, 2010 has vacated the interim order dated July 15, 2009 setting aside the stay on the tariff. Subsequent to vacation of the stay order, the Company started billing to the consumers as per the above referred order and has also filed its Annual Revenue Requirement (ARR) with MERC for the financial year 2009-10 and 2010-11.

12. The Committee of Whole-time Directors at its meeting held on February 25, 2009 approved the Scheme of Restructuring envisaging transfer of various operating divisions of the Company, namely Dahanu thermal power station division, Goa and Samalkot power station division, power transmission division, power distribution division (together considered under electrical segment), toll roads division and real estate division (together considered under other unallocable segment) to its respective resulting six wholly owned subsidiaries with effect from March 31, 2009, has since been sanctioned by the Bombay High Court on September 09, 2009 subject to the Company receiving requisite approvals and the same has been filed with the Registrar of Companies on September 14, 2009. Implementation of the said scheme in the financial statements is contingent upon receipt of requisite approvals.

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Disclosure in respect of the ordinary activities of continuing and discontinuing operations is as follows:

Rs. Crore

Particulars	March 31, 2010		March 31, 2009	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Total Assets	16,897.42	9,156.09	16,581.94	8,273.38
Total Liabilities	7,016.64	3,884.68	8,764.74	4,183.14
Net Assets	9,880.78	5,271.41	7,817.20	4,090.24
Total Income	4,256.62	6,651.44	3,585.40	7,373.39
Total Expenses	3,560.12	6,051.00	3,059.88	6,705.48
Profit before tax	696.50	600.44	525.52	667.91
Income Tax Expenses	61.43	83.82	(36.31)	90.86
Profit after tax from operating activities	635.07	516.62	561.83	577.05
Net Cash Flow generated from / (used in)				
Operating Activities	(70.32)	680.76	1,895.55	(972.78)
Investing Activities	640.60	(128.25)	(837.00)	(155.67)
Financing Activities	(519.11)	(552.87)	(1,196.65)	1,459.81

Subsequent to year end, the Committee of Directors, at its meeting held on May 27, 2010, have approved sale of (i) investment in BSES Kerala Power Limited, a wholly owned subsidiary and (ii) investment of Reliance Energy Generation Limited (a wholly owned subsidiary) in Reliance Goa and Samalkot Power Limited to Reliance Power Limited upon implementation of the Scheme of Restructuring.

13. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits".

The Company has classified various employee benefits as under :

(A) Defined contribution plans

- a. Provident fund
- b. Superannuation fund
- c. State defined contribution plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of the Reliance Infrastructure Limited Officer's Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account for the year :

Sr. No.	Particulars	Rs Crore	
		2009-10	2008-09
(i)	Contribution to Provident Fund	21.02	19.69
(ii)	Contribution to Employee's Superannuation Fund	5.91	5.59
(iii)	Contribution to Employee's Pension Scheme 1995	4.57	4.35

(B) Defined Benefit Plans

- a. Provident Fund (Applicable to certain employees)
- b. Gratuity
- c. Leave Encashment

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The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board states benefit involving employee established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The audited accounts for the year ended March 31, 2010 of Provident Fund Trust maintained by the Company shows that there is no shortfall arising in meeting the stipulated interest payment liability. Pending the issuance of guidance note from the Actuary Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the Company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions :

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-10	2008-09	2009-10	2008-09
(i)	Discount Rate (Per annum)	8.25%	7.50%	8.25%	7.50%
(ii)	Rate of increase in Compensation levels	7.50%	6.00%	7.50%	6.00%
(iii)	Rate of Return on Plan Assets	8.25%	7.50%	8.25%	7.50%
(iv)	Expected Avg. remaining working lives of employees in no. of Years	18	18	18	18

Rs Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-10	2008-09	2009-10	2008-09
(i)	Changes in present value of obligation				
	Opening Balance of Present Value of Obligation	113.86	96.14	94.98	83.88
	Liability on transfer in / (out) of Employees (Net)	(0.06)	1.59	(0.05)	0.01
		113.80	97.73	94.93	83.89
	Interest Cost	8.55	7.66	7.12	6.71
	Current Service Cost	8.93	5.99	4.45	7.14
	Benefits Paid	(4.14)	(5.31)	(8.05)	(5.32)
	Actuarial (Gain) / Loss	19.29	7.79	9.31	2.56
	Closing Balance of Present Value of Obligation	146.43	113.86	107.76	94.98
(ii)	Changes in Fair Value of plan assets				
	Opening Balance of Present Value of Plan Assets	114.68	98.47	72.90	57.66
	Planned Assets on transfer in / (out) of employees (Net)	-	1.59	-	-
		114.68	100.06	72.90	57.66
	Expected return on Plan assets	8.60	7.83	5.47	4.61
	Contributions	14.47	19.02	23.06	20.32
	Benefits Paid	(4.14)	(5.31)	(8.06)	(5.32)
	Actuarial Gain / (Loss) on Plan assets	4.02	(6.92)	2.22	(4.37)
	Closing Balance of Fair Value of Plan Assets	137.63	114.68	95.59	72.90
	Plan assets Pending Transfer	(0.35)	(0.29)	-	-
	Closing Balance of Fair Value of Plan Assets net of pending transfer	137.28	114.39	95.59	72.90
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at March 31, 2010				
	Administered by Reliance Life Insurance Co. Limited	100%	100%	100%	100%

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Rs Crore					
Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-10	2008-09	2009-10	2008-09
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	146.43	113.86	107.76	94.98
	Closing Balance of Fair Value of Plan Assets net of pending transfers	137.28	114.39	95.59	72.90
	(Asset) / Liability recognised in the Balance Sheet	9.15	(0.53)	12.17	22.08
(v)	Amounts recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	146.43	113.86	107.76	94.98
	Closing Balance of Fair Value of Plan Assets net of pending transfers	137.28	114.39	95.59	72.90
	Funded (Asset) / Liability recognised in the Balance Sheet	-	(0.53)	-	-
	Unfunded Liability recognised in the Balance Sheet	9.15	-	12.17	22.08
(vi)	Expenses recognised in the Profit and Profit Loss Account				
	Current Service Cost	8.93	5.99	4.45	7.14
	Interest Cost	8.55	7.66	7.12	6.71
	Expected Return on Plan Assets	(8.60)	(7.83)	(5.47)	(4.61)
	Net Actuarial (Gain) / Loss	15.27	14.70	7.09	6.93
	Expenses recognised in the Profit and Loss Account	24.15	20.52	13.19	16.17
(vii)	(a) Experience adjustments				
	On Plan Liabilities (Gain) / Loss	(1.43)	3.56	3.15	(2.48)
	On Plan Assets (Gain) / Loss	(4.02)	6.92	(2.22)	4.37
	Total Experience Adjustments	(5.45)	10.48	0.93	1.89
	(b) Adjustments due to change in assumptions	20.72	4.22	6.16	5.04
(viii)	Expected Employer's Contribution for the next year	7.30	19.02	15.00	20.32

Disclosure as required under para 120(n) :

Rs Crore							
Sr. No.	Particulars	Gratuity			Leave Encashment		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
(i)	Present Value of the Defined Benefit Obligation	146.43	113.86	95.72	107.76	94.98	83.88
(ii)	Fair Value of the Plan Assets	137.28	114.39	97.90	95.59	72.90	57.66
(iii)	Surplus/ (Deficit) in the Plan	(9.15)	0.53	2.18	(12.17)	(22.08)	(26.23)
(iv)	Experience adjustments on Plan Liabilities (Gain) / Loss	(1.43)	3.56	8.08	3.15	(2.48)	24.41
(v)	Experience adjustments on Plan Assets (Gain) / Loss	(4.02)	6.92	(1.13)	(2.22)	4.37	2.34

Note : Since the Company had adopted AS-15 (Revised)- " Employee Benefit" for the first time during the financial year ended March 31, 2008, hence the disclosure for gratuity and leave encashment figures as required by Para 120(n) have not been presented for the financial year prior to 2007-08.

14. The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.

Schedules Annexed to and forming part of the Financial Statements

15. Revaluation of Tangible Assets :

The Company had, based on a valuation made by approved valuers, revalued as at April 1, 2003 the plant and machinery located at Dahanu. The revaluation of the same was based on the technological obsolescence, the year of purchase, the maintenance levels and the currency and customs duty variations as applicable. The resultant appreciation aggregating to Rs. 752.17 Crore has been added to the Gross Block of the Fixed Assets and credited to Revaluation Reserve. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 53.90 Crore (Rs. 53.95 Crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.

16. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

17. Provision for Disputed matters / Contingency :

Rs. Crore			
Particulars	Direct Taxes (Refer note (a) below)	Other business (Refer note (b) below)	Total
Opening Balance	19.68	540.00	559.68
Add: Provision made	-	70.00	70.00
Closing Balance	19.68	610.00	629.68

(a) the disputed income tax liability of Rs. 19.68 Crore which may arise on outcome of the appeals preferred by the tax authorities, the quantum whereof will be determined as and when appeals are disposed off.

(b) represents disputes / contingencies in respect of electricity business and other corporate matters. No further information is given as the matters are sub-judice and may jeopardize the interest of the Company.

18. Disclosure of Loans and Advances to Subsidiaries, Associates, Joint Ventures and Others (Pursuant to Clause 32 of the Listing Agreement) :

Rs. Crore					
Sr. No.	Name	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2010	March 31, 2009	2009-10	2008-09
Subsidiaries :					
1.	Reliance Power Transmission Limited	157.65	341.32	348.62	342.81
2.	Western Region Transmission (Gujarat) Private Limited	-	-	@	0.02
3.	Western Region Transmission (Maharashtra) Private Limited	-	-	0.01	0.04
4.	BSES Kerala Power Limited	9.36	18.30	37.13	57.39
5.	Noida Global SEZ Private Limited	36.18	27.32	36.50	27.32
6.	Mumbai Metro One Private Limited	7.50	0.06	7.73	59.13
7.	Reliance Infraprojects Limited	-	-	-	1,340.35
8.	Reliance Infraventures Limited	66.27	-	63.85	1,210.00
9.	Reliance Energy Trading Limited	-	-	56.14	42.78
10.	Reliance Energy Limited	72.97	-	72.97	-
11.	Reliance Energy Generation Limited	18.23	-	18.23	-
12.	Reliance Goa and Samalkot Power Limited	13.95	-	13.95	-
13.	Parbati Koldam Transmission Co. Limited	-	-	4.50	0.12
14.	Delhi Airport Metro Express Private Limited	466.95	373.90	467.24	373.90
15.	CBD Tower Private Limited	3.78	0.02	10.02	8.66
16.	DS Toll Road Limited	-	11.05	9.65	11.04
17.	NK Toll Road Limited	-	10.58	8.95	10.58
18.	SU Toll Road Private Limited	2.10	-	5.40	0.01
19.	TD Toll Road Private Limited	0.98	-	8.17	0.36
20.	TK Toll Road Private Limited	2.02	0.26	4.31	0.33

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

Rs. Crore

Sr. No.	Name	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2010	March 31, 2009	2009-10	2008-09
21.	GF Toll Road Private Limited	165.62	0.20	166.07	0.20
22.	KM Toll Road Private Limited (w.e.f. February 04, 2010)	0.20	-	0.21	-
23.	Reliance Airport Developers Private Limited (w.e.f. September 25, 2009)	-	-	0.02	-
24.	Latur Airport Private Limited (w.e.f. September 29, 2009)	0.13	-	0.17	-
25.	Baramati Airport Private Limited (w.e.f. September 29, 2009)	0.11	-	0.11	-
26.	Nanded Airport Private Limited (w.e.f. September 29, 2009)	-	-	-	-
27.	Yavatmal Airport Private Limited (w.e.f. September 29, 2009)	0.06	-	0.11	-
28.	Osmanabad Airport Private Limited (w.e.f. September 29, 2009)	0.06	-	0.32	-
29.	Reliance Cementation Private Limited (w.e.f. September 05, 2009)	30.15	-	31.58	-
Associates :					
1.	Reliance Power Limited	-	-	0.17	1.23
2.	Reliance Infrastructure Engineers Private Limited	42.45	51.05	52.55	51.05
3.	Reliance Infrastructure and Consultants Limited	142.01	142.75	145.25	142.75
4.	Mumbai Metro Transport Private Limited (w.e.f. October 29, 2009)	3.00	-	3.65	-
5.	Urthing Sobla Hydro Power Private Limited	-	1.18	-	1.94
6.	Rosa Power Supply Co. Limited	-	-	0.09	3.98
7.	Sasan Power Limited	-	1.37	1.37	6.15
8.	Vidarbha Industries Power Limited	-	0.03	0.03	1.09
9.	Maharashtra Energy Generation Limited	-	-	-	0.03
10.	Tato Hydro Power Private Limited	-	3.67	3.67	4.14
11.	Siyom Hydro Power Private Limited	-	0.80	0.80	112.95
12.	JR Toll Road Private Limited (w.e.f. December 09, 2009)	0.35	-	0.35	-
13.	Coastal Andhra Power Limited	-	-	0.04	4.40
14.	Reliance Coal Resources Private Limited	-	-	0.01	0.01
Joint ventures :					
1.	Tamilnadu Industries Captive Power Company Limited	0.65	0.65	0.65	0.65
2.	BSES Yamuna Power Limited	-	-	0.13	0.24
3.	BSES Rajdhani Power Limited	-	-	0.04	0.26

@ less than Rs. 50,000

As at the year-end, the Company-

- has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years, and
- has no loans and advances in the nature of loans to firms / companies in which directors are interested.
- the above amounts excludes subordinate debts.

Schedules Annexed to and forming part of the Financial Statements

19. Balances with Non-Scheduled Banks in Current Account :

Rs. Crore

Sr. No.	Name of the Non-Scheduled Bank	2009-10		2008-09	
		As at March 31, 2010	Maximum Balance	As at March 31, 2009	Maximum Balance
1.	The Air Corporation Employees Co-operative Bank Limited	0.02	0.19	0.03	0.12
2.	The Malad Sahakari Bank Limited	0.14	0.84	0.21	0.69
3.	Hindustan Co-operative Bank Limited	0.19	0.47	0.16	0.44
4.	Chembur Nagrik Sahakari Bank Limited	0.36	1.08	0.37	1.15
5.	Shri Arihant Co-operative Bank Limited	0.18	0.72	0.21	0.75
6.	The Sangli Sahakari Bank Limited	0.02	0.14	-	0.14
7.	Maratha Sahakari Bank Limited	0.10	0.92	0.18	0.83
8.	Sahyadri Sahakari Bank Limited	-	0.15	0.03	0.22
9.	The City Co-operative Bank Limited	0.05	0.22	0.05	0.18
10.	Konkan Prant Sahakari Bank Limited	0.09	0.32	0.11	0.31
11.	Priyadarshani Mahila Co-operative Bank Limited	0.01	0.17	0.09	0.12
12.	The C.K.P. Co-operative Bank Limited	0.06	0.32	0.09	0.45
13.	Bhutan National Bank	0.01	0.01	0.01	0.01
14.	Nepal Bank Limited	0.02	0.02	0.02	0.02
15.	Excellent (Safe) Co-operative Bank Limited	0.20	0.90	0.21	0.74
16.	Dattatrya Maharaj Kalambe Jaoli Sahakari Bank Limited	0.19	0.65	0.15	0.66
17.	Model Co-operative Bank Limited	0.10	0.33	0.09	0.17
18.	Barclays PLC				
	(a) In Current Account	0.06	0.12	0.07	279.24
	(b) In Cash Collateral Account	80.82	154.09	50.22	73.51
19.	ABN Amro Bank				
	In Deposit Account	-	-	-	350.15
20.	UBS AG London Branch				
	(a) In Current Account	-	-	-	339.92
	(b) In Deposit Account	-	-	-	1,068.83

20. Details of Purchase and Sale of Investments during the year :

Mutual Fund	No of Units	Purchase Cost Rs. Crore
Reliance Liquid Fund-Growth Option	3,885,191,287.261	5,193.51
Reliance Liquid Fund-Daily Dividend-Reinvestment Option	24,764,758,807.723	24,772.67
Reliance Liquid Fund-Treasury Plan-Institutional Option-Daily Dividend Option	824,205,508.768	1,259.98
Reliance Medium Term Fund-Retail Plan-Daily Dividend	368,468,561.819	629.92
Reliance Money Manager Fund-Institutional Option-Daily Dividend Plan	45,503,577.357	4,555.53
LICMF Liquid Fund-Growth Plan	11,860,215.500	20.00
LICMF Liquid Fund-Daily Dividend Plan	106,169,788.507	116.58
LICMF Income Plus Fund-Daily Dividend Plan	116,818,243.666	116.82
Birla Sun Life Cash Plus-Institutional Premium-Daily Dividend-Reinvestment	4,990,680.867	5.00
Birla Sun Life Saving Fund-Institutional-Daily Dividend-Reinvestment	5,013,606.014	5.02
Birla Sun Life Cash Plus- Institutional Premium-Growth	6,790,894.768	10.00
ICICI Prudential Liquid Super Institutional Plan-Daily Dividend	499,932.741	5.00
ICICI Prudential Flexible Income Premium-Daily Dividend	474,477.306	5.02
ICICI Prudential Liquid Super Institutional Plan-Growth	734,992.555	10.00
HDFC Cash Mgt. Fund Savings Plan- Daily Dividend Reinvestment Option	4,701,192.196	5.00
HDFC Cash Mgt. Fund-Treasury Advntg. Plan-Wholesale-Daily Dividend Option	5,000,748.257	5.02
HDFC Cash Mgt Fund-Savings Plan-Growth	5,196,181.846	10.00

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

21. Buy-back of Equity Shares :

Pursuant to the approval of the Board of Directors and shareholders of the Company, for buy-back of equity shares under Section 77A of the Companies Act, 1956 upto 25% of the paid-up equity share capital and free reserves of the Company aggregating Rs. 2,000.14 Crore, the Company has bought-back 7,53,505 (9,554,995) equity shares during the year ended March 31, 2010 through open market transactions for Rs. 43.15 Crore (Rs.759.28 Crore), by utilising the Securities Premium account and the General Reserve to the extent of Rs. 42.40 Crore (Rs. 749.73 Crore) and Rs. 0.75 Crore (Rs. 9.55 Crore) respectively. The Capital Redemption Reserve has been created out of General Reserve for Rs. 0.75 Crore (Rs. 9.55 Crore) being the nominal value of shares bought back in terms of Section 77A of the Companies Act, 1956.

22. Equity Share Warrants :

- (a) The Company had received an amount of Rs. 783.49 crore towards initial subscription of 4.30 crore warrants from a promoter group company (as defined under SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2009), to subscribe 4.30 crore equity shares for an aggregate value of Rs. 7,835 crore. As the promoters have opted not to exercise the option of conversion, the Committee of Directors in its meeting held on May 24, 2009 approved the cancellation of 4.30 crore warrants and forfeited the advance amount received. The said amount has been credited to Capital Reserve.
- (b) During the year, pursuant to the approval of the shareholders through postal ballot, the Company made an allotment of 4.29 crore warrants to one of the promoters AAA Project Ventures Private Limited (AAPVL). The warrant holder will be entitled to apply for one equity share of the Company of Rs. 10 each for every warrant held, at any time but on or before 18 months from the date of allotment of warrants. The Company received an amount of Rs. 996.23 crore from AAPVL towards initial subscription of 4.29 crore warrants being 25% of the total amount. Subsequently, the Company received an application for conversion of 1.96 crore warrants into shares along with the balance of Rs.1,365.47 crore. The Company allotted 1.96 crore equity shares to AAPVL against conversion of said warrants.

23. (a) Interest in Joint Ventures (other than Joint Ventures which are subsidiaries) :

Company	Proportion of ownership interest as on	
	March 31, 2010	March 31, 2009
Utility Powertech Limited	19.80 %	19.80 %
BSES Rajdhani Power Limited	49.00 %	49.00 %
BSES Yamuna Power Limited	49.00 %	49.00 %
Tamilnadu Industries Captive Power Company Limited	33.70 %	33.70 %

- (b) The above joint venture companies are incorporated in India. The Company's share of the assets and liabilities as on March 31, 2010 and income and expenses based on financial statements audited by other independent Chartered Accountants for the year ended on that date are given below :

Sr. No.	Particulars	Rs. Crore	
		March 31, 2010	March 31, 2009
A	Assets		
	Long Term Assets	2,142.52	2,012.70
	Current Assets	1,447.35	575.93
	Total	3,589.87	2,588.63
B	Liabilities		
	Long Term Liabilities	2,241.50	1,685.63
	Current Liabilities and Provisions	877.21	613.37
	Total	3,118.71	2,107.00
C	Contingent Liabilities	84.96	66.06
D	Capital Commitments	248.12	212.05
E	Income	4,055.34	3,099.77
F	Expenses	3,924.06	3,122.52

The above figures do not include the share of the assets, liabilities, income and expenses etc. pertaining to the share holding of the Company's associates / group companies.

Schedules Annexed to and forming part of the Financial Statements

24. Derivative Instruments :

- (a) The Company has entered into contracts for derivative instruments, which are not intended for trading or speculative purposes. The details of the derivative instruments are as follows :

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2010)	
			US \$ million	Rs. Crore
1.	Currency Swap	15	122.49	550.00
2.	Libor Based Callable Range Accrual	4	250.00	1,122.50
3.	Forward Contract	2	18.00	80.82

- (b) Pursuant to the clarification issued by the Institute of Chartered Accountants of India on March 29, 2008 on accounting of derivatives, the Company has for the year ended March 31, 2010 reversed / (provided for) unrealised loss of Rs. 81.08 Crore (Previous Year (Rs. 170.18 Crore)) on account of revaluation of foreign exchange derivative instruments at fair values as at the reporting year end. Profit or Loss on such foreign exchange derivative instruments will be crystallised / realised only on expiry of such instruments in subsequent financial years.

- (c) Commodity Contracts :

The Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. The following are outstanding aluminum future contracts entered into by the Company as on March 31, 2010.

Year	Number of Contracts	Contractual Quantity	Buy / Sell
2009-10	18	18,100 MT	Buy

- (d) Net Foreign Currency exposures that are not covered by derivative instruments or otherwise are US\$ 416.54 million (Rs. 1,644.92 Crore) [US\$ 156.01 million (Rs. 791.33 Crore)].

25. Interest in Joint Venture Operations :

The Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited *(the consortium) has been allotted 4 Coal Bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (Mo PNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium has entered into a production sharing agreement with Government of India for exploration and production of these four CBM blocks. The Company is a non-operator and has 45% share in each of the four blocks.

Also the Company along with M/s. Geopetrol International Inc, Naftogaz India Private Limited and Reliance Natural Resources Limited *(the consortium) has been allotted oil block from Ministry of Petroleum and Natural Gas (Mo PNG), in the State of Mizoram under the New Exploration Licensing Policy (NELP - VI) round, covering an acreage of 3,619 square kilometers and the consortium has signed an agreement with the Government of India for exploration and production of an Oil and Gas block. The Company is a non-operator and has 70% share in the block.

During the year, the Company has accounted for Rs. 3.71 Crore towards its share of expenditure on survey and prospecting activities.

(* Share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).

Disclosure of the Company's share in Joint Venture operations :

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) March 31, 2010
SP-(North) - CBM - 2005 / III	Sohagpur, Madhya Pradesh	45 %
KG(E) - CBM - 2005 / III	Kothagudem, Andhra Pradesh	45 %
BS(4) - CBM - 2005 / III	Barmer, Rajasthan	45 %
BS(5) - CBM - 2005 / III	Barmer, Rajasthan	45 %
MZ-ONN-2004 / 2	Mizoram	70 %

The above joint ventures are unincorporated joint ventures carrying out jointly controlled operations. Based on the audited statement of accounts of the consortium received from the independent auditors, the Company accounts for its share of the assets, liabilities, income and expenditure of joint venture operations in which it holds a participating interest.

Reliance Infrastructure Limited

Schedules Annexed to and forming part of the Financial Statements

26. Amount due from customers represents amount of Rs. 3,400.50 crore (Rs. 5,061.50 crore) being contracts in progress valued at cost plus recognised profit less progress billing of Rs. 3,146.10 crore (Rs. 4,899.86 crore). Amount due to customer represents an amount of Rs. 6,778.29 crore (Rs. 1,681.92 crore) being contract in progress valued at progress billing less cost plus recognised profit of Rs. 6,472.96 crore (Rs. 1,620.68 crore).

Pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts", aggregate amount of Contract cost incurred and recognised profits (less recognised losses) as at the end of the financial year for all the contracts in progress is Rs. 9,873.46 crore (Rs. 6,682.18 crore).

27. **Disclosure as required under AS – 19 :**

Disclosure as required under AS – 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below :

- (a) The Company has entered into cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.
- (b) Future minimum lease payments under non-cancellable operating lease are as under

Particulars	Lease Rental Debited to Profit and Loss Account	Future Minimum Lease Rentals			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises and Warehouses	19.42	14.32	58.37	2.90	Various

*The Lease terms are renewable on a mutual consent of Lessor and Lessee.

The lease rentals have been included under the head "Rent" under Schedule 11 – "Generation, Distribution, Administration and Other Expenses" and Schedule "12 – Expenditure of EPC and Contracts Business".

28. **Power Banking :**

The cost of electricity purchased is net of cost incurred towards units purchased and banked with other parties and/or units banked by other parties with us, both on loan basis. Such transactions remaining unsettled at the year end, is carried forward under Loans and Advances / Sundry Creditors, as the case may be at the value of purchase on the date of the transactions when the units are banked, either way, as the case may be.

29. Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures. '@' – represents figures less than Rs. 50,000 which have been shown at actuals in brackets with @.

As per our attached Report of even date

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place: Mumbai
Date : November 22, 2010

For and on behalf of the Board

Anil D Ambani
Satish Seth
S C Gupta
Lalit Jalan
Gen V P Malik
Dr Leena Srivastava
S L Rao

Chairman
Vice Chairman
Director (Operations)
Whole-time Director

} Directors

Ramesh Shenoy
Place: Mumbai
Date : November 22, 2010

Company Secretary

Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
A. Cash Flow from Operating Activities :				
Profit before Taxation		1,296.94		1,193.43
Adjustments for :				
Depreciation (Net of transfer from Reserves)	319.84		244.88	
Interest and finance charges	292.21		330.50	
(Profit) / Loss on sale / disposal of fixed assets (Net)	(2.70)		(0.98)	
Provision for / (write back of) diminution in value of investments	0.41		(45.05)	
Provision for doubtful debts, advances, deposits	49.13		58.97	
Provision for leave encashment	(9.91)		(4.15)	
Interest income	(268.29)		(338.81)	
Dividend Income	(165.40)		(3.50)	
Premium on Redeemable Preference Shares	(195.52)		(368.56)	
Unrealised (Gain) / Loss on exchange fluctuation (net)	(9.93)		186.79	
Unrealised (Gain) / Loss on derivative Instruments (net)	(81.08)		170.18	
(Profit) / Loss on sale / redemption of investments (net)	(135.08)		(238.64)	
		(206.32)		(8.37)
Operating Profit before Working Capital Changes		1,090.62		1,185.06
Adjustments for :				
Trade and other receivables	(1,922.45)		(2,156.95)	
Inventories	171.53		(140.39)	
Trade payables	1,170.96	(579.96)	2,186.59	(110.75)
		510.66		1,074.31
Income Taxes paid (net of refund)		99.78		(181.67)
Net Cash Generated from Operating Activities		610.44		892.64
B. Cash Flow from Investing Activities :				
Purchase/acquisition of fixed assets	(559.93)		(583.80)	
Sale of fixed assets	6.05		10.13	
Investments in Subsidiaries / Associates / Joint Ventures	(280.55)		(617.35)	
Purchase of Investments	(30,084.53)		(42,472.55)	
Advance against Investments in Subsidiaries / Associates	(208.66)		(937.12)	
Sale / redemption of investments	32,301.63		39,616.36	
Inter Corporate Deposits	(1,145.32)		3,494.59	
Dividend Income	165.40		3.50	
Premium on Redeemable Preference Shares	36.19		162.95	
Interest Income	282.07		330.62	
Net Cash generated from / (used in) Investing Activities		512.35		(992.67)
C. Cash Flow from Financing Activities :				
Proceeds from issue of Shares / Share warrants	2,361.70		-	
Buy back of Equity Shares (including buy back expenses)	(43.15)		(759.28)	
Proceeds from issue of debentures	-		850.00	
Repayment of secured loans (net of proceeds)	(373.33)		(126.67)	
Proceeds from unsecured borrowings (net of repayments)	(2,531.92)		789.59	
Realised Gain / (Loss) on derivative instruments (net)	22.82		(21.28)	
Interest and finance charges	(323.10)		(299.61)	
Dividends paid on equity shares including tax	(185.00)		(169.59)	
Net Cash (used in) / generated from Financing Activities		(1,071.98)		263.16
Net Increase in cash and cash equivalents (A+B+C)		50.81		163.13
Cash and cash equivalents as at the commencement of the year (Opening Balance)		251.01		87.65
Cash and cash equivalents of Reliance Project Finance Private Limited transferred on amalgamation		-		0.23
Cash and cash equivalents as at the end of the year (Closing Balance)*		301.82		251.01
Net Increase as disclosed above		50.81		163.13

* Including Cash Collateral of Rs. 80.82 crore (Rs 50.22 crore) as at March 31, 2010.

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

As per our attached Report of even date

For Price Waterhouse

Firm Regn. No: 301112E

Chartered Accountants

For Chaturvedi & Shah

Firm Regn. No: 101720W

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board

Anil D Ambani

Satish Seth

S C Gupta

Lalit Jalan

Gen V P Malik

Dr Leena Srivastava

S L Rao

Ramesh Shenoy

Chairman

Vice Chairman

Director (Operations)

Whole-time Director

Directors

Company Secretary

Place : Mumbai
Date : November 22, 2010

Place : Mumbai
Date : November 22, 2010

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's Interest in Subsidiary Companies

Sr. No.	Particulars	The Financial Year of the subsidiary companies ended on	Date from which they became subsidiary companies	Number and face value of shares held by the Company at the end of the financial year of the subsidiary companies	Extent of Interest of Holding Company at the end of the financial year of the subsidiary companies	The net aggregate amount of the subsidiary companies Profit/(Loss) so far as it concerns the members of the Holding Company			Rs Crore
						Dealt with in Holding Company's accounts		For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	
						Not dealt with in the Holding Company's accounts	For the financial year ended 31st March, 2010		
1	BSES Kerala Power Limited	31-03-2010	20-11-2006	127,760,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	22.45	13.49	-	-
2	Reliance Power Transmission Limited	31-03-2010	06-10-2006	50,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(2.68)	(2.61)	-	-
3	Mumbai Metro One Private Limited	31-03-2010	28-02-2007	69,006,900 Equity Shares of the face value of Rs. 10 each fully paid-up and 138,000,000 Equity Shares of the face value of Rs. 10 each paid-up Rs. 7.50	69%	-	(1.93)	-	-
4	Noida Global SEZ Private Limited	31-03-2010	06-01-2007	5,100 Equity Shares of the face value of Rs. 10 each fully paid-up	51%	-	(0.15)	-	-
5	Reliance InfraProjects Limited	31-03-2010	26-10-2006	502,100,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	39.03	152.22	-	-
6	Delhi Airport Metro Express Private Limited	31-03-2010	01-04-2008	9,500 Equity Shares of the face value of Rs. 10 each fully paid-up	95%	-	-	-	-
7	Reliance InfraVentures Limited	31-03-2010	26-10-2006	502,110,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	37.66	139.80	-	-
8	Reliance Energy Trading Limited	31-03-2010	31-12-2007	20,650,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	8.80	8.36	-	-
9	Parbati Koldam Transmission Company Limited	31-03-2010	23-11-2007	9,657,000 Equity Shares of the face value of Rs. 10 each fully paid-up	74%	0.07	(0.90)	-	-
10	DS Toll Road Limited	31-03-2010	23-05-2008	5,210,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(0.20)	-	-	-
11	NK Toll Road Limited	31-03-2010	23-05-2008	4,477,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(1.25)	-	-	-
12	SU Toll Road Private Limited	31-03-2010	02-05-2008	16,454,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	(0.11)	-	-
13	TD Toll Road Private Limited	31-03-2010	02-05-2008	9,768,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	(0.15)	-	-
14	TK Toll Road Private Limited	31-03-2010	02-05-2008	11,405,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	(0.06)	-	-
15	GF Toll Road Private Limited	31-03-2010	23-12-2008	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	0.01	(0.15)	-	-
16	CBD Tower Private Limited	31-03-2010	21-05-2008	163,696,154 Equity Shares of the face value of Rs. 10 each fully paid-up	89%	(1.62)	(1.83)	-	-
17	Tulip Realtch Private Limited	31-03-2010	19-01-2009	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	-	-	-
18	Reliance Energy Generation Limited	31-03-2010	13-02-2009	50,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(0.03)	-	-	-
19	Reliance Energy Limited	31-03-2010	31-01-2009	500,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(0.04)	0.02	-	-
20	Reliance Property Developers Limited	31-03-2010	31-01-2009	50,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	(0.02)	-	-	-
21	Reliance Cementation Private Limited	31-03-2010	05-09-2009	22,110,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	N.A.	-	N.A.
22	KM Toll Road Private Limited	31-03-2010	04-02-2010	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up	100%	-	N.A.	-	N.A.
23	PS Toll Road Private Limited	31-03-2010	09-02-2010	7,400 Equity Shares of the face value of Rs. 10 each fully paid-up	74%	-	N.A.	-	N.A.

Reliance Infrastructure Limited

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's Interest in Subsidiary Companies

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies

Sr. No.	Particulars	The Financial Year of the subsidiary companies ended on	Date from which they became subsidiary companies	Number and face value of shares held by the Company at the end of the financial year of the subsidiary companies	Extent of Interest of Holding Company at the end of the financial year of the subsidiary companies	The net aggregate amount of the subsidiary companies Profit/(Loss) so far as it concerns the members of the Holding Company			Rs Crore
						Dealt with in Holding Company's accounts		For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	
						Not dealt with in the Holding Company's accounts	For the financial year ended 31st March, 2010		
Step-down Subsidiaries:-									
24	Western Region Transmission (Maharashtra) Private Limited	31-03-2010	14-11-2007	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Power Transmission Limited	100%	-	(1.81)	-	-
25	Western Region Transmission (Gujarat) Private Limited	31-03-2010	14-11-2007	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Power Transmission Limited	100%	-	(0.99)	-	-
26	Reliance Goa and Salmkot Power Limited	31-03-2010	04-03-2009	50,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Energy Generation Limited	100%	(0.02)	-	-	-
27	Reliance Cement Corporation Private Limited	31-03-2010	05-09-2009	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Cementation Private Limited	100%	-	N.A.	-	N.A.
28	Reliance Cement & Infra Private Limited	31-03-2010	05-09-2009	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Cementation Private Limited	100%	-	N.A.	-	N.A.
29	Reliance Cement Works Private Limited	31-03-2010	05-09-2009	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Cementation Private Limited	100%	-	N.A.	-	N.A.
30	Reliance Airport Developers Private Limited	31-03-2010	25-09-2009	10,000 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Infrastructures Limited	100%	(0.04)	N.A.	-	N.A.
31	Latur Airport Private Limited	31-03-2010	29-09-2009	2,600 Equity Shares of the face value of Rs. 10 each fully paid-up held by the Company and 7,400 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Airport Developers Private Limited	100%	(0.66)	N.A.	-	N.A.
32	Baramati Airport Private Limited	31-03-2010	29-09-2009	2,600 Equity Shares of the face value of Rs. 10 each fully paid-up held by the Company and 7,400 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Airport Developers Private Limited	100%	(0.47)	N.A.	-	N.A.
33	Nanded Airport Private Limited	31-03-2010	29-09-2009	2,600 Equity Shares of the face value of Rs. 10 each fully paid-up held by the Company and 7,400 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Airport Developers Private Limited	100%	(0.81)	N.A.	-	N.A.
34	Yavatmal Airport Private Limited	31-03-2010	29-09-2009	2,600 Equity Shares of the face value of Rs. 10 each fully paid-up held by the Company and 7,400 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Airport Developers Private Limited	100%	(0.09)	N.A.	-	N.A.
35	Osmanabad Airport Private Limited	31-03-2010	29-09-2009	2,600 Equity Shares of the face value of Rs. 10 each fully paid-up held by the Company and 7,400 Equity Shares of the face value of Rs. 10 each fully paid-up held by Reliance Airport Developers Private Limited	100%	(0.11)	N.A.	-	N.A.

Auditors' Report to the Board of Directors of Reliance Infrastructure Limited on the Consolidated Financial Statements

1. We have audited the attached consolidated Balance Sheet of Reliance Infrastructure Limited (the Company) and its subsidiaries, jointly controlled entities and associate companies, hereinafter referred to as the "Group" (Refer Note 1(c)(ii) and Note 1(c)(iii) on Schedule 16 to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Price Waterhouse did not audit the financial statements and other financial information of seven subsidiaries included in these consolidated financial statements, whose financial statements reflect total assets of Rs. 1,197.98 Crore and net assets of Rs.994.10 Crore as at March 31, 2010, total revenue of Rs. 45.19 Crore, net profit before tax of Rs. 42.41 Crore and net cash outflows amounting to Rs. 1.36 Crore for the year then ended that have been audited by Chaturvedi & Shah on whose reports Price Waterhouse has placed reliance for the purpose of this report.
4. Chaturvedi & Shah did not audit the financial statements and other financial information of one subsidiary included in these consolidated financial statements, whose financial statements reflect total assets of Rs. 659.04 Crore and net assets of Rs. 183.82 Crore as at March 31, 2010, total revenue of Rs. Nil, net loss before tax of Rs. 1.83 Crore and net cash outflows amounting to Rs. 0.01 Crore for the year then ended that have been audited by Price Waterhouse on whose reports Chaturvedi & Shah has placed reliance for the purpose of this report.
5. Price Waterhouse and Chaturvedi & Shah did not audit the financial statements and other financial information of 23 subsidiaries and 4 jointly controlled entities included in these consolidated financial statements, whose financial statements together comprise total assets of Rs. 8,307.22 Crore and net assets of Rs. 3,005.25 Crore as at March 31, 2010, total revenue of Rs. 4,626.76 Crore, net profit of Rs. 158.26 Crore and net cash outflows amounting to Rs. 63.59 Crore for the year then ended and 4 associate companies included in these consolidated financial statements which constitute net loss of Rs. 4.95 Crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our audit opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based on solely on the reports of such auditors.
6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21- Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place : Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

Consolidated Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
I. Sources of Funds					
(1) Shareholders' Funds					
(a) Share Capital	1	244.92		226.07	
(b) Equity Share Warrants (Refer Note 22)		541.08		783.49	
(c) Reserves and Surplus	2	19,918.06		15,888.04	
			20,704.06		16,897.60
(2) Minority Interest			114.68		111.60
(3) Loan Funds					
(a) Secured Loans	3	5,748.98		4,621.50	
(b) Unsecured Loans	4	2,834.90		5,483.85	
			8,583.88		10,105.35
(4) Deferred Tax Liability (net) (Refer Note 12)			156.94		211.34
			29,559.56		27,325.89
II. Application of Funds					
(1) Fixed Assets	5				
(a) Gross Block		11,748.19		10,107.41	
(b) Less: Depreciation		5,168.32		4,637.98	
(c) Net Block		6,579.87		5,469.43	
(d) Capital Work-in-Progress		4,638.67		3,558.23	
			11,218.54		9,027.66
(2) Investments	6		13,659.14		15,936.41
(3) Current Assets, Loans and Advances	7				
(A) Current Assets					
(a) Inventories		389.78		560.64	
(b) Sundry Debtors		2,249.62		1,927.78	
(c) Cash and Bank Balances		449.43		458.27	
(d) Other Current Assets		1,560.47		1,077.54	
(B) Loans and Advances		8,590.59		5,545.31	
		13,239.89		9,569.54	
Less: Current Liabilities and Provisions	8				
(A) Current Liabilities		7,042.09		5,912.73	
(B) Provisions		1,515.92		1,294.99	
		8,558.01		7,207.72	
Net Current Assets			4,681.88		2,361.82
			29,559.56		27,325.89
Notes forming part of the Consolidated Financial Statements	16				

As per our attached Report of even date

For Price Waterhouse
Firm Regn. No: 301112E
Chartered Accountants

For Chaturvedi & Shah
Firm Regn. No: 101720W
Chartered Accountants

Partha Ghosh
Partner
Membership No. 55913

C D Lala
Partner
Membership No. 35671

Place: Mumbai
Date : November 22, 2010

For and on behalf of the Board

Anil D Ambani
Satish Seth
S C Gupta
Lalit Jalan
Gen V P Malik
Dr Leena Srivastava
S L Rao

Chairman
Vice Chairman
Director (Operations)
Whole-time Director

} Directors

Ramesh Shenoy

Company Secretary

Place: Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010		Year ended March 31, 2009	
		Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Income					
Revenue from Electricity Business *		7,384.61		8,522.39	
Less: Discount for prompt payment of bills		28.05		26.71	
Add: Share in Joint Ventures *		3,941.85		1,595.92	
* Refer Note 17					
Revenue from EPC and Contracts Business	9		11,298.41		10,091.60
Income from Toll Collection			3,304.87		2,540.41
Other Income	10		25.34		-
			1,118.83		1,477.40
			15,747.45		14,109.41
Expenditure					
Cost of Electrical Energy purchased (net)		3,859.04		4,937.25	
Add: Share in Joint Ventures		3,094.33		1,279.63	
			6,953.37		6,216.88
Cost of Fuel			1,580.81		1,709.55
Tax on Sale of Electricity [including Share in Joint Ventures Rs. 111.73 Crore (Rs. 53.96 Crore)]			265.86		206.92
Generation, Distribution, Administration and Other Expenses	11		1,512.20		1,481.27
Expenditure of EPC and Contracts Business	12		3,090.05		2,387.53
Interest and Finance Charges	13		525.13		439.42
Depreciation / Amortisation		415.77		335.24	
Less: Transferred from Revaluation Reserve (Refer Note 16)		53.90		53.95	
Less: Transferred from Service Line Contribution		8.02		7.73	
Add: Share in Joint Ventures [net of amount transferred from Reserves Rs. 11.17 Crore (Rs 6.74 Crore)]		118.59		56.82	
			472.44		330.38
			14,399.86		12,771.95
Profit before Taxation, Share in Associates and Minority Interest					
Provision for Taxation:					
Current Tax (including Fringe Benefit Tax)		249.71		202.66	
Deferred Tax (net) (Refer Note 12)		(53.84)		(56.48)	
Tax adjustments for earlier years (net)		(47.65)		(72.03)	
			148.22		74.15
Share in Joint Ventures:					
Current Tax (including Fringe Benefit Tax)		0.45		4.13	
Deferred Tax (net) (Refer Note 12)		(0.56)		0.04	
Tax adjustments for earlier years (net)		1.72		-	
			1.61		4.17
Profit after Tax but before Share in Associates and Minority Interest			1,197.76		1,259.14
Share of Profit / (Loss) of Associates for the year (net)			321.45		93.37
Minority Interest			0.18		0.72
Profit after Tax, Share in Associates and Minority Interest			1,519.39		1,353.23
Balance of Profit brought forward from previous year		1,147.00		1,002.40	
Add: Share in Joint Ventures		(303.81)		(167.41)	
			843.19		834.99
Add: Acquired on increase of interests in Joint Ventures			-		(114.32)
Less: Statutory Reserves and Other Appropriations	14		16.96		14.55
Amount available for Distribution and Appropriations			2,345.62		2,059.35
Appropriations					
Interim / Proposed Final Dividend on Equity Shares [including Share in Joint Ventures of Rs. 0.40 Crore (Rs. 0.13 Crore)]			174.26		157.82
Dividend on Equity Shares (including Tax on Dividend) for previous year			-		(1.85)
Corporate Tax on Dividends (net) [including Share in Joint Ventures of Rs. 0.07 Crore (Rs.0.02 Crore)]			29.38		26.82
Transfer to Debenture Redemption Reserve			35.83		33.35
Transfer to General Reserve [including Share in Joint Ventures of Rs. 1.19 Crore (Rs. 0.02 Crore)]			1,001.19		1,000.02
Balance carried to Balance Sheet		1,352.00		1,147.00	
Add: Share in Joint Ventures		(247.04)		(303.81)	
			1,104.96		843.19
			2,345.62		2,059.35
Earnings per Equity Share (Face Value of Rs. 10 per share)	15				
Basic			Rupees 67.43		Rupees 58.75
Diluted			66.39		57.68
Notes forming part of the Consolidated Financial Statements	16				

As per our attached Report of even date

For Price Waterhouse

Firm Regn. No: 301112E

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

Place: Mumbai

Date : November 22, 2010

For Chaturvedi & Shah

Firm Regn. No: 101720W

Chartered Accountants

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board

Anil D Ambani

Satish Seth

S C Gupta

Lalit Jalan

Gen V P Malik

Dr Leena Srivastava

S L Rao

Ramesh Shenoy

Place: Mumbai

Date : November 22, 2010

Chairman

Vice Chairman

Director (Operations)

Whole-time Director

Directors

Company Secretary

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore		Rs. Crore	
Schedule 1 - Share Capital				
(a) Authorised -				
35,00,00,000 (35,00,00,000) Equity Shares of Rs. 10 each		350.00		350.00
80,00,000 (80,00,000) Equity Shares of Rs. 10 each with differential rights		8.00		8.00
155,00,00,000 (155,00,00,000) Redeemable Preference Shares of Rs 10 each		1,550.00		1,550.00
4,20,00,000 (4,20,00,000) Unclassified Shares of Rs. 10 each		42.00		42.00
		<u>1,950.00</u>		<u>1,950.00</u>
(b) Issued -				
22,84,25,832 (23,79,80,827) Equity Shares of Rs. 10 each		228.43		237.98
Add: 1,96,00,000 (Nil) Equity Shares on conversion of warrants (Refer Note 22)		19.60		-
Less: 7,53,505 (95,54,995) Shares bought back (Refer Note 21)		0.75		9.55
		<u>247.28</u>		<u>228.43</u>
(c) Subscribed and Paid-up -				
22,60,23,767 (23,55,78,762) Equity Shares of Rs. 10 each fully paid up		226.03		235.58
Add: 1,96,00,000 (Nil) Equity Shares on conversion of warrants (Refer Note 22)		19.60		-
Add: Forfeited Shares - Amounts originally paid up		0.04		0.04
		<u>245.67</u>		<u>235.62</u>
Less: 7,53,505 (95,54,995) Shares bought back (Refer Note 21)		0.75		9.55
		<u>244.92</u>		<u>226.07</u>
Of the above Equity Shares -				
(i) 1,38,400	Shares were allotted as fully paid up pursuant to a contract without payment being received in cash			
(ii) 80,96,070	Shares were allotted as fully paid up Bonus Shares by capitalisation of Rs. 0.02 crore from Securities Premium Account and Rs. 8.08 crore from General Reserve			
(iii) 8,36,790	Shares were allotted on conversion of 7% 'B' Class Convertible Debentures			
(iv) 56,100	Shares were allotted on conversion of 8.5% 'F' Class Convertible Debentures			
(v) 4,59,92,760	Shares were allotted on conversion of 12.5% Fully Convertible Debentures			
(vi) 5,39,87,736	Shares were allotted on conversion of 15% Fully Convertible Debentures			
(vii) 2,60,41,650	Shares were issued by way of Global Depository Receipts (GDR) through an international offering in U.S.Dollars. [Out of which outstanding GDRs as at March 31, 2010 - 3,23,359 (4,60,906)]			
(viii) 3,16,81,580	Shares were issued by way of GDRs on conversion of Foreign Currency Convertible Bonds (FCCB)			
(ix) 8,58,86,850	(6,62,86,850) Shares were issued on preferential allotment of equity/ warrants.			
(x) 8,10,057	Shares were issued on Merger with Reliance Energy Ventures Limited			
(xi) 1,12,60,000	(105,06,495) Shares were bought back (Refer Note 21)			

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 2 - Reserves and Surplus				
(a) Capital Reserves -				
1. Capital Reserve:				
Balance as per last Balance Sheet		-		-
Add: Transfer on Forfeiture of Equity Share Warrants (Refer Note 22)		783.49		-
		<u>783.49</u>		-
2. Service Line Contributions:				
Balance as per last Balance Sheet (net)		106.78		100.41
Add : Contributions / Refunds (net) during the year		20.07		14.10
Less: Transfer to Profit and Loss Account		8.02		7.73
		<u>118.83</u>		<u>106.78</u>
3. Capital Reserve on Consolidation:				
Balance as per last Balance Sheet		4,381.17		4,356.74
Add : On acquisition of Subsidiaries / Joint Ventures / Associates		-		24.43
		<u>4,381.17</u>		<u>4,381.17</u>
Carried Forward		<u>5,283.49</u>		<u>4,487.95</u>

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 2 - Reserves and Surplus				
Brought Forward		5,283.49		4,487.95
4. Sale proceeds of Fractional Equity Share Certificates and Dividends thereon @ [Rs 37,953 (Rs. 37,953)]		@		@
5. Grants / Capital Contribution:				
Balance as per last Balance Sheet	128.50		-	
Add: Received during the year	142.30		<u>128.50</u>	
		270.80		128.50
(b) Capital Redemption Reserve -				
Balance as per last Balance Sheet	124.84		115.29	
Add : Transferred from General Reserve (Refer Note 21)	0.75		<u>9.55</u>	
		125.59		124.84
(c) Securities Premium Account -				
Balance as per last Balance Sheet	5,224.82		5,974.55	
Add: Premium received on issue of shares (Refer Note 22)	1,801.02		-	
Less: Premium on Equity Shares bought back (Refer Note 21)	42.40		<u>749.73</u>	
		6,983.44		5,224.82
(d) Revaluation Reserve -				
Balance as per last Balance Sheet	589.74		643.69	
Less: Transfer to Profit and Loss Account (Refer Note 16)	53.90		<u>53.95</u>	
		535.84		589.74
(e) Statutory Reserves -				
1. Contingencies Reserve:				
Balance as per last Balance Sheet	114.73		100.18	
Add: Transfer from Profit and Loss Account	16.96		<u>14.55</u>	
		131.69		114.73
2. Development Reserve Account No.1 (Represents Development Rebate Reserve admissible under the Income-tax Act)		1.69		1.69
3. Development Reserve Account No.2 (Represents Investment Allowance Reserve admissible under the Income-tax Act)		18.97		18.97
4. Debt Redemption Reserve		2.30		2.30
(f) Other Reserves -				
1. Debenture Redemption Reserve:				
Balance as per last Balance Sheet	169.51		136.16	
Add: Transfer from Profit and Loss Account	35.83		33.35	
Less: Transfer to General Reserve	86.85		<u>-</u>	
		118.49		169.51
2. Rural Electrification Scheme Reserve		0.11		0.11
3. Reserve to augment production facilities		0.04		0.04
4. Reserve for Power Project		100.00		100.00
5. Development Reserve Account No. 3		140.88		140.88
6. Conversion Reserve		563.45		563.45
(g) General Reserve -				
Balance as per last Balance Sheet	3,056.82		2,066.37	
Add: Transfer from Debenture Redemption Reserve	86.85		-	
Add: Transfer from Profit and Loss Account	1,000.00		<u>1,000.00</u>	
	4,143.67		<u>3,066.37</u>	
Less: Transfer to Capital Redemption Reserve (Refer Note 21)	0.75		<u>9.55</u>	
		4,142.92		3,056.82
(h) Profit and Loss Account		1,352.00		1,147.00
(i) Share in Joint Ventures		146.36		16.69
		<u>19,918.06</u>		<u>15,888.04</u>

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2010		As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 3 – Secured Loans				
Debentures				
6.35% – 25,000 (25,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) [Refer Note (a) below]		250.00	250.00	
6.70% – 12,500 (12,500) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on August 19, 2018) [Refer Note (a) below]		125.00	125.00	
5.95% – 10,000 (10,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) [Refer Note (a) below]		100.00	100.00	
5.60% – 15,000 (15,000) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable at par on July 28, 2013) [Refer Note (a) below]		150.00	150.00	
11.55% – 8,500 (8,500) Non Convertible Debentures of the face value of Rs. 1 lakh each (Redeemable in 3 equal instalments on February 24, 2017, February 24, 2018 and February 24, 2019) [Refer Note (a) below]		850.00	850.00	
12% – 159,767,891 (159,767,891) Convertible Debentures of face value of Rs. 10 each [Refer Note (c) below]		159.77	159.77	
		1,634.77		1,634.77
Working Capital facility from Banks [Refer Note (d) below]		21.57		20.13
Term Loan				
Working Capital Loan [Refer Note (b) below]		-	373.33	
Rupee Loans [Refer Note (d) below]	1,473.49		861.89	
Foreign Currency Loans [Refer Note (d) below]	121.46		12.02	
Loan against Fixed Deposit [Refer Note (d) below]	22.44		33.73	
		1,617.39		1,280.97
Buyers' Credit [Refer Note (d) below]		233.74		-
Share in Joint Ventures [Refer Note (e) below]		2,241.51		1,685.63
		5,748.98		4,621.50

Notes:

Security:

- Non Convertible Debentures are secured on Parent Company's certain fixed assets, present and future, by way of a first charge, ranking pari passu with the charges created and / or to be created in favour of Parent Company's existing and proposed lenders.
- Working capital loans are secured by way of first charge on hypothecated stock, book debts and other current assets and lien on mutual fund units of the Parent Company.
- Refer Note 8(a) for security clauses.
- Refer Note 8(c), (d),(e) and (f) for security clauses.
- Refer Note 8(b) for security clauses with respect to Joint Ventures.

	As at March 31, 2010	As at March 31, 2009
	Rs. Crore	Rs. Crore
Schedule 4 – Unsecured Loans		
Short Term Loans – From Banks *	545.00	1,629.13
Other Loans – External Commercial Borrowings *	2,289.90	3,854.72
* Repayable within next 12 months Rs. 545 Crores (Rs. 2,897.13 Crores)		
	2,834.90	5,483.85

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 5 – Fixed Assets

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at April, 2009	Additions during the year*	Deduction/Adjustment# during the year	As at March 31,2010	Upto March 31,2009	Additions on Acquisition	For the year	Deduction/Adjustment during the year	Upto March 31,2010	As at March 31,2009	As at March 31,2010
Intangible Assets:											
Goodwill On Consolidation	42.99	-	31.80	74.79	-	-	-	-	-	74.79	42.99
Softwares	28.65	0.01	5.10	33.76	19.80	-	5.13	-	24.93	8.83	8.85
Toll Collection Rights	-	-	770.68	770.68	-	-	4.68	-	4.68	766.00	-
Airport Concessionaire Rights	-	-	65.37	65.37	-	-	0.34	-	0.34	65.03	-
Tangible Assets:											
Freehold Land	55.61	1.90	11.54	69.05	-	-	-	-	-	69.05	55.61
Leasehold Land	20.11	-	13.27	33.38	4.56	-	0.60	-	5.16	28.22	15.55
Buildings and Roads	412.46	-	28.51	439.26	98.65	-	10.74	0.44	108.95	330.31	313.81
Railway Sidings	51.63	-	-	51.63	40.95	-	2.00	-	42.95	8.68	10.68
Plant and Machinery	5,352.56	0.53	236.57	5,577.15	3,039.72	0.03	304.83	10.52	3,334.06	2,243.09	2,312.84
Distribution Systems	1,373.16	-	228.09	1,601.25	505.65	-	70.29	-	575.94	1,025.31	867.51
Vehicles	31.59	0.36	8.17	38.14	15.97	0.03	3.22	1.09	18.13	20.01	15.62
Furniture and Fixtures, Computers and Office Equipments	107.24	0.18	15.19	121.84	60.60	0.01	11.50	0.63	71.48	50.36	46.64
Electrical Fittings and Apparatus	26.85	-	5.37	31.46	12.95	-	1.48	0.52	13.91	17.55	13.90
Refrigerators and Domestic Appliances	5.99	-	0.82	6.79	2.59	-	0.30	0.02	2.87	3.92	3.40
Total (A)	7,508.84	2.98	1,420.48	8,914.55	3,801.44	0.07	415.11	13.22	4,203.40	4,711.15	3,707.40
Previous Year	6,937.66	0.62	632.51	7,508.84	3,520.06	0.09	334.11	52.82	3,801.44	3,707.40	
Leased Assets:											
Plant and Machinery	28.57	-	-	28.57	9.45	-	1.51	-	10.96	17.61	19.12
Total (B)	28.57	-	-	28.57	9.45	-	1.51	-	10.96	17.61	19.12
Previous Year	28.57	-	-	28.57	7.93	0.01	1.51	-	9.45		
Total (C)=(A)+(B)	7,537.41	2.98	1,420.48	8,943.12	3,810.89	0.07	416.62	13.22	4,214.36	4,728.76	3,726.52
Previous Year	6,966.23	0.62	632.51	7,537.41	3,527.99	0.10	335.62	52.82	3,810.89		
Share in Joint Ventures (D)	2,570.00	-	238.79	2,805.07	827.09	-	129.76	2.89	953.96	1,851.11	1,742.91
Previous Year	1,178.24	1,247.90	146.99	2,570.00	372.11	391.73	63.56	0.31	827.09	1,742.91	
Transferred to Capital Work-in-Progress (E)	-	-	-	-	-	-	0.85	-	-	-	-
Previous Year	-	-	-	-	-	-	0.38	-	-	-	-
Grand Total (F)=(C)+(D)+(E)	10,107.41	2.98	1,659.27	11,748.19	4,637.98	0.07	545.53	16.11	5,168.32	6,579.87	5,469.43
Previous Year	8,144.47	1,248.52	779.50	10,107.41	3,900.10	391.83	398.80	53.13	4,637.98		
Capital Work in Progress [including share in Joint Ventures Rs.192.52 Crore [(Rs.185.70 Crore)] (Refer Note 24) (G)										4,638.67	3,558.23
[Includes Capital Advances Rs.744.83Crore (Rs.1,081.74 Crore)]											
Total (F)+(G)										11,218.54	9,027.66

*Includes Rs.86.44 crore (Rs.3.48crore) borrowingcost capitalised.

Plant and Machinery includes adjustment on account of Rs.1.18 crore (Rs. Nil) arrived at due to Exchange rate variations of Foreign Currency Loans [Refer Note 1 (e)]

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 6 – Investments (Non-trade)	No. of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
(A) Long Term Investments						
(a) Contingencies Reserve Investments						
Quoted						
6.85% India Infrastructure Finance Company Limited -Tax Free Bonds, 2014 [Market Value Rs. 91.01 Crore (Rs. 80.86 Crore)]	8,586 (8,086)	100,000	85.86		80.86	
11.50% Central Government of India, 2011A*	532,000	100	5.57		5.65	
5.87% Central Government of India, 2010* (500,000)	-	100	-		5.00	
7.46% Central Government of India, 2017*	500,000	100	5.35		5.40	
7.40% Central Government of India, 2012*	1,694,600	100	17.55		17.83	
*[Aggregate Market Value Rs. 28.14 Crore (Rs. 33.70 Crore)]				114.33		114.74
(b) Others in Equity Shares (Fully Paid-up, unless otherwise stated)						
(i) Associate Companies						
Quoted						
Reliance Power Limited [Market Value Rs. 16,103.24 Crore (Rs. 11,028.21 Crore)]	1,077,500,000	10	6,508.10		6,181.70	
Unquoted						
Reliance Infrastructure Engineers Private Limited (10,000,000 equity shares allotted during the year) (5,000)	10,005,000	10	6.35		-	
Reliance Infrastructure and Consultants Limited	10,291,700	10	9.27		10.62	
Urthing Sobla Hydro Power Private Limited	2,000	10	-		-	
JR Toll Road Private Limited @ Rs. 48,000 (4,800 equity shares allotted during the year)	4,800	10	@		-	
Mumbai Metro Transport Private Limited (24,000 equity shares allotted during the year)	24,000	10	0.02		-	
Metro One Operation Private Limited (3,000 equity shares allotted during the year)	3,000	10	0.05		-	
				6,523.79		6,192.32
(ii) Other Companies						
Western Electricity Supply Company of Orissa Limited (WESCO) @ (Cost Rs. 2,000)	200	10	@		@	
North Eastern Electricity Supply Company of Orissa Limited (NESCO) @ (Cost Rs. 2,000)	200	10	@		@	
Southern Electricity Supply Company of Orissa Limited (SOUTHCO) @ (Cost Rs. 2,000)	200	10	@		@	
Sonata Investments Limited	409,795	10	0.41		0.41	
Larimar Holdings Limited *(USD 1), @ (Cost Rs. 4,909)	111	*	@		@	
Tech Reliance Private Limited @ (Cost Rs. 10,000)	1,000	10	@		@	
Indian Energy Exchange Limited	1,250,000	10	1.25		1.25	
Reliance Infra Projects International Limited *(USD 1)	10,000	*	0.04		0.04	
Rampia Coal Mine and Energy Private Limited [5,217,432 equity shares allotted during the year]	10,434,864 (5,217,432)	1	1.04		0.52	
Reliance Global Limited	249,000	10	0.25		0.25	
				2.99		2.47
Carried Forward				6,641.11		6,309.53

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 6 – Investments (Non-trade)	No. of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009	
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Brought Forward				6,641.11		6,309.53
(c) Preference Shares (Fully paid-up, Unquoted)						
(i) 10% Non-Convertible Non-Cumulative Redeemable Preference Shares						
Sonata Investments Limited	109,500,000	1		1,095.00		1,095.00
(ii) 8% Cumulative Non-Convertible Redeemable Preference Shares						
Reliance Infra Projects International Limited	519,080	*		2,330.68		2,949.37
* (USD 1) (62,420 preference shares redeemed during the year)	(581,500)					
(iii) 0% Convertible Preference Shares						
Larimar Holdings Limited	20,045,000	*		88.64		88.64
* (USD 1)						
(B) Current Investments – Quoted (Fully paid up, unless otherwise stated)						
(a) In Mutual Fund Units						
Reliance Fixed Horizon Fund IV – Series 5 – Institutional – Growth Plan #	-	10	-		75.00	
	(75,000,000)					
Reliance Fixed Horizon Fund IV – Series 6 – Institutional – Growth Plan #	-	10	-		200.00	
	(200,000,000)					
Reliance Fixed Horizon Fund IV – Series 7 – Institutional – Growth Plan #	-	10	-		100.00	
	(100,000,000)					
Reliance Fixed Horizon Fund XII – Series 3 – Super Institutional – Growth Plan	125,000,000	10	125.00		125.00	
Reliance Fixed Horizon Fund XII – Series 4 – Super Institutional – Growth Plan	500,000,000	10	500.00		500.00	
Reliance Fixed Horizon Fund XII – Series 5 – Super Institutional – Growth Plan	25,000,000	10	25.00		-	
Reliance Liquidity Fund – Growth #	-	10	-		2,066.78	
	(1,565,566,265)					
Reliance Liquid Fund – Treasury – Institutional – Growth Option	9,019,019	10	12.50		1,228.76	
	(578,894,419)					
Reliance Liquid Fund – Cash Plan – Daily Dividend – Reinvestment Plan @ Rs. 17,794	1,164	10	@		0.27	
	(238,025)					
Reliance Liquidity Fund – Daily Dividend Reinvestment Plan	10,889,992	10	13.61		159.39	
	(159,343,960)					
Reliance Medium Term Fund – Retail – Growth	-	10	-		600.00	
	(332,356,574)					
Reliance Money Manager Fund – Institutional – Growth	2,575,373	1,000	322.56		250.00	
	(2,108,822)					
Reliance Money Manager Fund – Institutional – Weekly Dividend Plan	-	1,000	-		0.37	
	(3,684)					
Reliance Money Manager Fund – Institutional – Daily Dividend Plan	366,375	1,000	36.68		126.91	
	(1,267,645)					
Reliance Floating Rate Fund – Daily Dividend Option	4,389,206	10	4.42		0.14	
	(137,005)					
Reliance Floating Rate Fund – Growth Plan	483,085	10	0.70		-	
Carried Forward			1,040.47		5,432.62	
Carried Forward				10,155.43		10,442.54

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 6 – Investments (Non-trade)	No. of Units	Face Value per unit Rs.	As at March 31, 2010		As at March 31, 2009		
			Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	
Brought Forward				10,155.43		10,442.54	
Brought Forward			1,040.47		5,432.62		
LIC Mutual Fund – Liquid Fund – Growth #	-	10			25.00		
	(15,634,185)						
SBI SHF – Ultra short term fund – Institutional Plan – Daily dividend	29,015,404	10	29.03		-		
SBI Premier Liquid Fund – Super Institutional – Daily Dividend	5,299,893	10	5.30		-		
LIC Mutual Fund – Income Plus Fund – Growth	16,177,626	10	20.00		-		
Birla Sun Life Savings Fund – Institutional Plan – Growth	5,721,527	10	10.00		-		
ICICI Prudential Flexible Income Plan – Premium – Growth	583,999	10	10.00		-		
HDFC Cash Management Fund – Treasury Advantage Plan – Wholesale Option – Growth	4,954,377	10	10.00		-		
Blackrock US Dollar Liquidity First Fund – Institutional Distributing Share Class (formerly BGI US Dollar Liquidity First Fund- Institutional Share Class)	340,807	*	1.53		1.72		
	(339,877)						
* (USD 1)							
[Market Value Rs. 1,178.01 Crore (Rs. 5,535.70 Crore)]				1,126.33		5,459.34	
# Matured / Redeemed during the year							
(b) In Certificates of Deposits – Banks – Unquoted				1,940.64		-	
(c) In Commercial Papers – Unquoted							
Export Import Bank of India			114.84				
National Bank for Agriculture and Rural Development			294.63				
				409.47			
(d) In Bonds – Quoted							
6.60% Tax Free ARS Bonds	-	100			1.97		
[Market Value Rs. Nil (Rs. 2.04 Crore)]	(204,416)						
6.85% India Infrastructure Finance Company Limited –Tax Free Bonds, 2014	1,414	100,000	14.14		19.14		
	(1,914)						
[Market Value Rs. 14.99 Crore (Rs. 19.14 Crore)]				14.14		21.11	
				13,646.01		15,922.99	
Less : Diminution in the value of Long Term Investments							
@ Rs. 6,000 (@ Rs. 6,000)				@		@	
				13,646.01		15,922.99	
Share in Joint Ventures [Market Value Rs. 13.30 Crore (Rs. 13.74 Crore)]				13.13		13.42	
				13,659.14		15,936.41	
				Market Value	Book Value	Market Value	Book Value
Aggregate value of Quoted Investments			17,428.69	7,776.03	16,713.39	11,790.31	
Aggregate value of Unquoted Investments				5,883.11		4,146.10	
				13,659.14		15,936.41	

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2010			As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 7 – Current Assets, Loans and Advances					
(A) Current Assets					
(a) Inventories					
Fuel		189.16		182.90	
Stores, spares and loose tools		<u>112.53</u>		<u>273.74</u>	
		301.69		456.64	
Share in Joint Ventures		<u>88.09</u>		<u>104.00</u>	
			389.78		560.64
(b) Sundry Debtors					
(i) Debts outstanding for a period exceeding six months					
Secured		255.41		216.42	
Unsecured					
– Considered good	493.88			539.80	
– Considered doubtful	<u>140.47</u>			<u>92.94</u>	
	634.35			632.74	
Less: Provision for doubtful debts	<u>140.47</u>			<u>92.94</u>	
		493.88		539.80	
(ii) Other Debts–					
Unsecured – considered good		<u>914.97</u>		<u>838.69</u>	
		1,664.26		1,594.91	
Share in Joint Ventures		<u>585.36</u>		<u>332.87</u>	
			2,249.62		1,927.78
(c) Cash and Bank Balances–					
Cash balance on hand		2.23		2.81	
Bank Balances–					
(i) with Scheduled Banks–					
– Current Accounts	227.50			248.02	
– Deposit Accounts	<u>36.68</u>			<u>81.45</u>	
	264.18			329.47	
(ii) with Others	<u>82.63</u>			<u>52.30</u>	
		346.81		381.77	
		349.04		384.58	
Cheques in hand		11.80		51.05	
Share in Joint Ventures		<u>88.59</u>		<u>22.64</u>	
			449.43		458.27
(d) Other Current Assets					
Interest accrued on Investments, Deposits and Loans		13.24		27.11	
Premium Receivable on redemption of Preference Shares		506.01		283.49	
Grants / Capital contribution Receivable		-		17.60	
Due from customers for contract work		254.40		161.64	
Retentions on contract		<u>756.97</u>		<u>583.72</u>	
		1,530.62		1,073.56	
Share in Joint Ventures		<u>29.85</u>		<u>3.98</u>	
			1,560.47		1,077.54
Carried Forward			4,649.30		4,024.23

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	As at March 31, 2010			As at March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 7 - Current Assets, Loans and Advances					
Brought Forward			4,649.30		4,024.23
(B) Loans and Advances					
(Unsecured, considered good, unless otherwise stated)					
(a) Advances recoverable in cash or in kind or for value to be received -					
Considered good		2,829.82		2,066.97	
Considered doubtful		5.44		9.84	
			2,835.26	2,076.81	
(b) Tariff Adjustment Account [Refer Note 17(a)]			1,602.78	1,034.45	
(c) Loans to Employees [Secured : Rs 21.98 Crore (Rs 20.06 Crore)]			22.26	20.45	
(d) Advance Tax and Tax deducted at source			625.04	641.70	
(e) Deposits -					
(i) Inter-Corporate Deposits (Considered good)			2,769.59	1,583.49	
(ii) Other Deposits					
Considered good		139.67		96.88	
Considered doubtful		0.10		0.12	
			139.77	97.00	
			7,994.70	5,453.90	
Less: Provision for doubtful advances/deposits			5.54	9.96	
			7,989.16	5,443.94	
Share in Joint Ventures			601.43	101.37	
			8,590.59	5,545.31	
			13,239.89	9,569.54	
Schedule 8 - Current Liabilities and Provisions					
(A) Current Liabilities					
Sundry Creditors (Refer Note 19)			2,527.84		2,246.93
Security Deposits from Consumers -					
(a) Energy bills		314.00		301.71	
(b) Recoverable jobs		42.82		43.90	
			356.82		345.61
Deposits and Advances from Consumers -					
(a) Contracts		2,461.25		2,186.53	
(b) Energy bills		22.07		16.60	
			2,483.32		2,203.13
Unclaimed Dividend			4.42		4.93
Due to customers for contract work			305.33		61.24
Other Liabilities (including provision for gratuity Rs. 8.54 Crore (Rs. Nil) (Refer Note 14)			431.10		356.55
Interest accrued but not due on Loans / Debentures			80.56		95.33
			6,189.39		5,313.72
Share in Joint Ventures			852.70		599.01
			7,042.09		5,912.73
(B) Provisions					
Provision for Taxation			665.21	513.10	
Interim Dividend			173.86	-	
Proposed Final Dividend			-	157.69	
Corporate Tax on Dividend			13.96	26.80	
Provision for Contingency / Disputed Matters (Refer Note 20)			629.68	559.68	
Provision for Leave Encashment (Refer Note 14)			14.36	23.36	
			1,497.07	1,280.63	
Share in Joint Ventures			18.85	14.36	
			1,515.92	1,294.99	
			8,558.01	7,207.72	

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 9 – Revenue from EPC and Contracts Business				
Value of Contracts billed and service charges	3,053.01		2,536.17	
Work-in-progress at close	254.40		161.64	
Less: Work-in-Progress at commencement	161.64		281.26	
Increase / (Decrease) in Work-in-Progress	92.76		(119.62)	
Net Income from EPC and Contracts		3,145.77		2,416.55
Interest on Deposits / Others		0.06		0.04
Insurance Claim received		1.64		2.45
Profit on sale of Assets		0.10		0.11
Gain on Foreign Exchange Fluctuation (net)		-		14.41
Provisions / Liabilities written back		4.92		3.39
Miscellaneous Income		100.32		56.27
[Tax Deducted at Source Rs. 9.79 Crore (Rs 2.39 Crore)]		3,252.81		2,493.22
Share in Joint Ventures		52.06		47.19
		3,304.87		2,540.41
Schedule 10 – Other Income				
Provisions / Liabilities written back		20.03		49.83
Insurance Claim received		0.45		0.67
Profit on sale of Assets		3.64		5.39
Miscellaneous Income		128.84		197.63
[Tax Deducted at Source Rs. 0.82 Crore (Rs 1.18 Crore)]		103.90		-
Gain on Derivative Instruments (net) (Refer Note 6)		103.90		-
Gain on Foreign Exchange Fluctuation (net)		-		53.64
Income from Investments				
- Dividends [including on Long term Investments Rs. 0.12 Crore (Rs. 0.48 Crore)]		55.69		20.94
- Premium on Redemption of Preference Shares – Long Term Investments		283.12		412.24
- Profit on sale / redemption of investments – Current Investments (net)		135.09		319.08
		473.90		752.26
Interest – On Inter-Corporate Deposits		215.70		322.66
– Others		55.33		46.55
[Tax Deducted at Source Rs. 22.53 Crore (Rs 57.35 Crore)]		271.03		369.21
		1,001.79		1,428.63
Share in Joint Ventures		117.04		48.77
		1,118.83		1,477.40

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Schedule 11 - Generation, Distribution, Administration and Other Expenses				
Consumption of Stores and Spares	69.24		48.07	
Less: Allocated to Repairs and other Relevant Revenue Accounts	35.21		<u>26.46</u>	
		34.03		21.61
Wind Mill Project Expenses		0.73		1.10
Rent		22.21		16.94
Repairs and Maintenance:				
- Buildings	5.65		8.67	
- Plant and Machinery and Distribution Systems	183.09		181.68	
- Other Assets	10.08		<u>6.72</u>	
		198.82		197.07
Salaries, Wages and Bonus (Refer Note 14)		370.84		307.30
Contribution to Provident Fund and other Funds (Refer Note 14)		27.05		26.80
Gratuity (Refer Note 14)		21.43		16.16
Workmen and Staff Welfare Expenses		55.35		50.22
Insurance		19.41		17.18
Rates and Taxes		10.49		6.38
Community Development and Environment Monitoring Expenses		3.13		4.33
Legal and Professional Charges		27.55		30.75
Bad Debts		0.72		-
Directors' Fees		0.15		0.15
Miscellaneous Expenses		147.77		88.96
Loss on Derivative Instruments (net) (Refer Note 6)		-		191.46
Loss on Foreign Exchange Fluctuation (net)		23.46		-
Loss on Sale/Disposal of Unserviceable Assets		0.83		4.49
Provision for Contingency/Disputed Matters (Refer Note 20)		70.00		320.00
Provision for Doubtful Debts/Advances/Deposits		13.57		10.22
Preliminary Expenses written off (@ Rs. 5,800)		-		@
		1,047.54		1,311.12
Share in Joint Ventures		464.66		170.15
		1,512.20		<u>1,481.27</u>

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	Year ended March 31, 2010	Year ended March 31, 2009
	Rs. Crore	Rs. Crore
Schedule 12 – Expenditure of EPC and Contracts Business		
Cost of Materials and Sub-contract Charges	2,657.97	1,966.49
Rent	14.02	12.48
Repairs and Maintenance:		
– Buildings	2.95	1.27
– Plant and Machinery	3.12	5.58
– Other Assets	2.37	1.45
Salaries, Wages and Bonus (Refer Note 14)	157.88	114.37
Contribution to Provident Fund and Other Funds (Refer Note 14)	7.02	5.67
Gratuity (Refer Note 14)	2.76	4.59
Workmen and Staff Welfare Expenses	20.32	18.04
Insurance	4.89	6.66
Rates and Taxes	3.82	10.23
Legal and Professional Charges	39.59	47.33
Miscellaneous Expenses	53.33	98.93
Loss on Foreign Exchange Fluctuation (net)	33.91	–
Loss on sale of assets	0.22	0.03
Bad Debts	0.02	–
Provision for Doubtful Debts	35.56	48.75
	<u>3,039.75</u>	<u>2,341.87</u>
Share in Joint Ventures	50.30	45.66
	<u>3,090.05</u>	<u>2,387.53</u>
Schedule 13 – Interest and Finance Charges		
Interest and Financing Charges on:		
Debentures	136.78	48.14
External Commercial Borrowings and Commercial Paper	94.04	163.16
Working capital and other borrowings	44.55	92.02
Security Deposits from Consumers	17.15	15.11
Term Loans	21.03	4.30
Other finance Charges	0.34	13.32
	<u>313.89</u>	<u>336.05</u>
Share in Joint Ventures	211.24	103.37
	<u>525.13</u>	<u>439.42</u>
Schedule 14 – Statutory Reserves and Other Appropriations		
Contingencies Reserve	16.96	14.55
	<u>16.96</u>	<u>14.55</u>
Schedule 15 – Earnings per Equity Share		
(i) Profit for Basic and Diluted Earning per Share (a)	1,519.39	1,353.23
(ii) Weighted average number of Equity Shares		
For Basic Earnings per share (b)	225,334,003	230,317,785
Add: Adjustment for conversion/Issue of shares/Warrants	3,517,036	4,300,525
For Diluted Earnings per share (c)	<u>228,851,039</u>	<u>234,618,310</u>
(iii) Earnings per share (Weighted Average)	Rupees	Rupees
Basic (a/b)	67.43	58.75
Diluted (a/c)	66.39	57.68

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

Schedule 16 - Notes forming part of the Consolidated Financial Statements

1. Significant Accounting Policies:

(a) Basis of preparation of financial statements:

The consolidated financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the Accounting Standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006. Assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads. In case of BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) provisions of the Delhi Electricity Reform (Transfer Scheme) Rules, 2001 (hereinafter referred to as 'Transfer Scheme') and other relevant documents / agreements have also been taken into account while preparing the consolidated financial statements.

(b) Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

(c) Basis of Consolidation:

The consolidated financial statements relate to Reliance Infrastructure Limited (the Parent Company), its subsidiary companies, joint ventures and associates.

(i) Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Parent and its subsidiary companies (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
- b) The consolidated financial statements include the interest of the Parent Company in joint ventures, which has been accounted for using the proportionate consolidation method of accounting and reports the Parent Company's share of assets, liabilities, income and expenses of a jointly controlled entity as a separate item after fully eliminating unrealised profits or losses on intra-group transactions.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries / joint ventures / associates with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.
- d) Investments in associates have been accounted for under AS-23 using equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Group's share of net assets. On occasion, an associate company accounted for by the equity method may issue its shares to third parties as either a public offering or private placement at per share amounts in excess of or less than Parent Company's average per share carrying value. With respect to such transactions, the resulting gains / losses arising from the dilution of interest are recorded as Capital Reserve / Goodwill.
- e) The excess of cost to the Parent Company of its investment in the subsidiary / joint venture / associates over the Parent Company's portion of equity of the subsidiary / joint venture / associates is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.
- f) The financial statements of the subsidiaries / joint ventures / associates used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended March 31, 2010.
- g) Minority's share of net profit or loss, for the year, of consolidated subsidiaries is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Parent Company.
- h) Minority's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet as a separate item from liabilities and the Shareholders' Equity.

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(ii) The subsidiary and joint venture companies considered in the consolidated financial statements are:

Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2010	Proportion (%) of shareholding as on March 31, 2009
Subsidiary Companies:			
BSES Kerala Power Limited (BKPL)	India	100.00	100.00
Reliance Power Transmission Limited (RPTL)	India	100.00	100.00
Mumbai Metro One Private Limited (MMOPL)	India	69.00	69.00
Noida Global SEZ Private Limited (NGSPL)	India	51.00	51.00
Reliance Infraprojects Limited (RInFL)	India	100.00	100.00
Delhi Airport Metro Express Private Limited (DAMEPL)	India	95.00	95.00
Reliance Infraventures Limited (RInvL)	India	100.00	100.00
Reliance Energy Trading Limited (RETL)	India	100.00	100.00
Parbati Koldam Transmission Company Limited (PKTCL)	India	74.00	74.00
DS Toll Road Limited (DSTL)	India	100.00	100.00
NK Toll Road Limited (NKTL)	India	100.00	100.00
SU Toll Road Private Limited (SUTL)	India	100.00	100.00
TD Toll Road Private Limited (TDTL)	India	100.00	100.00
TK Toll Road Private Limited (TKTL)	India	100.00	100.00
GF Toll Road Private Limited (GFTL)	India	100.00	100.00
CBD Tower Private Limited (CBDTPL)	India	89.00	89.00
Tulip Realtech Private Limited (TRPL)	India	100.00	100.00
Reliance Energy Generation Limited (REGL)	India	100.00	100.00
Reliance Energy Limited (REL)	India	100.00	100.00
Reliance Property Developers Limited (RPDL)	India	100.00	100.00
Reliance Cementation Private Limited (RCPL) w.e.f. September 5, 2009	India	100.00	-
KM Toll Road Private Limited (KMTL) w.e.f. February 4, 2010	India	100.00	-
PS Toll Road Private Limited (PSTL) w.e.f. February 9, 2010	India	74.00	-
Step-down Subsidiaries:			
Western Region Transmission (Maharashtra) Private Limited (WRTM)	India	100.00	100.00
Western Region Transmission (Gujarat) Private Limited (WRTG)	India	100.00	100.00
Reliance Goa and Samalkot Power Limited (RGSPL)	India	100.00	100.00
Reliance Airport Developers Private Limited (RADPL) w.e.f. September 25, 2009	India	100.00	-
Latur Airport Private Limited (LAPL) w.e.f. September 29, 2009	India	100.00	-
Baramati Airport Private Limited (BAPL) w.e.f. September 29, 2009	India	100.00	-
Nanded Airport Private Limited (NAPL) w.e.f. September 29, 2009	India	100.00	-
Yavatmal Airport Private Limited (YAPL) w.e.f. September 29, 2009	India	100.00	-
Osmanabad Airport Private Limited (OAPL) w.e.f. September 29, 2009	India	100.00	-
Reliance Cement and Infra Private Limited (RCIPL) w.e.f. September 5, 2009	India	100.00	-
Reliance Cement Corporation Private Limited (RCCPL) w.e.f. September 5, 2009	India	100.00	-
Reliance Cement Works Private Limited (RCWPL) w.e.f. September 5, 2009	India	100.00	-
Joint Venture Companies:			
BSES Rajdhani Power Limited (BRPL)	India	49.00	49.00
BSES Yamuna Power Limited (BYPL)	India	49.00	49.00
Tamil Nadu Industries Captive Power Company Limited (TICAPCO)	India	33.70	33.70
Utility Powertech Limited (UPL)	India	19.80	19.80

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(iii) Investment in Associates:

Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2010	Proportion (%) of shareholding as on March 31, 2009
Reliance Power Limited (RePL)	India	44.96	44.96
Reliance Infrastructure Engineers Private Limited (RIEPL)	India	50.00	50.00
Reliance Infrastructure and Consultants Limited (RICL)	India	40.17	40.17
Urthing Sobla Hydro Power Private Limited (USHPPL)	India	20.00	20.00
Mumbai Metro Transport Private Limited (MMTPL) w.e.f. October 29, 2009	India	48.00	-
JR Toll Road Private Limited (JRTL) w.e.f. December 9, 2009	India	48.00	-
Metro One Operation Private Limited (MOOPL) w.e.f. April 1, 2009	India	30.00	-

(iv) Break-up of Investments in Associates is as under:

Sr. No	Particulars	Rs. Crore						
		RePL	RIEPL	RICL	USHPPL	MMTPL	JRTL	MOOPL
a)	Number of Equity Shares (Nos.)	1,077,500,000	10,005,000	10,291,700	2,000	24,000	4,800	3,000
b)	Percentage holding	44.96%	50.00%	40.17%	20.00%	48.00%	48.00%	30.00%
c)	Cost of Investment	1,720.00	10.01	10.29	(i)	0.02	(iv)	(vi)
d)	Including Goodwill / (Capital Reserve)	0.04	(0.01)	(1.18)	-	-	-	-
e)	Capital Reserve on dilution of stake in RePL	4,324.78	-	-	-	-	-	-
f)	Share in accumulated profits/ (losses) till net of dividend received upto March 31, 2009	136.92	-	0.33	(ii)	-	-	-
g)	Share of profits/ (losses) for the year	326.40	(3.66)	(1.35)	-	(iii)	-	0.05
h)	Carrying Cost	6,508.10	6.35	9.27	-	0.02	(v)	0.05

(i) Rs. 20,000 (ii) Rs. (20,000) (iii) Rs. (10,896) (iv) Rs. 48,000 (v) Rs. 48,000 (vi) Rs. 30,000

(d) Revenue Recognition Policy:

(i) Electricity Business:

Revenue from sale of electrical energy is accounted for on the basis of billing to consumers and is inclusive of Fuel Adjustment Charges (FAC) and unbilled revenue carried forward in the Balance sheet as Tariff Adjustment Account. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters. Where meters have stopped or are faulty, the billing is done based on the past consumption for such period.

The Parent Company, BRPL and BYPL determines revenue gaps (i.e surplus / shortfall in actual returns over assured returns) in respect of its regulated operations based on the principles laid down under the relevant Tariff Regulations/ Tariff Orders notified by the respective state electricity regulatory commission. In respect of such revenue gaps, appropriate adjustments are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These accruals representing unbilled revenue are carried forward as 'Tariff Adjustment Account' under the schedule 'Loans and Advances' which would be recovered through future tariff determination by the regulator in accordance with the electricity regulations.

In case of BKPL, revenue from sale of power is accounted for on the basis of billing to bulk customers on the basis of 'deemed generation' (whenever applicable) as provided in the Power Purchase Agreement (PPA) with the customer.

In case of RETL, revenue from sale of energy and margin on banking transactions is accounted for based on rates agreed with the customers on delivery of power. Compensation for deviation of energy is accounted as sales and purchase of energy, as the case may be, on its occurrence. The margin earned on sale or purchase of energy through energy exchange is recognised on the date of transaction with the exchange.

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(ii) EPC and Contracts Business:

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

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

Profit is recognised when the outcome of the contract can be estimated reliably. Profit proportionate to value of work done is arrived at by deducting cost of work done plus cost estimated by the Management to complete the work from the agreed contract value, after deduction of contingency.

Contract in progress is valued at cost plus proportionate profit less anticipated loss.

In respect of Operation and Maintenance Contracts, profit proportionate to value of work done or the period elapsed as the case may be, is recognised.

(iii) Roads Business:

Toll revenue from operations of the facility is accounted on receipt basis.

(iv) Others:

In respect of Airports business, revenue is recognised on accrual basis when services are rendered and is net of service tax.

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

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

(e) Foreign Currency Transactions:

(i) Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognised in the Profit and Loss Account.

(ii) In respect of Integral Foreign Operations of the Company, its fixed assets are translated at the rate on the date of acquisition, monetary assets and monetary liabilities are translated at the rate on the date of the Balance Sheet and Income and Expenditure are translated at the average of month-end rates during the year.

(iii) Non-Monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

(iv) In respect of derivative transactions, gains / losses are recognised in the Profit and Loss Account on settlement. On a reporting date, open derivative contracts are revalued at fair values and resulting losses on an overall basis (including reversal of losses for earlier periods), if any, are recognised in the Profit and Loss Account.

(v) In case of BKPL, exchange differences arising on repayment / revaluation of monetary liabilities incurred prior to April 1, 2004 for the purpose of acquiring fixed assets, are adjusted with the carrying amount of the respective fixed assets.

(f) Fixed Assets:

(i) The gross block of Fixed Assets is stated at cost of acquisition or construction (except revalued assets), including any cost attributable to bringing the assets to their working condition for their intended use.

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

(iii) Toll collection rights recognised as intangible assets, represent commercial rights in relation to toll roads to collect toll fee and have been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening and rehabilitation of the toll roads on build operate and transfer basis (BOT) including project related expenditure as mentioned in (ii) above and obligations towards negative grant payable to regulatory authorities, if any.

(iv) In case of Airport business, amounts in the nature of upfront fee and other costs paid to various regulatory authorities pursuant to the terms and conditions of the contracts are recognised as intangible assets.

(g) Depreciation / Amortisation:

(i) Tangible Assets:

- Electricity Business:

Fixed assets are depreciated under the straight line method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 relating to license business and other electricity business. Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line and capital contribution received from consumers.

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Depreciation on revalued assets is charged over the balance residual life of the assets considering the life prescribed under Schedule XIV of the Companies Act, 1956.

– EPC and Contracts Business:

Fixed assets of EPC Business have been depreciated under the reducing balance method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

– Other Activities:

Fixed assets of other activities have been depreciated under the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

– Leased Assets:

Depreciation on all assets given on lease upto March 31, 2001 is provided on straight line method at the higher of the rates determined with reference to the primary period of the lease and the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(ii) Intangible Assets:

Goodwill arising on consolidation is not amortised but tested for impairment.

Toll Collection Rights are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections. Amortisation is revised in case of any material change in the expected pattern of economic benefits.

In case of Airport business, amounts in the nature of upfront fee and other costs paid to various regulatory authorities, are amortised on a straight line method over the period of the agreement.

Intangible assets representing toll collection rights and airport concessionaire rights are amortised over the concession period ranging from 17 to 30 years and 95 years respectively, which is beyond the maximum period of 10 years as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective Concessionaire agreements.

Softwares are amortised on a straight line basis over a period of three years.

(h) **Investments:**

Long-term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

(i) **Inventories:**

Inventories are stated at lower of cost and net realisable value. In case of fuel, stores and spares "cost" means weighted average cost. Unserviceable / damaged stores and spares are identified and written down based on technical evaluation.

(j) **Allocation of Indirect Expenses:**

a) Electricity Business:

The allocation to capital and revenue is done consistently on the basis of a technical evaluation.

b) EPC and Contracts Business:

Common overheads are absorbed by various jobs in proportion to the prime cost of each job.

(k) **Retirement Benefits:**

Contribution to defined contribution schemes such as provident fund, superannuation fund etc. are charged to the Profit and Loss Account / Capital Work-in-Progress, as applicable. The Group also provides for retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss Account / Capital Work-in-Progress, as applicable, based on actuarial valuations, as at the balance sheet date, made by independent actuaries. However in case of employees of erstwhile Delhi Vidyut Board (presently employees of BRPL and BYPL) in accordance with the stipulation made by the Government of National Capital Territory of Delhi (GoNCTD), in its notification dated January 16, 2001 the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the Delhi Vidyut Board – Employees Terminal Benefit Fund 2002 (DVB ETBF 2002). Further the retirement benefits are guaranteed by GoNCTD. All such payments made to the DVB ETBF 2002 are charged off to the Profit and Loss Account.

(l) **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

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(m) Accounting for Taxes on Income:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

(n) Provisions:

Provisions are recognised when the Group has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(o) Impairment of Assets:

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(p) Accounting for Oil and Gas Activity:

The Group follows "Successful Efforts Method" for accounting of oil and gas exploration activities as set out by the guidance note issued by the Institute of Chartered Accountants of India on 'Accounting for Oil and Gas Producing Activities'. The cost of survey and prospecting activities conducted in search of oil and gas are expensed out in the year in which the same are incurred.

(q) Grants / Capital Contribution:

Grants / Capital contribution received from government authorities as promoter towards meeting the capital cost of the project are treated as capital reserve, in compliance with Accounting Standard -12 "Accounting for Government Grants" as prescribed by the Companies (Accounting Standards) Rules, 2006. Grant from government authorities which are not in the nature of promoters' contribution are credited to Reserves and are gradually recognised in the Profit and Loss Account in the same proportion as the depreciation written off on the assets purchased out of the grants. Grants / capital contributions are recognised in financial statements when there is a reasonable assurance that the underlying conditions have been complied and grants will be received.

2. (a) Contingent Liabilities:

		Rs. Crore	
	Particulars	As at March 31, 2010	As at March 31, 2009
(i)	Counter guarantees given to banks against guarantees issued by the banks on behalf of the Group (including share in joint ventures)	13.29 (2.79)	32.29 (4.61)
(ii)	Corporate guarantees given to Banks and other parties in respect of financing facilities granted to other body corporates	2,367.88	3,155.66
(iii)	Uncalled liability on partly paid shares	45.20	45.20
(iv)	Claims against the Group not acknowledged as debts and under litigation This includes:-	768.87	700.86
	a) Claims from Suppliers	224.30	282.68
	b) Income-tax claims	459.82	343.17
	c) Claims from Consumers	54.23	59.01
	d) Other Claims	30.52	16.00
	(including share in joint ventures)	(78.03)	(62.48)

(v) The Parent Company's application for compounding in respect of its ECB of USD 360 million has been deemed by the Reserve Bank of India (RBI) as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there is no liability in respect of the compounding fee of Rs.124.68 Crore earlier specified by RBI. The Parent Company is legally advised that it is in compliance with the regulations under the Foreign Exchange Management Act, 1999. Accordingly, no provision is considered necessary in this regard.

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(vi) As per the Development Right Agreement (DRA), entered by NGSPL with Noida Authority in February 2007, 2500 acres of land was to be acquired by the regulator and transferred to the Company. Based on the said DRA, the Collector Stamps, Uttar Pradesh raised a demand for the stamp duty of Rs. 1,029 Crore (including interest) on the Company considering the same as sale deed. However in the opinion of the management there would not be any liability of stamp duty as the title of the land has not been transferred to the Company and further, SEZ projects are exempted from the stamp duty. The said matter is pending resolution before the High Court of Allahabad, which has granted a stay on the demand.

(vii) In case of BRPL and BYPL:

In December 2003, BRPL and BYPL had announced a Special Voluntary Retirement Scheme (SVRS). The Companies had taken a stand that terminal benefit to SVRS retirees was the responsibility of Delhi Vidyut Board (DVB) Employees Terminal Benefits Fund - 2002 Trust (DVB ETBF - 2002) and the amount was not payable by the companies. The DVB ETBF - 2002 had contended that terminal benefits to the SVRS retirees did not fall in its purview as the employees had not attained superannuation. For resolution of the issue through the process of law, both the Companies had filed a writ petition before the High Court of Delhi. The Hon'ble Court had pronounced its judgment on this issue on July 2, 2007 whereby it had provided two options to the Distribution Companies (Discoms) for paying terminal benefits and residual pension to the Trust:

- Terminal benefits to the SVRS optees to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement / death (whichever is earlier) of such SVRS optees. In addition, the Discoms shall pay the Retiral Pension to SVRS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.
- The Trust to pay the terminal benefits of the SVRS optees on reimbursement by Discoms of 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries. The liability to pay residual pension i.e. monthly pension shall be borne by the respective companies.

Even though both the companies had taken the second option, vide Court direction dated January 25, 2008, both the companies have paid leave encashment, gratuity and commuted pension amounting to Rs. 66.03 Crore and Rs. 45.20 Crore, respectively. The interest amounting to Rs. 18.23 Crore and Rs. 14.33 Crore on the delayed payment has also been paid during the year 2008-09, pending computation of the additional contribution, if any, by the Arbitral Tribunal of Actuaries and the final decision in the said matter. The net recoverable amount has been shown under Loans and Advances.

Apart from the above, both the companies are also paying retiral pension to the SVRS optees till their respective date of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral pension in its Annual Revenue Requirement (ARR) and the same has been charged to profit and loss account. The final impact on the financial statements in addition to the aforesaid amounts will be determined when the final order is received.

(b) Capital Commitments:

Particulars	Rs. Crore	
	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining unexecuted on Capital Account and not provided for (including share in joint ventures)	4,737.43	4,815.15
	(248.12)	(212.05)

3. Notes related to BRPL and BYPL:

(a) Both the Companies have conducted physical verification of its major fixed assets as per its policies. Necessary adjustments for retirement would be carried out after reconciliation and obtaining the approval of DERC. In case of BRPL an amount of Rs. 21.19 Crore has been provided against retirement of fixed assets.

(b) Transfer Schemes:

(i) The amount of Consumer Security Deposit (CSD) transferred to both the companies by virtue of Part II of Schedule E of the Transfer Scheme was Rs. 11.00 Crore in case of BRPL and Rs. 8.00 Crore in case of BYPL. The Transfer Scheme as well as erstwhile DVB did not furnish the consumer wise details of the amount transferred to it as CSD. Both the Companies have compiled from the consumer records the amount of CSD as on June 30, 2002, which works out to Rs. 90.43 Crore in case of BRPL and Rs. 35.38 Crore in case of BYPL. The management of both the Companies are of the opinion that its liability towards CSD is limited to Rs. 11.00 Crore in case of BRPL and Rs. 8.00 Crore in case of BYPL, as per the Transfer Scheme. Therefore the liability towards refund of consumer deposits in excess of Rs. 11.00 Crore in case of BRPL and Rs. 8.00 Crore in case of BYPL and interest thereon has not been accounted for in the books of the respective companies. They have also filed a writ petition with the High court of Delhi during the year 2004-05 with the DERC to deal with the actual amount of CSD as on the date of transfer. DERC during the year 2007-08 had advised the GoNCTD to transfer Rs. 97.48 Crore and Rs. 70.90 Crore to BRPL and BYPL respectively. However GoNCTD did not abide by the advice against which both the companies have filed writ petition with the High Court of Delhi. The case is pending before High Court of Delhi.

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- (ii) As per notification dated April 18, 2007 issued by DERC, interest @ 6 per cent per annum is payable on CSD received from all consumers. In view of the pending litigation, as explained in note 3(b)(i) above, BRPL and BYPL have provided for interest only to the extent of amount transferred as per the transfer scheme i.e. Rs. 11.00 Crore in case of BRPL and Rs. 8.00 Crore in case of BYPL. The Companies are of the view that the interest on CSD in excess of the amount as per the Transfer Scheme would be recoverable from Delhi Power Company Limited (DPCL) if the contention is upheld by the High Court of Delhi.
- (iii) The liabilities arising out of litigation, suits, claims etc. pending on the date of transfer and / or arising due to events prior to the date of transfer shall be borne by BRPL and BYPL subject to a maximum of Rs.1.00 Crore per annum. Any amount above this shall be to the account of DPCL in the event of DERC not allowing the amount to be included in the ARR of the respective companies.

(c) **6th Pay Commission Recommendations:**

GoNCTD had appointed a wage revision committee for making recommendations with respect to wage revision for ex-DVB employees of BRPL and BYPL in line with 6th Pay Commission recommendations applicable to Central Government employees. Based on wage committee report, BRPL and BYPL have accounted for expenses aggregating to Rs. 136.29 Crore (Rs. 8.35 Crore) and Rs. 116.73 Crore (Rs. 7.26 Crore) respectively during the current year.

4. Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 for the Group is given below:

- (a) The Group has entered into cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.
- (b) Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Lease Rentals Debited to Profit and Loss Account / CWIP	Future Minimum Lease Rentals			Period of Lease*
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
		Rs. Crore			
Office Premises and Warehouses	37.52	22.85	63.98	2.90	Various

* The Lease terms are renewable on a mutual consent of Lessor and Lessee.

The lease rentals have been included under the head "Rent" under Schedule 11 - Generation, Distribution, Administration and Other Expenses, Schedule 12 - Expenditure of EPC and Contract Business and Capital Work-in-progress (CWIP).

5. **Power Banking:**

The cost of electricity purchased is net of cost incurred towards units purchased and banked with other parties and / or units banked by other parties with us, both on loan basis. Such transactions remaining unsettled at the year end, are carried forward under Loans and Advances / Sundry Creditors, as the case may be at the value of purchase on the date of the transactions when the units were banked, either way, as the case may be.

6. **Derivative Instruments:**

- (a) The Parent Company has entered into contracts for derivative instruments, which are not intended for trading or speculative purposes. The details of the derivative instruments are as follows:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2010)	
			US \$ million	Rs. Crore
1.	Currency Swap	15	122.49	550.00
2.	Libor Based Callable Range Accrual	4	250.00	1,122.50
3.	Forward Contract	2	18.00	80.82

- (b) Pursuant to the clarification issued by the Institute of Chartered Accountants of India on March 29, 2008 on accounting of derivatives, the Parent Company has for the year ended March 31, 2010 reversed / (provided) for unrealised loss of Rs. 81.08 Crore (Previous Year (Rs. 170.18 Crore)) on account of revaluation of foreign exchange derivative instruments at the fair values as at the reporting year end. Profit or Loss on such foreign exchange derivative instruments will be crystallised / realised only on expiry of such instruments in subsequent financial years.

(c) **Commodity Contracts:**

The Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. The following are outstanding aluminum future contracts entered into by the Company as on March 31, 2010.

Year	Number of Contracts	Contractual Quantity	Buy / Sell
2009-10	18	18,100 MT	Buy

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- (d) Net Foreign Currency exposures of the Parent Company that are not covered by derivative instruments or otherwise are US \$ 416.54 million (Rs. 1,644.92 Crore) [US \$ 156.01 million (Rs. 791.33 Crore)].
7. (a) In case of CBDTPL, the Company had signed a development agreement dated May 28, 2008 with Andhra Pradesh Industrial Infrastructure Limited (APIIC) for the development of trade tower and business district in Hyderabad, which the Company, after development intends to lease out to the intended users. To mitigate the risk of the project due to economic slowdown and recession in real estate market, the Board of Directors of the Company submitted a plan to APIIC to restructure the project in three categories - financial restructuring, restructuring of project development framework and restructuring of project implementation. Material proposals approved by APIIC includes extension of effective date of development agreement from May 28, 2008 to April 1, 2010 for discharge of obligations specified in the agreement, waiver of development premium payable @ 12% p.a on the unpaid balance towards cost of land upto March 31, 2012 and decrease in the rate of interest on debentures to 2% p.a upto March 31, 2014. The impact of approved restructuring proposals has been given effect to in the profit and loss account / capital work in progress in the financial statements for the year ended March 31, 2010.
- The finalisation of the restructuring plan including the execution of the amended agreements is in process. As per the current applicable terms of agreement, the title with respect to land would be transferred on payment of full amount and complying with all the terms of development agreement, accordingly part payments made towards the purchase of land have been disclosed under Capital Work in Progress.
- (b) In case of NG SPL, as per the terms of the DRA the Noida Authority needs to transfer land of 2500 acres to the Company to commence the project. However no land title has been transferred to the Company till date. The Company filed a petition with the High Court of Allahabad to expedite the process of land acquisition. The matter has been transferred to Supreme Court, where the case is pending for hearing.
8. The details of security clause with respect to secured loans are as follows:

- (a) CBDTPL [Debentures of Rs. 159.77 Crore (Rs. 159.77 Crore)]

CBDTPL had entered into a Debenture Subscription Agreement dated May 28, 2008 with Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for the issue of 12 per cent fully convertible debentures of Rs. 10 each aggregating to Rs. 179.99 Crore for a consideration other than cash, secured against a first charge created on the land till the date of execution of the financing documents and thereafter APIIC will cede the first charge in favour of the lenders and shall continue to have a second charge till the debentures are fully converted into equity shares of the CBDTPL. The debentures shall be convertible into equity shares of CBDTPL to maintain the minority equity holding of APIIC at 11 per cent till the debentures are fully converted into equity shares. The debentures shall be entitled to a coupon of 12 per cent per annum compounded annually pending the conversion into equity shares. Pursuant to the restructuring of the project (Refer Note 7(a) above), the coupon rate for interest on debentures has been reduced to 2% p.a. for the period April 1, 2010 to March 31, 2014. Further, no interest is due to be paid upto March 31, 2014 as per the restructuring proposal.

- (b) BRPL and BYPL [Share of Joint Ventures in Term Loans, Rs. 2,241.51 Crore (Rs. 1,685.63 Crore)]:

- (i) The following term loans sanctioned / availed (total amount) for various purposes by BRPL and BYPL are secured by first pari passu charge on the fixed assets (present and future) and a residual charge on the receivables of the respective companies:

Sr. No.	Name of the Bank	Rs. Crore	
		BRPL	BYPL
1	IDBI Limited	1,004	320
2	Punjab National Bank	1,100	550
3	HDFC Bank Limited	35	30
4	Bank of Baroda	450	250
5	State Bank of Travancore	50	50
6	Corporation Bank	50	50
7	State Bank of Patiala	50	250
8	State Bank of Mysore	40	40
9	Axis Bank	200	75
10	State Bank of Hyderabad	50	40
11	Federal Bank Limited	-	150

- (ii) Rs. 100 Crore in case of BRPL availed from Delhi Power Corporation Limited (DPCL) is secured by a first charge on movable assets (present and future).

- (iii) The loans taken under the Accelerated Power Development and Reforms Programme (APDRP) scheme of the Government of India are secured by a first pari passu charge on the fixed assets of the respective companies.

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- (iv) The working capital facilities availed from the consortium of bankers are secured by first charge on stores and spares, second charge on the fixed assets (present and future) and third charge on the receivables of the respective companies.
- (v) According to Section 26 of the Delhi Electricity Reform Act, 2000, each company has to obtain permission of the DERC for creating charges on assets for loans and other credit facilities availed by it. BRPL and BYPL have obtained the requisite permission except, in case of the following loans for which permission is awaited:

Sr. No.	Name of the Bank/ Institution	Rs. Crore
		BRPL
1	Axis Bank	200
2	State Bank of Mysore	40
3	IDBI Limited	50
4	DPCL	100

- (c) BKPL [Term Loans, Working capital facility and loan against fixed deposit of Rs. 82.76 Crore (Rs. 107.25 Crore)]
Rupee and foreign currency loans from senior lenders are secured by first mortgage and charge on all immovable and movable properties, save and except stocks and receivables, both present and future and floating charge on all the Company's receivables and other rights arising from and relating to its projects. Working Capital facilities from banks are secured by hypothecation of stocks and by first charge on book debts. The Company has also taken loans against fixed deposits.
 - (d) Toll Companies (DSTL, NKTL, SUTL, TDTL, TKTL & GFTL) [Term Loans of Rs. 1,031.03 Crore (Rs. 610.05 Crore)]
The Rupee Loans are secured by first mortgage and charge on all immovable properties, movable assets, intangible assets, receivables, book debts, cash and cash equivalents, present and future, save and except the project assets. The same are also secured by first charge on government approvals, insurance policies, uncalled capital, project documents, guarantees, letter of credit, performance warranties, indemnities and securities given to the Company.
 - (e) MMOPL and DAMEPL [Term Loans and Buyer's Credit of Rs. 631.58 Crore (Rs. 210.47 Crore)]
The Rupee Loan is secured by first charge by way of hypothecation on the Company's movable properties, movable machinery and its spares, equipments, tools and accessories, vehicles and all other movable assets both present and future, save and except the Project assets, including but not limited to goodwill, rights, undertakings and uncalled capital. Further the loan is also secured by way of assignment of book debts, escrow account balances, operating cash flows and revenues of whatsoever nature, both present and future.
 - (f) WRTG and WRTM [Term Loans of Rs. 127.33 Crore (Rs. Nil)]
The Rupee Loan is secured by first charge by way of hypothecation on the Company's immovable properties, movable assets including movable equipments, machinery spares, tools and accessories, receivables, all intangibles including but not limited to goodwill, rights, undertakings and uncalled capital. Further the loan is also secured over Trust and Retention accounts, Debt Reserve Sub-account, Retention accounts, both present and future.
9. During the year, RCPL, KMTL, PSTL and RADPL became subsidiaries of the Parent company. The effect of acquisition of the above subsidiaries on the consolidated financial statements is as follows:

Name of the Company	Goodwill / (Capital Reserve) on Consolidation	Effect on Group Profit after Minority Interest	Rs. Crore
			Net Effect on Group Net Assets as at March 31, 2010
RCPL	31.74	(i)	22.04
KMTL	-	(ii)	(ii)
PSTL	-	(iii)	(iii)
RADPL	0.06	(0.04)	(0.09)

(i) Rs. 826, (ii) Rs. (6,700), (iii) Rs. (4,958)

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10. Related Party Disclosure:

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Group's related parties and transactions are disclosed below:

(a) Parties where control exists: Nil

(b) Other related parties where transactions have taken place during the year:

- | | |
|---|--|
| (i) Associates (including subsidiaries of associates) | (a) Reliance Power Limited (RePL) |
| | (b) Reliance Infrastructure Engineers Private Limited (RIEPL) |
| | (c) Reliance Infrastructure and Consultants Limited (RICL) |
| | (d) Urthing Sobla Hydro Power Private Limited (USHPPL) |
| | (e) Rosa Power Supply Company Limited (ROSA) |
| | (f) Sasan Power Limited (SPL) |
| | (g) Vidarbha Industries Power Limited (VIPL) |
| | (h) Maharashtra Energy Generation Limited (MEGL) |
| | (i) Chitrangi Power Private Limited (CPPL) |
| | (j) Tato Hydro Power Private Limited (THPPL) |
| | (k) Siyom Hydro Power Private Limited (SHPPL) |
| | (l) Jharkhand Integrated Power Limited (JIPL) |
| | (m) Coastal Andhra Power Limited (CAPL) |
| | (n) Reliance Coal Resources Private Limited (RCRPL) |
| | (o) JR Toll Road Private Limited (JR TL) w.e.f. December 09, 2009 |
| | (p) Mumbai Metro Transport Private Limited (MMTPL) w.e.f. October 29, 2009 |
| | (q) Metro One Operation Private Limited (MOOPL) w.e.f. April 1, 2009 |
| (ii) Joint Ventures | (a) BSES Rajdhani Power Limited (BRPL) |
| | (b) BSES Yamuna Power Limited (BYPL) |
| | (c) Tamilnadu Industries Captive Power Company Limited (TICAPCO) |
| | (d) Utility Powertech Limited (UPL) |
| (iii) Persons having control over investing party / Major shareholder | Shri Anil D. Ambani |
| (iv) Key Management Personnel | (a) Shri S.C.Gupta |
| | (b) Shri Lalit Jalan |
| (v) Enterprises over which person described in (iii) has control | (a) Reliance Natural Resources Limited (RNRL) |
| | (b) Reliance Communications Limited (RCL) |
| | (c) Reliance Innoventures Private Limited (REIL) |
| | (d) Reliance Communications Infrastructure Limited (RCIL) |
| | (e) AAA Projects Venture Private Limited (AAPVPL) |
| | (f) Reliance Cementation Private Limited (RCPL) (upto September 4, 2009) |
| | (g) Reliance Land Private Limited (RLPL) |
| | (h) Reliance Webstores Limited (RWeb) |
| | (i) Reliance Big Entertainment Private Limited (RBig) |
| | (j) Reliance General Insurance Company Limited (RGI) |
| | (k) Reliance Capital Limited (RCap) |

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(c) Details of transactions during the year and closing balances as at the year end:

	Rs. Crore		
Particulars	Associates and Joint Ventures	Enterprises over which person described in (iii) has control	Key Managerial Personnel/ Persons having control over investing party/ Major shareholder
(a) Profit and Loss Account Heads:			
(I) Income:			
(i) Sale of Electricity	198.49	-	-
	61.82	-	-
(ii) Revenue from EPC and Contracts Business	313.35	-	-
	88.28	-	-
(iii) Dividend Received	0.12	-	-
	0.48	-	-
(iv) Interest earned	10.76	-	-
	10.82	-	-
(v) Other Income	1.91	-	-
	0.92	0.74	-
(II) Expenses:			
(i) Purchase of Electricity	-	-	-
	28.64	-	-
(ii) Purchase / (Returns) of other items on revenue account	(5.98)	271.42	-
	3.94	207.36	-
(iii) Purchase of other items on Capital account	-	-	-
	2.35	-	-
(iv) Receiving of Services	24.12	70.23	-
	22.25	133.01	-
(v) Rent paid	0.53	-	-
	0.76	-	-
(vi) Interest Paid	-	-	-
	14.06	-	-
(vii) Dividend Paid	-	59.06	-
	-	53.15	-
(viii) Salaries, Commission and Other benefits	-	-	2.23
	-	-	3.20
(b) Balance Sheet Heads (Closing Balances):			
(i) Sundry Creditors / other liabilities for rendering services	2,013.53	41.33	-
	1,658.37	67.31	-
(ii) Investment in Equity Shares / Preference Shares	2,022.96	-	-
	2,012.94	-	-
(iii) Loans / ICDs Placed (Including accrued interest)	140.62	-	-
	142.75	-	-
(iv) Advance against Investments	45.90	-	-
	51.05	-	-
(v) Recoverable Expenses	0.65	-	-
	6.30	1.68	-
(vi) Sundry debtors	3.56	1.15	-
	26.35	-	-
(vii) Equity Warrants issued / subscribed	-	541.08	-
	-	783.49	-
(c) Contingent Liabilities (Closing balances):			
Guarantees and Collaterals	312.45	7.78	-
	612.45	6.05	-

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Particulars	Rs. Crore		
	Associates and Joint Ventures	Enterprises over which person described in (iii) has control	Key Managerial Personnel/ Persons having control over investing party/ Major shareholder
(d) Transactions During the Year:			
(i) Guarantees and Collaterals provided	-	1.74	-
	<i>10.00</i>	-	-
(ii) Deposits Given to	18.55	-	-
	<i>106.90</i>	-	-
(iii) Deposits Returned by	20.68	-	-
	<i>1.75</i>	-	-
(iv) Recoverable Expenses:-			
(a) incurred for related parties	2.47	0.96	-
	<i>39.25</i>	<i>9.72</i>	-
(b) incurred by related parties on our behalf	-	-	-
	<i>1.36</i>	-	-
(v) Investment in Equity Shares / Preference Shares	10.03	-	-
	-	-	-
(vi) Advance against Investments	3.35	-	-
	<i>1.05</i>	-	-
(vii) Advance against Investments received back	8.50	-	-
	-	-	-
(viii) Sale of Investments	-	-	-
	@	-	-
(ix) Purchase of Investments	-	53.78	-
	-	-	-
(x) Sale of Fixed Assets	0.03	-	-
	<i>0.61</i>	0.07	-
(xi) Advances received towards contracts	800.00	-	-
	<i>1,795.00</i>	-	-
(xii) Advances towards contracts refunded	-	-	-
	<i>105.00</i>	-	-
(xiii) Warrants money received	-	2,361.70	-
	-	-	-
(xiv) Warrants money converted into Equity Shares	-	1,820.62	-
	-	-	-

@ Rs. 12,573.50

Figures in italics represent previous year

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

(d) Details of Material Transactions with Related Parties:

(i) Transactions during the year (Balance Sheet heads):

Guarantees and Collaterals provided to RIEPL Rs. Nil (Rs. 10 Crore) and RNRL Rs. 1.74 Crore (Rs. Nil) . Deposit given to RICL Rs. 18.55 Crore (Rs. 106.10 Crore). Deposit Returned by RICL Rs. 20.68 Crore (Rs. 0.95 Crore) and RIEPL Rs. Nil (Rs. 0.80 Crore). Recoverable Expenses incurred for SHPPL Rs. Nil (Rs. 1.79 Crore), REIL Rs. 0.05 Crore (Rs. 9.46 Crore), ROSA Rs. 0.21 Crore (Rs. 10.97 Crore), SPL Rs. 0.08 Crore (Rs. 7.97 Crore), CAPL Rs. 0.02 Crore (Rs. 8.47 Crore), RNRL Rs. 0.92 Crore (Rs. Nil) and MMTPL Rs. 1.38 Crore (Rs. Nil). Recoverable Expenses incurred by RICL Rs. Nil (Rs. 1.26 Crore). Investment in Equity Shares of MMTPL Rs. 0.02 Crore (Rs. Nil) and JRTL Rs. 48,000 (Rs. Nil) . Advance against Investment paid to RIEPL Rs. Nil (Rs. 1.05 Crore), MMTPL Rs. 3.00 Crore (Rs. Nil) and JRTL Rs. 0.35 Crore (Rs. Nil). Advance against Investment received back from RIEPL Rs. 8.50 Crore (Rs. Nil). Purchase of Investments from RNRL Rs. 53.78 Crore (Rs. Nil). Sale of Investments to RInfL Rs. Nil (@) and RIEPL Rs. Nil (@). Warrant money received from AAAPVPL Rs. 2,361.70 Crore (Rs. Nil). Warrants money of AAAPVPL converted into equity shares Rs. 1,820.62 Crore (Rs. Nil). Sale of Fixed Assets to RCPL Rs. Nil (Rs. 0.07 Crore), RePL Rs. Nil (Rs. 0.38 Crore), SPL Rs. 0.03 Crore (Rs. 0.13 Crore) and CAPL Rs. Nil (Rs. 0.10 Crore). Advances received towards contract from SPL Rs. 700 Crore (Rs. 700 Crore), VIPL Rs. 100 Crore (Rs. 200 Crore) and CAPL Rs. Nil (Rs. 700 Crore). Advance towards contracts refunded to MEGL Rs. Nil (Rs. 105 Crore).

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(ii) **Balance Sheet heads (Closing balance)**

Sundry Creditors / Other Liabilities for rendering services SPL Rs. 1,183.18 Crore (Rs. 1,365.88 Crore), VIPL Rs. 195.73 Crore (Rs. 384.97 Crore) and CAPL Rs. 615.88 Crore (Rs. 692.11 Crore). Investment in Equity Shares RePL Rs. 1,720.00 Crore (Rs. 1,720.00 Crore) and BRPL Rs. 225.40 Crore (Rs. 225.40 Crore). Deposits given RICL Rs. 140.62 Crore (Rs. 142.75 Crore). Advance against Investments RIEPL Rs. 42.55 Crore (Rs. 51.05 Crore). Recoverable Expenses RNRL Rs. Nil (Rs. 1.68 Crore), THPPL Rs. Nil (Rs. 3.67 Crore), USHPPL Rs. Nil (Rs. 1.18 Crore), SHPPL Rs. Nil (Rs. 0.80 Crore) and TICAPCO Rs. 0.65 Crore (Rs. Nil). Sundry Debtors CAPL Rs. Nil (Rs. 12.92 Crore), VIPL Rs. Nil (Rs. 13.24 Crore), RGI Rs. 1.15 Crore (Rs. Nil) and ROSA Rs. 3.56 Crore (Rs. Nil).

(iii) **Income heads**

Sale of Electricity to BRPL Rs. 174.75 Crore (Rs. 61.82 Crore) and BYPL Rs. 23.75 Crore (Rs. Nil). Gross Revenue of EPC and Contracts Division / Sales reversal from SPL Rs. 162.04 Crore (Rs. 38.38 Crore), VIPL Rs. 70.26 Crore (Rs. 27.18 Crore) and CAPL Rs. 81.06 Crore (Rs. 22.19 Crore). Dividend Received from UPL Rs. 0.12 Crore (Rs. 0.48 Crore). Interest earned from RICL Rs. 10.76 Crore (Rs. 10.82 Crore). Other Income from RNRL Rs. Nil (Rs. 0.74 Crore), RICL Rs. Nil (Rs. 0.56 Crore), ROSA Rs. 0.38 Crore (Rs. Nil), BYPL Rs. 0.42 Crore (Rs. Nil) and BRPL Rs. 1.12 Crore (Rs. Nil).

(iv) **Expense heads**

Purchase of Electricity from BRPL Rs. Nil (Rs. 7.03 Crore) and BYPL Rs. Nil (Rs. 21.61 Crore). Purchase / Services on Revenue account from REIL Rs. 29.17 Crore (Rs. Nil) and RNRL Rs. 242.20 Crore (Rs. 198.56 Crore). Purchase of other items on Capital account from RICL Rs. Nil (Rs. 2.35 Crore). Services received from RGI Rs. 11.20 Crore (Rs. 32.57 Crore), RNRL Rs. 55.99 Crore (Rs. 65.42 Crore) and UPL Rs. 15.81 Crore (Rs. 19.25 Crore). Rent paid to RICL Rs. 0.53 Crore (Rs. 0.76 Crore). Interest Paid to MEGL Rs. Nil (Rs. 3.85 Crore) and SHPPL Rs. Nil (Rs. 10.21 Crore). Dividend paid to AAPVPL Rs. 58.45 Crore (Rs. 52.60 Crore).

(v) Salaries, Commission and Other Benefits paid / payable to Shri S.C. Gupta Rs. 1.13 Crore (Rs. 1.12 Crore), Shri Lalit Jalan Rs. 1.10 Crore (Rs. 1.10 Crore).

(vi) The Parent Company has given (a) equity support undertakings to power procurers in respect of Sasan Ultra Mega Power Project (UMPP), Krishnapatnam UMPP, Tilaiya UMPP and Chitrangi Power Project of Reliance Power Limited for setting up the respective projects. (b) funding support undertaking for cost overrun and equity support undertaking to Financial Institutions / Banks in respect of Rosa Power Project and (c) keep well letter in favour of a bank, who in turn has issued a letter of credit in favour of the foreign currency convertible bond (FCCB) holders of RNRL (now Reliance Power Limited) ; the amounts of which currently are not ascertainable.

11. Segment wise Revenue, Results and Capital Employed:

Basis of Preparation: The Group has identified following business segments as reportable viz. Electrical Energy, Engineering Procurement and Contracts (EPC), Roads and Other Operations. Business segments have been identified as reportable primary segments in accordance with Accounting Standard-17 as prescribed under the Companies (Accounting Standards) Rules, 2006, taking into account the organisation and internal reporting structure as well as evaluation of risks and returns from these segments. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Group.

The electrical energy segment is engaged in generation, transmission and distribution of electrical power at various locations. The Parent Company operates a 500 MW Thermal Power Station at Dahanu, a 220 MW Combined Cycle Power Plant at Samalkot, a 48 MW Combined Cycle Power Plant at Mormugao, a 7.59 MW Wind-farm at Chitradurga and also purchases power from third parties and supplies the power through the Parent Company's own distribution grid in suburbs of Mumbai. BRPL and BYPL distribute the power in the city of Delhi. BKPL operates a 165 MW combined cycle power plant at Kochi. The segment also includes operations from trading of electricity. EPC segment (of Parent company and UPL) renders comprehensive value-added services in construction, erection and commissioning. Roads segment include development, operation and maintenance of toll roads. Other operations include businesses with respect to development, operation and maintenance of metro rail transit system and airports and real estate projects including special economic zone. None of the businesses under this segment have commenced commercial operations and all are in construction phase.

Geographical Segments: All the operations are mainly confined within India. There are no material earnings from outside India. As such there are no reportable geographical segments.

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Information about Business Segments – Primary:

Particulars	Rs. Crore									
	Electrical Energy	EPC	Roads	Other Operations	Total 2009-10	Electrical Energy	EPC	Roads	Other Operations	Total 2008-09
Revenue										
External Revenue	11,534.48	3,304.78	25.34	0.22	14,864.82	10,372.71	2,525.92	-	-	12,898.63
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	11,534.48	3,304.78	25.34	0.22	14,864.82	10,372.71	2,525.92	-	-	12,898.63
Result										
Segment Result	828.56	240.95	15.50	(2.31)	1,082.70	721.85	185.50	-	(2.98)	904.37
Unallocated Income net of unallocable expenses					497.79					501.00
Interest Income (net of Interest Expense)					(232.90)					(67.91)
Profit before taxation					1,347.59					1,337.46
Taxes					149.83					78.32
Profit after Tax					1,197.76					1,259.14
Share in Profit/(Loss) of Associates					321.45					93.37
Minority Interest					0.18					0.72
Profit after tax, Share in Associates and Minority Interest					1,519.39					1,353.23
Other Information:										
Segment Assets	11,227.52	4,524.49	2,030.12	2,615.16	20,397.29	9,993.71	3,186.20	1,206.48	1,687.00	16,073.39
Unallocated Corporate Assets					17,720.28					18,460.22
Total Assets					38,117.57					34,533.61
Segment Liabilities	5,152.09	4,102.82	1,923.09	1,143.28	12,321.28	4,285.31	3,026.93	1,143.92	505.44	8,961.60
Unallocated Corporate Liabilities					5,092.23					8,674.41
Total Liabilities					17,413.51					17,636.01
Capital Expenditure	711.08	18.21	812.32	1,198.11	2,739.72	1,164.01	1.15	1,158.70	1,239.67	3,563.53
Depreciation	530.88	9.57	4.71	0.37	545.53	393.11	5.66	-	0.03	398.80
Non Cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

12. Deferred Taxation:

Computation of Deferred Tax Asset / Liability	Rs. Crore	
	As at March 31, 2010	As at March 31, 2009
(a) Deferred Tax Liability on account of: Depreciation Difference and Premium on redemption of Preference Shares	<u>417.44</u>	<u>390.67</u>
(b) Deferred Tax Asset on account of:		
(i) Unabsorbed Capital Losses	-	10.29
(ii) Provisions	229.64	167.31
(iii) Disallowances under Section 40(a) of the Income Tax Act, 1961	0.65	1.68
(iv) Unrealised Forex Loss (MTM)	<u>29.60</u>	-
Total	<u>259.89</u>	<u>179.28</u>
Net Deferred Tax Liability	157.55	211.39
Add: Share in Joint Venture	<u>(0.61)</u>	<u>(0.05)</u>
Net Deferred Tax Liability including Share in Joint Venture	156.94	<u>211.34</u>

In case of BRPL and BYPL, on consideration of prudence the deferred tax assets in respect of timing differences likely to be reversed after the tax holiday period have been recognised to the extent of deferred tax liability only resulting in no provision for deferred tax assets / liabilities in the books of both the companies.

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13. (a) Standby Charges (Parent Company):

In the matter of liability of Rs. 515.60 Crore of standby charges with The Tata Power Company Limited (TPC) for the period April 1, 1999 to March 31, 2004, the Appellate Tribunal of Electricity (ATE) set aside the order of Maharashtra Electricity Regulatory Commission (MERC) dated May 31, 2004 and directed TPC to refund Rs. 354 Crore (inclusive of interest of Rs. 15 Crore upto March 31, 2004) to the Parent Company plus interest @ 10% p.a. commencing from April 1, 2004 till the date of payment. Against the said order, TPC filed an appeal with the Supreme Court. The Hon'ble Supreme Court passed an interim order dated February 7, 2007 granting stay of the impugned order of the ATE subject to the condition that, TPC furnish a bank guarantee in the sum of Rs. 227 Crore and, in addition, deposit a sum of Rs. 227 Crore with the Registrar General of the Court which may be withdrawn by the Parent Company subject to the Parent Company giving an undertaking that in the event of the appeal being decided against the Parent Company, wholly or in part, the amount as may be found refundable by the Parent Company shall be refunded to TPC without demur together with interest as may be determined by the Court. The Parent Company accordingly withdrew the amount of Rs. 227 Crore after complying with the conditions specified and has accounted the said amount as other liabilities pending final adjustment. Moreover, pending final order of the Hon'ble Supreme Court, the Parent Company has not accounted for the reduction in standby charges liability of Rs. 15.60 Crore as well as interest amount determined by ATE as payable by TPC to the Parent Company.

(b) Take or Pay and Additional Energy Charges (Parent Company):

In the matter of claims raised by TPC towards (a) difference in the energy supplied by TPC for the period March 2001 to May 2004 and (b) minimum off take charges for energy for the period 1998 to 2000, MERC had issued an order dated December 12, 2007 in favor of TPC, on an appeal filed by the Parent Company, ATE in its order dated May 12, 2008 held that in respect of matter (a) above, the Parent Company is liable to pay the amount for an estimated aggregate amount of Rs. 323.87 Crore along with interest upto December 31, 2007. In respect of matter (b) above, ATE remanded back the matter to MERC to examine it afresh. The Parent Company and TPC have filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the matter stated in (a) above. The Parent Company has complied with the interim order directions of depositing Rs. 25 Crore with the Registrar of Supreme Court and providing a Bank Guarantee of Rs. 9.98 Crore. The said amount is disclosed under contingent liabilities in Note 2(a)(iv) above.

14. Disclosure under Accounting Standard 15 (revised 2005) "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' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Trustees of respective schemes of the companies. Under the schemes, respective companies are required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. However in case of employees of erstwhile DVB (presently employees of BRPL and BYPL) in accordance with the stipulation made by GoNCTD, in its notification dated January 16, 2001 the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the DVB -ETBF 2002.

The Group has recognised the following amounts in the Profit and Loss Account for the year:

Sr No.	Particulars	Rs. Crore	
		2009-2010	2008-2009
(i)	Contribution to Provident Fund	23.21	20.89
(ii)	Contribution to Employees Superannuation Fund	6.34	5.79
(iii)	Contribution to Employees Pension Scheme, 1995	23.81	8.72

(B) Defined Benefit Plans

- a. Provident Fund (Applicable to certain employees of the Parent Company)
- b. Gratuity
- c. Leave Encashment

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board states benefit involving employee established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The audited accounts for the year ended March 31, 2010 of Provident Fund Trust maintained by the Company shows that there is no shortfall arising in meeting the stipulated interest payment liability.

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Pending the issuance of guidance note from the Actuary Society of India, the Parent Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Parent Company is unable to exhibit the related information.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and / or on separation as per the group's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
(i)	Discount Rate (Per annum)	8.25%	7.50%	8.25%	7.50%
(ii)	Rate of increase in Compensation levels	7.50%	6.00%	7.50%	6.00%
(iii)	Rate of Return on Plan Assets	8.25%	7.50%	8.25%	7.50%

Rs. Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
(i)	Changes in present value of obligation				
	Opening Balance of Present Value of Obligation	115.81	97.32	97.48	85.13
	Liability on increased stake in Joint Ventures	0.63	-	1.37	-
	Liability on transfer of Employees (Net)	(0.07)	1.61	(0.06)	0.02
		116.37	98.93	98.79	85.15
	Interest Cost	8.76	7.76	7.47	6.82
	Current Service Cost	9.86	6.62	6.14	7.69
	Benefits Paid	(4.32)	(5.47)	(8.34)	(5.40)
	Actuarial (Gains) / Loss	19.20	7.97	9.44	3.22
	Closing Balance of Present Value of Obligation	149.87	115.81	113.50	97.48
(ii)	Changes in Fair Value of plan assets				
	Opening Balance of Present Value of Plan Assets	115.87	98.77	72.91	57.67
	Planned Assets on increased stake in Joint Ventures	1.16	-	-	-
	Planned Assets on transfer of employees (Net)	-	1.61	(0.06)	-
		117.03	100.38	72.85	57.67
	Expected return on Plan assets	8.81	7.92	5.47	4.61
	Contributions	15.97	19.92	23.39	20.32
	Benefits Paid	(4.32)	(5.46)	(8.34)	(5.32)
	Actuarial Gain / (Loss) on Plan assets	3.84	(6.89)	2.23	(4.37)
	Closing Balance of Fair Value of Plan Assets	141.33	115.87	95.60	72.91
	Plan assets Pending Transfer	(0.36)	(0.27)	-	-
	Closing Balance of Fair Value of Plan Assets net of pending transfer	140.97	115.60	95.60	72.91
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at the year end				
	Administered by Reliance Life Insurance Company Limited / Life Insurance Corporation of India	100%	100%	100%	100%
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	149.87	115.81	113.50	97.48
	Closing Balance of Fair Value of Plan Assets net of pending transfers	140.97	115.60	95.60	72.91
	(Asset) / Liability recognised in the Balance Sheet	8.90	0.21	17.90	24.57

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Rs. Crore					
Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
(v)	Amounts recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	149.87	115.81	113.50	97.48
	Closing Balance of Fair Value of Plan Assets net of pending transfers	140.97	115.60	95.60	72.91
	Funded (Asset) / Liability recognised in the Balance Sheet	-	-	-	-
	Unfunded Liability recognised in the Balance Sheet	8.90	0.21	17.90	24.57
(vi)	Expenses recognised in the Profit and Loss Account				
	Current Service Cost	9.86	6.62	6.14	7.69
	Interest Cost	8.76	7.76	7.47	6.82
	Expected Return on Plan Assets	(8.81)	(7.92)	(5.47)	(4.61)
	Net Actuarial (Gain) / Loss	15.36	14.86	7.21	7.59
	Total Expenses recognised in the Profit and Loss Account / Capital work in progress	25.17	21.32	15.35	17.49
(vii)	(a) Experience adjustments				
	On Plan Liabilities (Gain) / Loss	(1.57)	3.61	3.20	(1.83)
	On Plan Assets (Gain) / Loss	(3.84)	6.90	(2.23)	4.37
	Total Experience Adjustments	(5.41)	10.51	0.97	2.54
	(b) Adjustments due to change in assumptions	20.77	4.35	6.24	5.05

Disclosure as required under para 120(n):

Rs. Crore							
Sr. No.	Particulars	Gratuity			Leave Encashment		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
(i)	Present Value of the Defined Benefit Obligation	149.87	115.81	96.89	113.50	97.48	85.13
(ii)	Fair Value of the Plan Assets	140.97	115.60	98.50	95.60	72.91	57.67
(iii)	Surplus/ (Deficit) in the Plan	(8.90)	(0.21)	1.61	(17.90)	(24.57)	(27.46)

Note : Since the Company had adopted AS-15, "Employee Benefits" (Revised 2005) for the first time during the financial year ended March 31, 2008 hence the disclosure for gratuity and leave encashment figures as required by Para 120(n) have not been presented for the financial year prior to 2007-08.

15. The Parent Company has been legally advised that it is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Parent Company.

16. Revaluation of Tangible Assets:

The Parent Company has, based on a valuation made by approved valuers, revalued as at April 1, 2003 the plant and machinery located at Dahanu. The revaluation of the same has been based on the technological obsolescence, the year of purchase, the maintenance levels and the currency and customs duty variations as applicable. The resultant appreciation aggregating to Rs. 752.17 Crore has been added to the Gross Block of the Fixed Assets and credited to Revaluation Reserve. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 53.90 Crore (Rs. 53.95 Crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.

17. Revenue from Sale of Electrical Energy and Regulatory Matters:

(a) Tariff Adjustment Account:

(i) In accordance with accounting policy (refer note 1 (d) (i) above) the Parent Company has accounted for Rs. 568.33 Crore (Rs. 1,034.45 Crore) during the year as unbilled revenue under Tariff Adjustment Account.

BRPL and BYPL have accounted for revenue gaps during the year aggregating to Rs. 334.74 Crore (Rs. Nil) and Rs. 67.89 Crore (Rs. Nil) respectively, which also includes carrying cost of Rs. 52.99 Crore (Rs. Nil) and Rs. 10.75 Crore (Rs. Nil) upto March 31, 2010 respectively which has been claimed in the Annual Revenue Requirement filed by

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both the companies with the Delhi Electricity Regulatory Commission, as income during the year. The amount given above represents Parent Company's share in joint ventures.

- (ii) DERC, recognising the uncontrollable nature of costs on account of 6th Pay Commission recommendations, has agreed to true-up the impact of the same. Accordingly, BRPL and BYPL have accrued Rs. 70.87 Crore and Rs. 60.76 Crore respectively as income towards payment of wage revision arrears on account of 6th Pay Commission recommendations. The amount given above represents Parent Company's share in joint ventures.

(b) Regulatory Matters:

Maharashtra Electricity Regulatory Commission (MERC) vide its order dated June 15, 2009 had determined the tariff for the distribution business for the financial year 2009-2010. However, considering the directives received from the Government of Maharashtra, MERC vide its order dated July 15, 2009 stayed the tariff order with respect to the certain consumer categories where there is an increase in tariff as compared to the previous year tariff. Accordingly, the Parent Company billed to the consumers as per the old tariff. Further, MERC vide its order dated September 8, 2009, based on the directives received from Government of Maharashtra, appointed Administrative Staff College of India (ASCI) to investigate whether the Parent Company has discharged its duties as envisaged in Electricity Act, 2003 in the most economical and efficient manner. After considering the contents of the report submitted by ASCI, MERC vide its order dated September 9, 2010 has vacated the interim order dated July 15, 2009 setting aside the stay on the tariff. Subsequent to vacation of the stay order, the Parent Company started billing to the consumers as per the above referred order and also filed its Annual Revenue Requirement (ARR) with MERC for financial year 2009-2010 and 2010-2011.

18. The Committee of Whole-time Directors at its meeting held on February 25, 2009 approved the Scheme of Restructuring (Scheme) envisaging transfer of various operating divisions of the Parent Company, namely Dahanu thermal power station division, Goa and Samalkot power station division, power transmission division, power distribution division (together considered under electrical segment), toll roads division (considered under the Roads segment) and real estate division (considered under unallocable segment) to its respective resulting six wholly owned subsidiaries with effect from March 31, 2009 has since been sanctioned by the Bombay High Court on September 09, 2009 subject to the Parent Company receiving requisite approvals and the same has been filed with the Registrar of Companies on September 14, 2009. Implementation of the said scheme in the financial statements is contingent upon receipt of requisite approvals. As the Scheme is between the entities forming part of the Group which are included in the consolidated financial statements and hence there will be no carrying amount as of the balance sheet date of the total assets which will be disposed off or liabilities to be settled, profits or cash flows attributable to discontinuing operations in the consolidated financial statements.

Subsequent to year end, the Committee of Directors, at its meeting held on May 27, 2010, have approved sale of (i) investment in BSES Kerala Power Limited, a wholly owned subsidiary and (ii) investment of Reliance Energy Generation Limited (a wholly owned subsidiary) in Reliance Goa and Samalkot Power Limited to Reliance Power Limited upon implementation of the Scheme of Restructuring.

19. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

There are no Micro, Small and Medium scale business enterprises to whom dues are outstanding for more than 45 days as at March 31, 2010 except in case of BRPL and BYPL, for which the details are as follows.

Rs. Crore

Name of the Company	I	II	III	IV	V
	Principal amount with interest due thereon, at the end of each accounting year to be shown separately	Interest paid during the year for delayed payments under the Provisions of this Act	Interest due and payable on delayed payments made during the year other than interest payable under this Act.	Interest due and payable as at the end of the accounting year. (Note: Principal amount has been paid but beyond the due date but without the interest under this Act)	Interest remaining due until such date when the interest dues are actually paid to the small enterprise (even if paid in succeeding years)
BRPL	1.71	-	0.01	0.16	0.05
BYPL	1.22	-	-	-	-

The total dues to such parties as at March 31, 2010 are Rs. 1.93 Crore and Rs. 1.22 Crore for BRPL and BYPL respectively. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the respective companies.

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20. Provision for Disputed matters / Contingencies (Parent Company and Share of Joint Ventures):

Rs. Crore

Particulars	Direct Taxes (Refer note (a) below)	Other Business (Refer note (b) below)	Share of JV's (Refer note (c) below)	Total
Opening Balance	19.68	540.00	6.21	565.89
Add: Provision made	-	70.00	10.38	80.38
Less: Provision reversed	-	-	1.76	1.76
Closing Balance	19.68	610.00	14.83	644.51

- (a) the disputed income tax liability of Rs. 19.68 Crore which may arise on outcome of the appeals preferred by the tax authorities, the quantum whereof will be determined as and when appeals are disposed off.
- (b) represents disputes / contingencies towards regulatory matters in respect of electricity business and other corporate matters. No further information is given as the matters are sub-judice and may jeopardize the interest of the Parent Company; and
- (c) represents consumer claims logged of Rs. 4.45 Crore against BRPL and BYPL and provision for retirement of fixed assets of Rs. 10.38 Crores in BRPL.

21. Buy-back of Shares:

Pursuant to the approval of the Board of Directors and shareholders of the Parent Company, for buy-back of equity shares under Section 77A of the Companies Act, 1956 upto 25% of the paid-up equity share capital and free reserves of the Parent Company aggregating Rs. 2,000.14 Crore, the Parent Company has bought-back 753,505 (9,554,995) equity shares during the year ended March 31, 2010 through open market transactions for Rs. 43.15 Crore (Rs.759.28 Crore), by utilising the Securities Premium account and the General Reserve to the extent of Rs. 42.40 Crore (Rs. 749.73 Crore) and Rs. 0.75 Crore (Rs. 9.55 Crore) respectively. The Capital Redemption Reserve has been created out of General Reserve for Rs. 0.75 Crore (Rs. 9.55 Crore) being the nominal value of shares bought back in terms of Section 77A of the Companies Act, 1956.

22. Equity Share Warrants:

- (a) The Parent Company had received an amount of Rs. 783.49 Crore towards initial subscription of 4.30 crore warrants from a promoter group company (as defined under SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2009), to subscribe 4.30 Crore equity shares for an aggregate value of Rs.7,835 Crore. As the promoters have opted not to exercise the option of conversion, the Committee of Directors in its meeting held on May 24, 2009 approved the cancellation of 4.30 Crore warrants and forfeited the advance amount received. The said amount has been credited to Capital Reserve.
- (b) During the year, pursuant to the approval of the shareholders through postal ballot, the Parent Company made an allotment of 4.29 Crore warrants to one of the promoters AAA Project Ventures Private Limited (AAPVL). The warrant holder will be entitled to apply for one equity share of the Parent Company of Rs. 10 each for every warrant held, at any time but on or before 18 months from the date of allotment of warrants. The Parent Company received an amount of Rs. 996.23 Crore from AAPVL towards initial subscription of 4.29 Crore warrants being 25% of the total amount. Subsequently, the Parent Company received an application for conversion of 1.96 Crore warrants into shares along with the balance of Rs. 1,365.47 Crore. The Parent Company allotted 1.96 Crore equity shares to AAPVL against conversion of said warrants.

23. Interest in Joint Venture Operations (Parent Company):

The Parent Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited * (the consortium) has been allotted 4 Coal bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (MoPNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium has entered into a production sharing agreement with the Government of India for exploration and production of these four CBM blocks. The Parent Company is a non-operator and has 45 per cent share in each of the four blocks.

Also the Parent Company along with M/s. Geopetrol International Inc., Naftogaz India Private Limited and Reliance Natural Resources Limited * (the consortium) has been allotted oil block from Ministry of Petroleum and Natural Gas (MoPNG), in the State of Mizoram under the New Exploration Licensing Policy (NELP - VI) round, covering an acreage of 3,619 square kilometers and the consortium has signed an agreement with the Government of India for exploration and production of a Oil and Gas block. The Parent Company is a non-operator and has 70% share in the block.

During the year, the Parent Company has accounted for Rs. 3.71 Crore towards its share of expenditure on survey and prospecting activities.

(* share of RNRL has since been demerged to 4 Subsidiary Companies of Reliance Power Limited).

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Disclosure of the Parent Company's share in Joint Venture operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) As at March 31, 2010
SP-(North) - CBM - 2005 / III	Sohagpur, Madhya Pradesh	45 %
KG(E) - CBM - 2005 / III	Kothagudem, Andhra Pradesh	45 %
BS(4) - CBM - 2005 / III	Barmer, Rajasthan	45 %
BS(5) - CBM - 2005 / III	Barmer, Rajasthan	45 %
MZ-ONN-2004 / 2	Mizoram	70 %

The above joint ventures are unincorporated joint ventures carrying out jointly controlled operations. Based on the audited statement of accounts of the consortium received from the independent auditors, the Parent Company accounts for its share of the assets, liabilities, income and expenditure of Joint Venture operations in which it holds a participating interest.

24. Capital work-in progress includes expenditure incidental / attributable to construction of the project classified as expenditure pending allocation / capitalisation which will be apportioned to the fixed assets on the completion of the Project. Necessary details with respect to the same as per Part II of Schedule VI to the Companies Act, 1956 have been disclosed below:

Expenditure pending allocation / capitalisation:

Particulars	Rs. Crore				
	As at April 1, 2009	Addition on Acquisition of Subsidiaries	Incurred during the year	Capitalisation / Adjustment	As at March 31, 2010
Advertisement Expenses	0.46	-	-	-	0.46
Interest and Finance Charges / Corporate Guarantee Charges	110.17	-	146.17	(76.40)	179.94
Depreciation	1.02	0.07	0.85	(0.10)	1.84
Electricity Expenses	1.05	-	0.92	-	1.97
Printing and Stationery	0.60	0.06	0.40	-	1.06
Legal and Professional Charges (Net)	124.52	2.58	97.98	(12.96)	212.12
Rent, Rates and Taxes	34.35	0.45	19.43	(1.46)	52.77
Repairs and Maintenance	1.01	-	2.38	(0.61)	2.78
Employees' Cost	32.03	6.82	38.18	(9.34)	67.69
Insurance	8.03	-	9.14	(3.50)	13.67
Development Expenditure	28.66	2.39	3.62	-	34.67
Telephone Expenses	0.81	0.06	0.82	-	1.69
Travelling and Conveyance	5.17	0.54	5.86	-	11.57
Vehicle Hire Charges	1.71	0.41	1.02	(2.20)	0.94
Fringe Benefit Tax	0.83	0.06	-	(0.22)	0.67
Miscellaneous Expenses	7.25	0.18	5.87	(2.70)	10.60
	357.67	13.62	332.64	(109.49)	594.44
Less:					
Tender Fees Received	2.33	-	0.30	(2.59)	0.04
Dividend Income on Current Investments	3.52	-	7.68	(0.86)	10.34
Interest Income on Bank Term Deposits (net of tax)	0.40	-	0.09	-	0.49
Total	351.42	13.62	324.57	(106.04)	583.57

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

25. Pursuant to the exemption granted by the Department of Company Affairs, Government of India, the Parent Company is publishing the consolidated and standalone financial statements of Reliance Infrastructure Limited. The financial statements and Auditors' Report of the individual subsidiaries are available for inspection by the shareholders at the registered office. However, the information in aggregate on capital, reserves, total assets, total liabilities, details of investments, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend for each subsidiary is as follows:

Rs. Crore												
Sr. No.	Name of the Subsidiary	Share Capital @	Reserves and Surplus	Total Assets *	Total Liabilities #	Investment \$		Turnover ##	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
						In Mutual Fund at cost (Quoted)	In Shares at cost (Un-quoted)					
1	BKPL	127.76	64.85	259.76	97.15	30.00	-	446.47	6.04	(16.40)	22.45	-
2	RInFL	502.10	127.22	73.50	4.18	-	560.00	46.69	46.69	7.65	39.03	-
3	PKTCL	13.05	(1.13)	29.50	17.58	-	-	0.14	0.13	0.05	0.09	-
4	RInvL	568.38	106.97	140.34	-	-	535.00	45.04	44.96	7.30	37.66	-
5	RETL	20.65	31.45	92.39	52.79	12.50	-	1,039.58	13.16	4.36	8.80	-
6	RPTL	151.51	(5.29)	152.78	7.29	0.70	-	0.01	(2.68)	-	(2.68)	-
7	NGSPL	36.19	(0.29)	36.06	0.17	-	-	-	-	-	-	-
8	MMOPL	272.65	206.01	732.37	284.83	31.12	-	-	-	-	-	-
9	DAMEPL	466.96	-	1,031.32	570.37	6.01	-	-	-	-	-	-
10	CBDTPL	187.70	(3.88)	659.04	475.22	-	-	-	(1.83)	-	(1.83)	-
11	TRPL	0.01	-	0.01	-	-	-	-	-	-	-	-
12	REGL	0.05	(0.03)	18.20	18.23	-	-	-	(0.03)	-	(0.03)	-
13	REL	0.50	0.01	73.24	72.98	-	0.25	-	(0.04)	-	(0.04)	-
14	RPDL	0.05	(0.02)	0.03	-	-	-	-	(0.02)	-	(0.02)	-
15	DSTL	5.21	30.80	426.23	390.21	-	-	16.16	(0.20)	-	(0.20)	-
16	NKTL	4.48	22.75	351.96	324.73	-	-	9.51	(1.25)	-	(1.25)	-
17	SUTL	18.55	(0.29)	423.27	412.85	7.85	-	-	-	-	-	-
18	TDTL	10.75	6.75	283.98	270.39	3.90	-	-	-	-	-	-
19	TKTL	13.43	(0.18)	309.40	297.57	1.41	-	-	-	-	-	-
20	GFTL	165.63	(0.14)	217.23	56.16	4.41	-	0.01	0.01	-	0.01	-
21	RCPL	52.26	-	53.42	1.20	-	-	-	-	-	-	-
22	RCCPL	0.01	(0.06)	0.01	0.06	-	-	-	-	-	-	-
23	RCIPL	0.01	-	0.01	-	-	-	-	-	-	-	-
24	RCWPL	0.01	-	0.01	-	-	-	-	-	-	-	-
25	KMTL	0.21	-	0.21	-	-	-	-	-	-	-	-
26	PSTL	0.01	-	0.01	-	-	-	-	-	-	-	-
27	RADPL	66.27	(0.10)	17.64	0.03	-	-	-	(0.04)	-	(0.04)	-
28	LAPL	4.78	(0.66)	6.31	2.19	-	-	0.02	(0.66)	-	(0.66)	-
29	BAPL	20.12	(0.47)	26.96	7.31	-	-	0.01	(0.47)	-	(0.47)	-
30	NAPL	13.94	(0.81)	19.18	6.05	-	-	0.19	(0.81)	-	(0.81)	-
31	YAPL	2.57	(0.09)	3.42	0.94	-	-	-	(0.09)	-	(0.09)	-
32	OAPL	7.52	(0.11)	10.07	2.66	0.01	-	-	(0.11)	-	(0.11)	-
33	WRM	95.69	(1.81)	243.46	178.61	29.03	-	-	-	-	-	-
34	WRTG	48.47	(0.99)	147.04	104.86	5.30	-	-	-	-	-	-
35	RGSP	0.05	(0.02)	13.98	13.95	-	-	-	(0.02)	-	(0.02)	-

@ including share application money; * Fixed Assets + CWIP + Current Assets + Deferred Tax Asset; # Debts + Current Liabilities + Deferred Tax Liability; \$ Other than Investment in Subsidiary; ## includes other income.

Reliance Infrastructure Limited

Schedules annexed to and forming part of the Consolidated Financial Statements

26. Amount due from customers represents amount of Rs. 3,400.50 Crore (Rs. 5,061.50 Crore) being contracts in progress valued at cost plus recognised profit less progress billing of Rs. 3,146.10 Crore (Rs. 4,899.86 Crore). Amount due to customer represents an amount of Rs. 6,778.29 Crore (Rs. 1,681.92 Crore) being contract in progress valued at progress billing less cost plus recognised profit of Rs. 6,472.96 Crore (Rs. 1,620.68 Crore).

Pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts", aggregate amount of Contract cost incurred and recognised profits (less recognised losses) as at the end of the financial year for all the contracts in progress is Rs. 9,873.46 Crore (Rs. 6,682.18 Crore).

27. Figures for the previous year have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate Previous Year's figures. '@' - represents figures less than Rs. 50,000 which have been shown at actuals in brackets with @.

As per our attached Report of even date

For Price Waterhouse

Firm Regn. No: 301112E

Chartered Accountants

For Chaturvedi & Shah

Firm Regn. No: 101720W

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

Place : Mumbai

Date : November 22, 2010

For and on behalf of the Board

Anil D Ambani

Satish Seth

S C Gupta

Lalit Jalan

Gen V P Malik

Dr Leena Srivastava

S L Rao

Chairman

Vice Chairman

Director (Operations)

Whole-time Director

Directors

Ramesh Shenoy

Company Secretary

Place : Mumbai

Date : November 22, 2010

Reliance Infrastructure Limited

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Year ended March 31, 2010		Year ended March 31, 2009	
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
A. Cash Flow from Operating Activities :				
Profit before Taxation		1,347.59		1,337.46
Adjustments for :				
Depreciation (Net of transfer from Reserves)	472.44		330.38	
Interest and finance charges	525.13		439.42	
Loss on sale / disposal of fixed assets (net)	4.62		5.17	
Provision for / (write back of) diminution in value of investments	0.41		(45.05)	
Provision for doubtful debts, advances, deposits	50.32		80.71	
Provision for leave encashment	(8.06)		(3.14)	
Interest Income	(292.25)		(371.51)	
Dividend Income	(55.69)		(20.94)	
Premium on Redeemable Preference Shares	(283.12)		(412.24)	
Unrealised (Gain) / Loss on exchange fluctuation (net)	(9.93)		186.79	
Unrealised (Gain) / Loss on derivative Instruments (net)	(81.08)		170.18	
(Profit) on sale / redemption of investments (net)	(135.09)		(319.08)	
		<u>187.70</u>		<u>40.69</u>
Operating Profit before Working Capital Changes		<u>1,535.29</u>		<u>1,378.15</u>
Adjustments for :				
Trade and other receivables	(2,569.67)		(2,312.43)	
Inventories	170.86		(95.71)	
Trade payables	1,072.28		2,155.10	
		<u>(1,326.53)</u>		<u>(253.04)</u>
		<u>208.76</u>		<u>1,125.11</u>
Income Taxes paid (net of refund)		<u>(40.39)</u>		<u>(207.21)</u>
Net Cash from Operating Activities		<u>168.37</u>		<u>917.90</u>
B. Cash Flow from Investing Activities :				
Purchase / acquisition of fixed assets (including capital work in progress)	(2,210.77)		(2,445.32)	
Sale of fixed assets	6.05		9.51	
Purchase of investments	(31,477.03)		(43,767.19)	
Acquisition of Subsidiaries	(53.78)		(12.92)	
Purchase of Interest in Joint Ventures / Associates	(10.03)		(132.28)	
Sale / redemption of investments	33,948.81		40,436.46	
Inter Corporate Deposits	(1,186.10)		3,707.94	
Dividend Income	55.69		20.94	
Premium on Redeemable Preference Shares	36.20		162.95	
Interest income	280.72		362.09	
		<u>(610.24)</u>		<u>(1,657.82)</u>
Net Cash used in Investing Activities		<u>(610.24)</u>		<u>(1,657.82)</u>
C. Cash Flow from Financing Activities :				
Proceeds from issue of Share warrants	2,361.70		-	
Proceeds of Share Capital from Minority shareholders (including share application money)	3.26		60.33	
Buy back of Equity Shares (including buy back expenses)	(43.15)		(759.28)	
Proceeds from issue of debentures	-		850.00	
Proceeds of secured loans (net of repayments)	1,127.48		590.79	
(Repayments) / Proceeds of unsecured loans (net)	(2,336.92)		874.72	
Proceeds from Grants / Capital Contribution	159.90		110.90	
Realised Gain / (Loss) on derivative instruments (net)	22.82		(21.28)	
Interest and finance charges	(663.04)		(467.50)	
Dividends paid on equity shares including tax	(200.50)		(170.14)	
		<u>431.55</u>		<u>1,068.54</u>
Net Cash from Financing Activities		<u>431.55</u>		<u>1,068.54</u>
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)		<u>(10.32)</u>		<u>328.62</u>
Cash and cash equivalents as at the commencement of the year (Opening Balance)	435.63		102.82	
Add: Share in Joint Ventures	22.64		12.57	
		<u>458.27</u>		<u>115.39</u>
Add: Share on increase of shareholding in Joint Ventures	-		-	9.78
Add: Cash taken over on acquisition of Subsidiaries	1.48		-	4.48
		<u>459.75</u>		<u>129.65</u>
Cash and cash equivalents as at the end of the year (Closing Balance) *	360.84		435.63	
Add: Share in Joint Ventures	88.59		22.64	
		<u>449.43</u>		<u>458.27</u>
Net (Decrease) / Increase as disclosed above		<u>(10.32)</u>		<u>328.62</u>

* Including Cash Collateral of Rs. 80.82 crore (Rs. 50.22 crore) as at March 31, 2010.

Note: Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

As per our attached Report of even date

For Price Waterhouse

Firm Regn. No: 301112E

Chartered Accountants

For Chaturvedi & Shah

Firm Regn. No: 101720W

Chartered Accountants

Partha Ghosh

Partner

Membership No. 55913

C D Lala

Partner

Membership No. 35671

For and on behalf of the Board

Anil D Ambani

Satish Seth

S C Gupta

Lalit Jalan

Gen V P Malik

Dr Leena Srivastava

S L Rao

Chairman

Vice Chairman

Director (Operations)

Whole-time Director

Directors

Company Secretary

Place : Mumbai
Date : November 22, 2010

Ramesh Shenoy
Place : Mumbai
Date : November 22, 2010

Reliance Infrastructure Limited

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

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue
Joint shareholders may obtain additional Attendance Slip on request

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

Name and Address of the Shareholder

I/We hereby record my /our presence at the **81st Annual General Meeting** of Reliance Infrastructure Limited held on Wednesday, December 22, 2010, at 11:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Signature of the shareholder or proxy

*Applicable for investors holding share(s) in electronic form.

..... TEAR HERE

PROXY FORM**Reliance Infrastructure Limited**

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

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

I/We of being a member/members of Reliance Infrastructure Limited hereby appoint of or failing him of as my/our proxy to vote for me/us and on my/our behalf at the 81st Annual General Meeting of Reliance Infrastructure Limited held on Wednesday, December 22, 2010, at 11:00 a.m. at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 or at any adjournment thereof.

Signed this day of 2010.

* Applicable for investors holding share(s) in electronic form.

Affix Re. 1 revenue stamp

- Note (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



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(Unit: Reliance Infrastructure Limited)

Madhura Estate, Municipal No. 1-9/13/C

Plot No. 13 & 13 C, Madhapur Village

Hyderabad 500 081

Tel no. : + 91 40 4030 8000

Fax no.: + 91 40 2342 0859

Email : rinfra@karvy.com