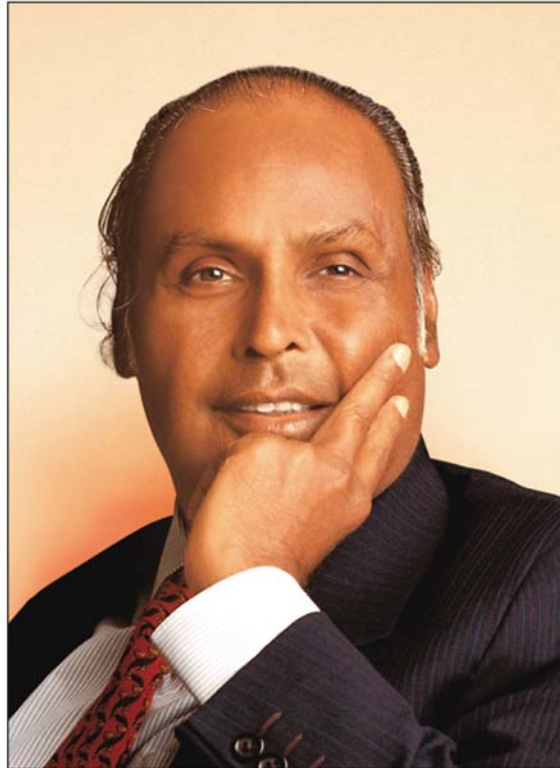


**RELIANCE** Infrastructure  
Anil Dhirubhai Ambani Group

**Annual Report**  
**2008-09**  
**(Abridged)**

A large, light gray, stylized letter 'A' logo that spans the bottom half of the page. It is composed of two thick, parallel lines that meet at a point at the top, forming a wide, open-bottom shape.



## **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, India's second largest business house.

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 group 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 field 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, etc.

## Mission: Excellence in Infrastructure

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

# Reliance Infrastructure Limited

## Board of Directors

Shri Anil D Ambani	- Chairman
Shri Satish Seth	- Vice Chairman
Shri S C Gupta	- Director (Operations)
Shri Lalit Jalan	- Whole-time Director
Gen V P Malik	
Shri S L Rao	
Dr Leena Srivastava	
Shri V R Galkar	

## Company Secretary

Shri Ramesh Shenoy

## Auditors

Price Waterhouse  
Chaturvedi & Shah

## Registered Office

Reliance Energy Centre  
Santa Cruz (E)  
Mumbai 400 055  
Maharashtra, India

## Registrar & Transfer Agent

Karvy Computershare Private Limited  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur, Hyderabad 500 081  
Andhra Pradesh, India  
website : [www.karvy.com](http://www.karvy.com)

## Investor Helpdesk

Toll free no. (India) : 1800 4250 999  
Telephone : +91 40 2342 0815-25  
Fax : +91 40 2342 0859  
Email : [rinfra@karvy.com](mailto:rinfra@karvy.com)  
Website: <http://kcpl.karvy.com/adag>

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**80th Annual General Meeting on Tuesday, July 21, 2009 at 2.00 p.m. or soon thereafter as the AGM of Reliance Capital Limited convened for the same day shall be over at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020**

*The Annual Report can be accessed at [www.rinfra.com](http://www.rinfra.com)*



**"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 D Ambani

**My dear fellow Shareowners,**

For Indian economy as also of the rest of the world, 2008-09 was one of the toughest years to be in business, especially in the infrastructure sector. In the wake of the global financial meltdown, it was hard for businesses to raise resources and maintain the high trend growth rate of the last few years. However, for Reliance Infrastructure, it was another outstanding year - a year in which we made significant strides, and moved closer to our goal of being one of the top players in most of the businesses in which we operate.

The year saw us making important strides forward in our mission to become one of India's top infrastructure players and achieve leadership position across every business segment in which we operate.

On April 28, 2008, the Company changed its name from Reliance Energy Limited to Reliance Infrastructure Limited signifying a renewed thrust on exploiting the emerging long-term opportunities in the infrastructure sector. In recent years, we have made a conscious and concerted effort to align our people, processes and technological initiatives more closely with our new business strategy and focus.

Reliance Infrastructure continues to draw its inspiration and guidance from the vision of our legendary founder, Shri Dhirubhai Ambani. It was one of Dhirubhai's great ambitions in life to see the creation of world class infrastructure in India. With specific reference to the power sector, he wanted that the consumers be provided with uninterrupted and quality power at competitive prices through the deployment of cutting edge technology and operational efficiencies, something that was only possible in his view with the active participation of the private sector in core areas of infrastructure.

It is a tribute to Dhirubhai's vision that Reliance Infrastructure is now one of India's leading and fastest growing companies in the infrastructure sector, with estimated group revenues of Rs 21,818 crore (US\$ 4.3 billion) and gross fixed assets of Rs 14,722 crore (US\$ 2.9 billion).

Reliance Infrastructure is today one of India's most valuable private sector infrastructure companies.

**Performance review**

You will be happy to note that our Company made substantial improvement in its financial and operational performance during the year.

The salient points are:

- Total income of Rs 10,959 crore (US\$ 2.16 billion), as against Rs 7,501 crore in the previous financial year, an increase of 46%.
- Cash profit of Rs 1,384 crore (US\$ 273 million), against Rs 1,308 crore (US\$ 258 million) in the previous financial year.
- Net profit of Rs 1,139 crore (US\$ 225 million), against Rs 1,085 crore (US\$ 214 million) in the previous financial year.
- Cash Earnings Per Share (Cash EPS) of Rs 60 (US\$ 1.18), against Rs 56 in the previous year and Earnings Per Share (EPS) of Rs 49.5 (US\$ 1), against Rs 46.9 in the previous year.

- A net worth of Rs 11,907 crore (US\$ 2.35 billion), making Reliance Infrastructure amongst the top Indian private sector companies.

**Restructuring of business**

While generation, transmission and distribution of power continues to be the core business of the Company, it has in recent years made major inroads in other vital areas such as mass rapid transit systems, roads, special economic zones, and Engineering, Procurement and Construction (EPC). During the past year, the Company evaluated its existing businesses and felt the need to create a simplified and transparent structure, focused on each individual business segment. Each of the several businesses carried on by the Company, either by itself or through subsidiaries, affiliate companies or strategic investments in other companies, was seen to have significant potential for growth.

In order to provide a simplified, transparent business structure, the Company has decided to reorganize all its businesses verticals. This re-organization envisages the transfer of various divisions of Reliance Infrastructure dealing with different areas of operations, to separate wholly owned subsidiary companies. I am sure we would receive the overwhelming support of the Members when we seek their approval to the new scheme of arrangement.

**Buy-back of Shares**

In keeping with our fundamental and overriding philosophy of creating value for our investors, we decided to utilize a part of our accumulated surplus for buy-back of shares so as to improve the return on equity. We have bought-back a total of 112.6 lakh equity shares from the open market, aggregating Rs 923 crore.

**Power generation, transmission and distribution**

*Power Generation*

Our Company's power generation units continue to demonstrate significant improvements across all important performance parameters.

During the past year, the Dahanu power station achieved a record Plant Load Factor (PLF) of 100.99 per cent. The Station has been consistently operating at more than 100 per cent PLF for the last five years. The estimated over-performance incentive and efficiency gains as per MERC norm is over Rs 80 crore for the year. Similarly, our power stations at Samalkot and Goa have also registered healthy levels of performance during the year and been consistently improving on major operational, environmental and safety performance parameters.

All the stations are certified for Integrated management system covering ISO 9001 the quality management system, ISO 14001 the environmental management system and OHSAS 18001 the occupational health and safety management system. They are also certified for SA 8000 the social accountability standard and ISO 27001 the information security standard.

*Power Transmission*

Reliance Infrastructure continues to explore emerging opportunities in the transmission sector. Keeping in line with the requirements of the sector, the Government of India has identified 14 transmission

# Reliance Infrastructure Limited

## Letter to Shareowners

projects for development under tariff-based competitive bidding route to be awarded on build, own and operate basis. As you are aware, our Company has been selected as a joint venture partner, along with Power Grid Corporation of India Limited, for setting up the transmission network for Parbati and Koldam hydroelectric projects in Himachal Pradesh. Our Company was also the first private utility to win projects under the Western Region System Strengthening Scheme in Maharashtra and Gujarat. For strengthening our transmission network for Mumbai distribution, we have finalised a comprehensive plan aimed at enhancing our extra high voltage transmission network at a capital outlay of Rs 1,800 crore.

### Power Distribution

Our Company's distribution network in Mumbai has achieved the distinction of consistently operating its distribution network at 99.9 per cent reliability.

The Company was recognized as the best among 20 utilities across the country for 'Excellence in Power Distribution - Urban' at the prestigious IEEMA National Awards 2009.

Strengthening and modernization of our network is a continuous process with a view to meeting the rising demand in our distribution area. The Company would continue to maintain its leadership position on key industry parameters such as uninterrupted power supply, deployment of IT and other technologies, meter modernization, and customer service.

Our two associate companies viz. BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) continue to implement a series of measures aimed at improving overall customer service and reducing aggregate technical and commercial (AT&C) losses. Over the past year, both companies have made substantial progress in further paring down AT&C losses - from 27.26 per cent to 20.59 per cent in BRPL and from 29.99 per cent to 24.02 per cent in BYPL. In the process, we have exceeded the multi-year-tariff target levels. This over-achievement would enable the Company to qualify for performance incentives to the tune of Rs 136 crore.

### The EPC Business

Our Engineering, Procurement and Construction (EPC) division, focusing mainly on the power sector, is leveraging its strength in executing power generation projects on a turn-key basis. Backed by an extraordinarily talented work force and years of experience in the field, we employ state-of-the-art technology in every facet of our EPC operation, delivering superior value in engineering, design and project management.

A Centre of Engineering Excellence has been formed to build *Knowledge Capital* in order to enable the execution of large projects at optimum cost, while ensuring high standards of quality and strict adherence to timelines.

The turnover of our EPC business during 2008-09 was Rs 2,513 crore (US\$ 495 million), against Rs 1,444 crore (US\$ 285 million) in the previous year. The EPC division had an order book position of Rs 20,625 crore (US \$ 4.07 billion) as on March 31, 2009.

### Infrastructure Projects

Currently, the Company is engaged in four-laning of five road projects in the State of Tamil Nadu, aggregating to a total length of 401 kms and a total cost of Rs 3,150 crore. Of the five, two are at an advanced stage of completion.

The Company has been awarded an important road connectivity project of 66 kms between Gurgaon and Faridabad in the State of Haryana. The Company has also emerged as the sole bidder for the 135-km 'Eastern Peripheral Expressway' project at Delhi at a project outlay of Rs 4,000 crore.

The ongoing Versova-Andheri-Ghatkopar Corridor Mass Rapid Transit System (MRTS) project, which is being implemented by a special

purpose vehicle of the Company along with MMRDA, is scheduled to be commissioned by second quarter of FY2011, two years ahead of the contractual commissioning date.

The Delhi Airport Express Line Project, being implemented by the Company's special purpose vehicle, Delhi Airport Metro Express Private Limited in consortium with CAF of Spain, will connect the Delhi Airport with the Central Business District. Overseen by globally renowned consultants and system contractors, the project is likely to start by second quarter of FY2011 i.e. before the Commonwealth Games.

The Company has also been awarded a project to develop a 100-storey trade tower and commercial business district in Hyderabad. We are also developing a special economic zone at the Dhirubhai Ambani Knowledge City in Navi Mumbai.

### Reliance Power Limited

An associate of the Company, Reliance Power Limited is currently executing projects with a combined planned installed capacity of more than 33,480 MW, the largest portfolios of power generation assets under development in India in the private sector.

### Corporate Governance

Our Company is a proud member of the Reliance Anil Dhirubhai Ambani Group. As such we have adopted the Group's Corporate Governance Practices 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 our stakeholders.

### Social Commitments

The Company continues to take up several initiatives related to healthcare, education, water management, including construction of check dams and water drains, and promotion of environmental improvement measures as well as providing vocational training. In all programmes, special priority is given to the economically vulnerable sections of society, who stay in the vicinity of the power stations and project sites.

### Awards and Recognitions

All our power stations continue to receive prestigious awards and recognitions for outstanding performance in various fields, viz., excellence in thermal power generation, environment, quality, water and energy management, leadership, technology and innovations, safety and corporate social responsibility.

### Commitments

We are on the threshold of a major organizational transformation: from being a power utility to being a diversified infrastructure company, with strong presence across the entire gamut of infrastructure space.

Our young team of highly trained, motivated and qualified professionals will aim to make the most of every opportunity that opens up in infrastructure.

Powered by the experience and expertise of the Reliance ADA group in project management and financial engineering, we will seek to achieve the highest performance standards in the industry and an unchallenged leadership position across all segments in which we operate.

Our founder gave us a mantra for growth and success: think big - and act bigger. We will follow his lead and his inspiration in striving for bigger and better in everything that we do, paving the way for ever faster growth and ever higher value for all our stakeholders.



**Anil D Ambani**  
Chairman

Highlights - at a glance

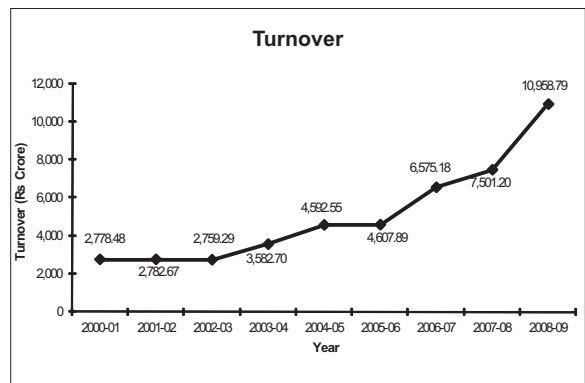
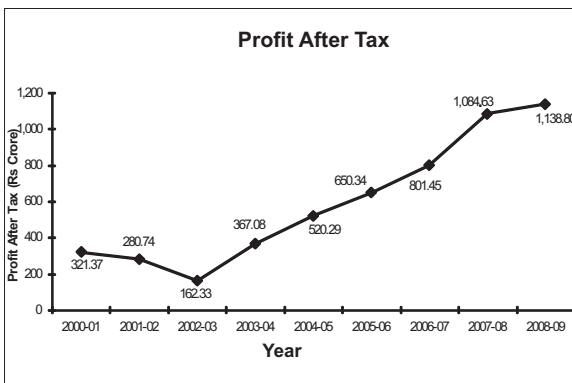
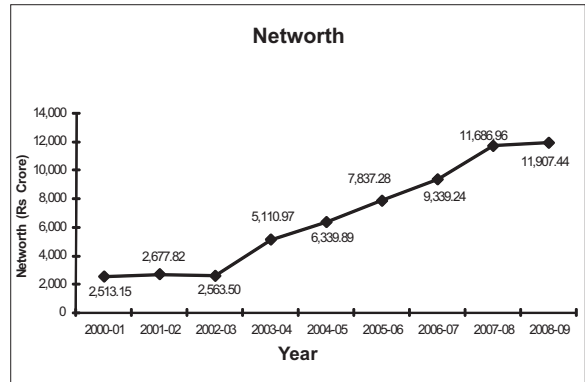
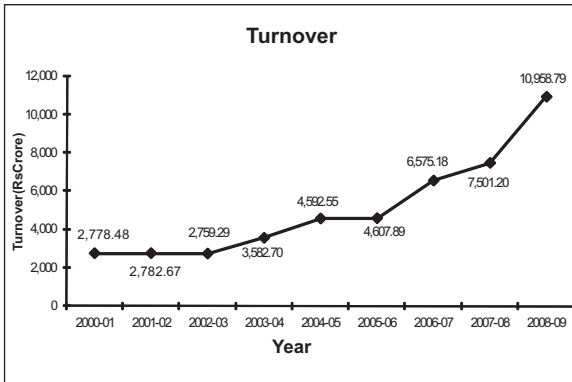
Year Ended 31st March		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Units Sold - (Million Units)		9582	9271	8743	8064	7969	7691	5880	5676	5415	5168
Maximum Demand MVA		1509	1408	1457	1331	1320	1274	1226	1201	1198	1121
High Tension Mains kms		3860	3606	3448	3114	3012	2915	2829	2789	2734	2577
Low Tension Mains kms		3619	3313	3179	3116	3039	3002	2965	2923	2870	2774
No. of Substations		5081	4909	4720	4002	3848	3735	3653	3547	3444	3337
No. of Consumers (in '000) Licensed Area - 384 sq kms		2692	2630	2506	2496	2381	2329	2223	2142	2067	1977
No. of Shareholders (in '000)		1591	1596	157	109	99	96	122	145	155	168
Financial Data (Rs in crore)	US \$ in Million										
Assets :											
Fixed Assets (Net)	769.91	3905	3637	3104	2874	2912	3093	1813	1951	2080	2108
Investments	2394.91	12147	7726	2512	1193	696	2875	1030	611	534	525
Current Assets (Net)	666.80	3382	5561	9954	8277	6731	1410	531	850	657	734
<b>Total Assets</b>	<b>3831.62</b>	<b>19434</b>	<b>16924</b>	<b>15570</b>	<b>12344</b>	<b>10339</b>	<b>7378</b>	<b>3374</b>	<b>3412</b>	<b>3271</b>	<b>3367</b>
Sources of Finance											
Share Capital	44.56	226	236	229	212	186	175	138	138	201	225
Equity Warrants	154.37	783	783	-	88	568	-	-	-	-	-
Reserves & Surplus	2148.66	10898	10668	9252	7573	5586	4936	2426	2540	2375	2143
Borrowings	1445.58	7332	4989	5858	4267	3739	2030	632	661	695	824
Deferred Tax Liabilities	38.44	195	249	231	204	260	237	178	73	-	-
<b>Total Finance Raised</b>	<b>3831.62</b>	<b>19434</b>	<b>16924</b>	<b>15570</b>	<b>12344</b>	<b>10339</b>	<b>7378</b>	<b>3374</b>	<b>3412</b>	<b>3271</b>	<b>3367</b>
Gross Revenue	2160.69	10959	7501	6575	4608	4593	3583	2777	2783	2778	2430
Profit Before Tax	235.21	1193	1152	872	781	570	417	153	302	350	397
Profit After Tax	224.57	1139	1085	801	650	520	367	297 *	281	321	307
Dividends	31.15	158	148	121	104	87	70	61	61	62	61
Dividend Tax	5.32	27	25	21	16	12	9	8	0.17	7	7
Retained Earnings (including statutory reserves)	188.49	956	912	699	529	421	295	54	244	227	235
Equity Share Capital	44.56	226	236	229	212	186	175	138	138	138	138
Rate of Dividend on Equity Shares	70%	70%	63%	53%	50%	47%	45%	44%	43%	40%	37%
Earnings Per Share (Rs)	US\$ 0.97	49	47	37	33	28	26	22 *	22	21	21

\* Prior to one time adjustments of Rs 135 crore

1 US\$ = Rs 50.72 as on March 31, 2009

1 crore = 10 million

## Highlights - at a glance



## Business Mix

### Generation

Generates 940 MW of electricity through Power Stations across Maharashtra Andhra Pradesh, Kerala, Karnataka and Goa

### Distribution

Distributes over 36 billion units of electricity to 30 million consumers

### EPC

Leading player in India in the engineering, procurement and construction segment of the power sector

**RELIANCE**  
Infrastructure

Anil Dhirubhai Ambani Group

### Infrastructure

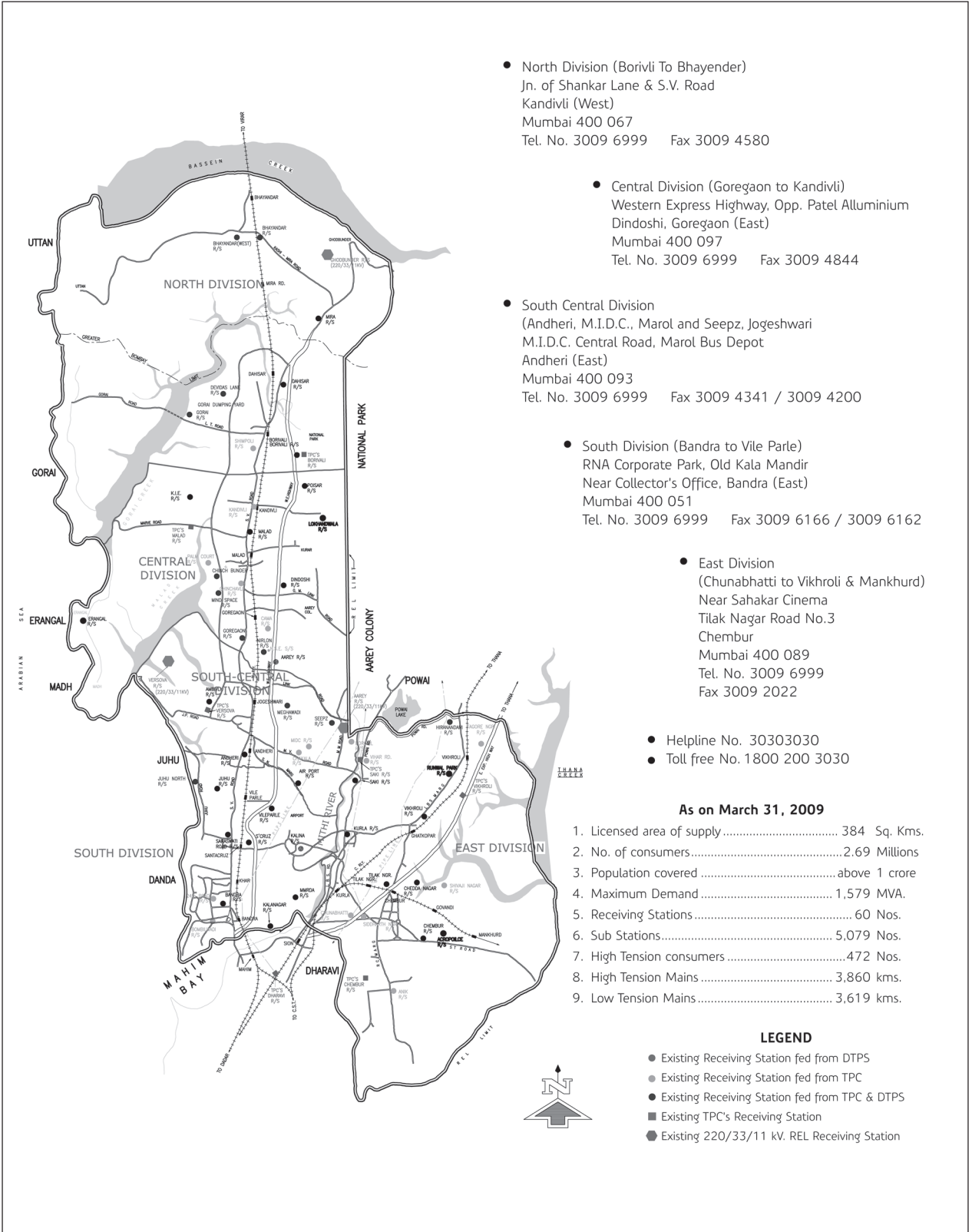
- Road Projects: Largest developer of road projects for NHAI totaling 467 kms
- Metro project: First and only private sector builder and operator in Mumbai and Delhi covering 34 kms

### Transmission

- Parbati and Koldam Hydroelectric project
- Project under Western Region System Strengthening Scheme II in Maharashtra and Gujarat



Distribution Network in Mumbai



- North Division (Borivli To Bhayender)  
Jn. of Shankar Lane & S.V. Road  
Kandivli (West)  
Mumbai 400 067  
Tel. No. 3009 6999 Fax 3009 4580
- Central Division (Goregaon to Kandivli)  
Western Express Highway, Opp. Patel Aluminium  
Dindoshi, Goregaon (East)  
Mumbai 400 097  
Tel. No. 3009 6999 Fax 3009 4844
- South Central Division  
(Andheri, M.I.D.C., Marol and Seepz, Jogeshwari  
M.I.D.C. Central Road, Marol Bus Depot  
Andheri (East)  
Mumbai 400 093  
Tel. No. 3009 6999 Fax 3009 4341 / 3009 4200
- South Division (Bandra to Vile Parle)  
RNA Corporate Park, Old Kala Mandir  
Near Collector's Office, Bandra (East)  
Mumbai 400 051  
Tel. No. 3009 6999 Fax 3009 6166 / 3009 6162
- East Division  
(Chunabhatti to Vikhroli & Mankhurd)  
Near Sahakar Cinema  
Tilak Nagar Road No.3  
Chembur  
Mumbai 400 089  
Tel. No. 3009 6999 Fax 3009 2022
- Helpline No. 30303030  
• Toll free No. 1800 200 3030

# Reliance Infrastructure Limited

## Notice

Notice is hereby given that the 80th Annual General Meeting (AGM) of the members of Reliance Infrastructure Limited will be held on Tuesday, July 21, 2009 at 2.00 p.m. or soon thereafter as the AGM of Reliance Capital Limited convened for the same day shall be over at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

### Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2009, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Satish Seth who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri S C Gupta who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri V R Galkar who retires by rotation and being eligible offers himself for re-appointment.

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

"RESOLVED THAT Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as joint statutory 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 may be fixed by the board of directors."

By Order of the Board

Ramesh Shenoy  
Company Secretary

Registered Office:  
Reliance Energy Centre  
Santa Cruz (E)  
Mumbai 400 055  
April 23, 2009

## 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 instead of herself/himself and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 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.
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 shares in electronic form are requested to write their DP Id and Client Id numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
6.
  - a. The Company has notified closure of the Register of Members and the Share Transfer Books from Monday, July 6, 2009 to Friday, July 10, 2009 (both days inclusive), for determining the names of members eligible for dividend, if approved, on equity shares for the year ended March 31, 2009. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
  - b. The dividend on equity shares, as recommended by the Board of Directors, if declared at the AGM will be paid on or after the AGM on July 21, 2009.
  - c. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrar will not act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the shareholders.
7. Non-resident Indian members are requested to inform Karvy Computershare Private Limited immediately on :
  - a. the change in the residential status on return to India for permanent settlement.
  - b. the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
8. Re-appointment of directors: At the ensuing meeting, Shri Satish Seth, Shri S C Gupta and Shri V R Galkar retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on corporate governance published elsewhere in this Annual Report.
9. Members are advised to refer to the section titled 'Investor Information' provided in the Annual Report.
10. Members are requested to fill in and send the Response form provided in this Annual Report, to aid the Company in its constant endeavour to enhance the standards of service to its investors.
11. 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 full Annual Report, may write to the Registrar and Transfer Agent of the Company.

**Directors' Report**

Dear Shareowners,

Your Directors have pleasure in presenting the 80th Annual Report, together with the audited statement of accounts of the Company for the year ended March 31, 2009.

**Financial Results**

The performance of the Company for the financial year ended March 31, 2009 is summarised below:

Particulars	Financial Year ended March 31, 2009		Financial Year ended March 31, 2008	
	Rs. in Crore	US \$ in million *	Rs. in Crore	US \$ in million *
Total Income	<b>10,958.79</b>	<b>2,160.64</b>	7,501.20	1,869.69
Gross Profit before Depreciation	<b>1,438.31</b>	<b>283.58</b>	1,374.64	342.63
Depreciation	<b>244.88</b>	<b>48.28</b>	222.94	55.57
Profit before Taxation and Adjustments	<b>1,193.43</b>	<b>235.30</b>	1,151.70	287.06
Provision for Taxation (Income Tax and Wealth Tax)	<b>175.75</b>	<b>34.65</b>	137.15	34.18
Provision for Deferred Tax	<b>(54.56)</b>	<b>(10.76)</b>	17.22	4.29
Fringe Benefit Tax	<b>5.70</b>	<b>1.12</b>	6.00	1.50
Tax Adjustments for earlier years (Net)	<b>(72.34)</b>	<b>(14.26)</b>	(93.30)	(23.25)
Profit after Taxation and Adjustments	<b>1,138.88</b>	<b>224.55</b>	1,084.63	270.34
Add: a. Balance of Profit brought forward from previous year	<b>703.76</b>	<b>138.75</b>	359.28	89.55
b. Balance of Profit transferred on Amalgamation	<b>71.10</b>	<b>14.02</b>	-	-
Profit available for appropriation	<b>1,913.74</b>	<b>377.32</b>	1,443.91	359.89
Less: Statutory Reserves	<b>14.55</b>	<b>2.87</b>	13.32	3.32
Amount available for appropriations	<b>1,899.19</b>	<b>374.45</b>	1,430.59	356.57
<b>Appropriations :</b>				
Dividend on Equity Shares	<b>157.69</b>	<b>31.09</b>	147.73	36.82
Dividend on Equity Shares (including Tax on Dividend) for previous year	<b>(1.85)</b>	<b>(0.36)</b>	-	-
Corporate Tax on Dividends	<b>26.80</b>	<b>5.28</b>	25.11	6.26
Transfer to General Reserve	<b>1,000.00</b>	<b>197.16</b>	500.00	124.63
Transfer to Debenture Redemption Reserve	<b>33.35</b>	<b>6.58</b>	53.99	13.46
Balance carried to Balance Sheet	<b>683.20</b>	<b>134.70</b>	703.76	175.41

\* Rs 50.72 = US \$ 1 Exchange rate as on March 31, 2009 (Rs 40.12 = US \$ 1 as on March 31, 2008)

**Financial Performance**

During the year under review, your Company recorded a total income of Rs 10,959 crore, against Rs 7,501 crore in the previous year, an increase of 46%. Net Profit for the financial year ended March 31, 2009 recorded an increase of 5% to Rs 1,139 crore from Rs 1,085 crore in the previous year. Shareholders equity (Networth) increased to Rs 11,907 crore from Rs 11,687 crore in the previous year.

**Dividend**

Your Directors recommend a dividend of Rs 7.00 per equity share aggregating Rs 157.69 crore for the financial year 2008-09 which, if approved at the ensuing 80th AGM, will be paid to (i) those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before July 4, 2009, and (ii) to those members whose names appear as beneficial owners as at

the end of business hours on July 4, 2009, as per particulars to be furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

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

**Management Discussion and Analysis**

The Management Discussion and Analysis of financial condition including the results of operations of the Company for the year under review as required under clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual Report.

### Issue of Securities and Share Capital

#### (i) Issue of Non-Convertible Debentures

During the year, the Company issued 11.55% Secured Redeemable Non-Convertible Debentures (NCDs) aggregating to Rs 850 crore on Private Placement basis to Life Insurance Corporation of India. The NCDs are redeemable in three equal instalments at the end of 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> year respectively. The NCDs are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

#### (ii) Buy-back of shares

Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company made a Public Announcement to buy-back the equity shares of the Company at a maximum price of Rs 1,600 per equity share, up to an amount not exceeding 10 per cent of the paid-up equity share capital and free reserves (including securities premium) of the Company, i.e. up to Rs 800.06 crore. The buy-back was open from March 25, 2008 till February 6, 2009 and the Company bought - back 87,60,000 equity shares at an aggregate value of Rs 795.53 crore. Consequently, the paid-up equity share capital of the Company declined from Rs 236.53 crore to Rs 227.77 crore as on February 6, 2009.

Further, on April 17, 2008, the members of the Company passed a special resolution through Postal Ballot, (members approval) enabling the Company to buy-back equity shares, up to an amount not exceeding 25 per cent of the paid-up equity share capital and free reserves (including securities premium) of the Company, at a maximum price of Rs.1,600 per equity share, aggregating to Rs 2,000.14 crore, including the limits approved by the Board of the Company. The Board accordingly made a fresh announcement for buy-back of equity shares for an aggregate amount of up to Rs 700 crore, as approved by the members of the Company at a maximum price of Rs 700 per share. The buy-back under the members approval was open from February 25, 2009 till April 8, 2009 and the Company bought-back 25,00,000 equity shares at cost of Rs 127.38 crore. Consequently, the paid-up equity share capital of the Company declined further to Rs 225.27 crore as on April 23, 2009.

#### Deployment of funds raised from External Commercial Borrowings

The Company had raised US\$ 360 million through External Commercial Borrowings (ECB) and the proceeds thereof were repatriated to India in April 2007 and temporarily invested in debt mutual funds with no equity exposure, which earned an aggregate income of Rs 123 crore. In the absence of clarity on such inward remittance, the Company's application for compounding in respect of its ECBs of US\$ 360 million had been deemed by the Reserve Bank of India as never to have been made subsequent to the withdrawal of the compounding application. Accordingly, there was no liability in respect of compounding fee of Rs 124.68 crore earlier specified by the Reserve Bank of India. The Company was advised that it was in compliance with the regulations specified for ECB under the Foreign Exchange Management Act, 1999.

#### Reorganisation of various businesses

The Company evaluated its existing businesses and felt the need to create a simplified and transparent structure focusing on each

individual business segments. The Company is in the process of restructuring its business verticles envisaging transfer of various divisions to resulting wholly owned subsidiary companies as under:

- Dahanu Thermal Power Station Division to Reliance Energy Generation Limited
- Goa and Samalkot Power Stations Division to Reliance Goa and Samalkot Power Limited
- Power Transmission Division to Reliance Power Transmission Limited
- Power Distribution Division to Reliance Energy Limited
- Toll Roads Division to Reliance Infraventures Limited
- Real Estate Division to Reliance Property Developers Limited

With effect from the Appointed Date, i.e. March 31, 2009, the whole of the undertaking and properties of the above divisions, shall stand transferred to and vested in the resulting companies pursuant to the provisions contained in Sections 391 to 394 of the Companies Act, 1956 and subject to requisite consents and approvals of the shareholders, lenders, creditors of the Company and of the resulting companies, Central Government, Securities and Exchange Board of India, stock exchanges on which the equity shares of the Company are listed, the Bombay High Court or any other statutory or regulatory authorities.

#### Standby Charges

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

#### Subsidiary Companies

The Company, as of March 31, 2009 had 20 subsidiaries, viz. BSES Kerala Power Limited, Reliance Infraprojects Limited, Reliance Infraventures Limited, Reliance Power Transmission Limited, Noida Global SEZ Private Limited, Mumbai Metro One Private Limited, Reliance Energy Trading Limited, Parbati Koldam Transmission Company Limited, Delhi Airport Metro Express Private Limited, SU Toll Road Private Limited, TD Toll Road Private Limited, TK Toll Road Private Limited, NK Toll Road Limited, DS Toll Road Limited, GF Toll Road Private Limited, CBD Tower Private Limited, Reliance Energy Limited, Tulip Realtech Services Private Limited, Reliance Energy Generation Limited and Reliance Property Developers Limited. Besides, Western Region Transmission (Maharashtra) Private Limited and Western Region Transmission (Gujarat) Private Limited are wholly owned subsidiaries of Reliance Power Transmission Limited, a subsidiary of the Company and Reliance Goa and Samalkot Power Limited is a subsidiary of Reliance Energy Generation Limited, a subsidiary of the Company. In terms of Section 4(1)(c) of the Companies Act, 1956, these three companies are 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 and reports of the board of directors and auditors of the subsisting subsidiaries have not been attached with the balance sheet of the Company. However, these documents

**Directors' Report**

will be made available upon request by any member of the Company interested in obtaining the same. As directed by the Central Government, the financial data of the subsidiaries has been furnished in the Notes on consolidated financial statements, 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 Standard) Rules, 2006, Consolidated Financial Statements presented by the Company include financial information about its subsidiaries.

**Fixed Deposits**

The Company discontinued accepting fixed deposits since December 1998. There was no unclaimed fixed deposit as on March 31, 2009.

**Amalgamation**

The Scheme of Arrangement for the merger of Reliance Projects Finance Private Limited, the wholly owned subsidiary of the Company, with the Company as approved by the Hon'ble High Court of Bombay by an order dated June 20, 2008 became effective from the appointed date i.e. April 1, 2007.

**Directors**

Shri Satish Seth, Shri S C Gupta and Shri V R Galkar retire by rotation and are eligible for re-appointment. Brief resumes of these directors, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanship of committees of the board, their shareholdings, etc. as stipulated under clause 49 of the listing agreement with the stock exchanges in India are provided in the report 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 accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. the Directors have 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, 2009 and of the profit of the Company for the said period;
- iii. the Directors have taken proper and sufficient care to the best of their knowledge and ability 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 have prepared the accounts for the financial year ended March 31, 2009, on a 'going concern' basis.

The above statements were noted by the audit committee at its meeting held on April 22, 2009.

**Group**

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ('MRTP') Act, 1969 are furnished 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 subsidiary companies, as approved by their respective board of directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) - 'Consolidated Financial Statements' and Accounting 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', notified under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006, as applicable.

**Auditors**

Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, statutory auditors of the Company, hold office until the conclusion of the ensuing annual general meeting and are eligible for re-appointment.

The Company has received letters from Price Waterhouse, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

**Cost Auditor**

Pursuant to the direction of the Central Government that the cost accounts maintained by the Company be audited by an auditor, the Company has appointed VJ Talati & Company, Cost Accountants, for conducting the cost audit for the generation, transmission and distribution of electricity business of the Company for the financial year ended March 31, 2009.

**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 is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

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

The information relating to energy conservation, technology absorption, foreign exchange earnings and outgo required to be disclosed under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure I and forms 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, processes and policies conforming to international standards. As per clause 49 of the Listing Agreement, a separate section on corporate governance forms part of the annual report.

A certificate from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement is given in Annexure II.



## Directors' Report

### Acknowledgment

Your directors wish to thank the Government of India (including the Ministry of Power), Governments of Maharashtra, Andhra Pradesh and Goa (including Energy and Environment Departments), Western Region Load Despatch Centre, State Transmission Unit, Maharashtra State Electricity Transmission Company Limited, Electricity Regulatory Commissions of Maharashtra and Andhra Pradesh, Dahanu Taluka Environment Protection Authority, Municipal Corporation of Greater Mumbai, financial institutions, bankers, customers, suppliers, shareholders and the employees of the Company for their continued co-operation and support.

On behalf of the Board of Directors



Anil D Ambani  
Chairman

Mumbai  
April 23, 2009

### Annexure I

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

##### A. Conservation of Energy

- a. *Energy conservation measures taken at Distribution Division, Power Stations and offices*
  - i. Energy audit of buildings, offices, Power plant systems consisting of main process and equipments.
  - ii. Demand Side Management of power distribution areas.
  - iii. Training programme, workshop and e-bulletin on various aspects of energy conservation opportunities and future perspective including awareness for use of BEE star label energy efficient appliances.
  - iv. Use of energy efficient lightings & luminaries like Light Emitting Diodes (LED) / Power Diode, high lumen fluorescent lamps, CFL, electronic choke and efficient fixtures with better ergonomics for lighting and small group switching of lighting.
  - v. Optimization of Air-conditioning systems, Diesel generator sets and Air compressor through process improvement and automation.
  - vi. Installation of LT fixed capacitors at office buildings for improvement of power factor and loss reduction.
  - vii. Installation of Variable Frequency Drives (VFD) in High Pressure Boiler Feed pump, Low Pressure Boiler Feed pump, Condensate Extraction pumps, etc.
  - viii. Fluidslide coating of circulating water pump for energy saving and anti-corrosion.
  - ix. Installation of energy efficient Hollow-FRP epoxy coated fan blades on cooling tower fans.
  - x. Installation of wind turbo ventilator in place of motor operated roof ventilator.
  - xi. Use of solar street lighting at remote locations of plant areas.
- b. *Additional investment and proposals being implemented*
  - i. Installation of Steam fired Vapour Absorption Machine (VAM) in place of electrical reciprocating chiller for centralized air conditioning system.
  - ii. Replacement of steam ejectors with vacuum pumps and less efficient pumps with higher efficiency pumps.

- iii. Installation of energy efficient blades on cooling tower fans.
  - iv. Expansion of the variable frequency drives usage to other pumps and fans.
  - v. Expanding the usage of wind turbo ventilator in place of motor operated roof ventilator.
- 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 auxiliary power consumption.
  - ii. Improvement in heat rate.
  - iii. Increased energy conservation awareness among employees and customers.

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

###### FORM 'B'

###### Research and Development (R&D)

##### 1. Electricity Supply Division

*Areas in which R&D was carried out*

- a. Analysis of Low Tension (LT) cable joint failures and modification in joint design to enhance life expectancy of LT joints.
- b. Assessment of street light pole corrosion with CMOS LED white light camera.
- c. Feasibility of use of MCBs in place of cut out fuses/HRC fuses at consumer installations /LT feeder pillars.
- d. Insul coat epoxy painted busbars with armour cast tapes for LT feeder pillars.
- e. Design of Compact distribution substation.
- f. Integration of GIS with network analysis software.
- g. Online substation monitoring system.

*Benefits derived*

- a. Improvement in reliability of supply, reduction in repairs and maintenance expenses.
- b. Prevention of accidents.
- c. Easy isolation and reduction in down time.
- d. Prevention of theft of energy.
- e. Optimum utilization of space.
- f. Optimal planning and design of distribution network.
- g. Predictive maintenance & resource optimization.

##### 2. Transmission Division

*Areas in which R&D was carried out*

- a. Hot line maintenance
- b. Polymer Insulators

*Benefits derived*

- a. Replacement of insulator strings, repositioning of vibration dampers, tightening of nut-bolts and jumpers can be carried out without outage and down time.
- b. Installation of polymer insulators will reduce insulator failures and improve reliability.

*Future plan of action*

- a. Installation of online Dissolved Gas Analyzer for all 220 KV Transformer.
- b. Introduction of 220 kV cables for new EHV stations.
- c. Introduction of 33 kV and 220 kV GIS at proposed EHV stations at Gorai, Nagri Nivara Parishad, Goregaon (E), Goregaon (W) and Chembur.

Directors' Report

3. Power Plants

Areas in which R&D was carried out

- a. Reference Field Test (RFT) for testing suitability of Bio-Fuel (Ethanol) as Gas Turbine alternative fuel at Goa Power Station, Goa
- b. Installation of HV Series reactor between plant generating bus and GoG grid at Goa
- c. Use of Hybrid-Wind Turbo Ventilators
- d. Installation of steam fired Vapour Absorption machine for centralized air conditioning system at Dahanu.
- e. Use of Variable Frequency Drive for pumps at Dahanu & Samalkot.
- f. Innovative ground improvement technique using Prefabricated Vertical Drains (PVD) being used in India for the first time.
- g. Testing of imported pre-fabricated high grade hollow PC Spun piles from Malaysia, being carried out in India for the first time.
- h. Use of desalinated sea water for Power Cycle make up and other power plant applications using state of art Multi-effect Distillation / RO technique.
- i. IT enabled Communication Server, E-library and Video conferencing facilities implemented for communication with Consultants, Vendor and project site at a very early stage of the power projects.

Benefits derived

- a. Lower emission and eco-friendly alternative fuel.
- b. Elimination of Voltage dip faced by customer and reliability improvement.
- c. Renewable energy source and energy saving.
- d. Auxiliary Power reduction and energy saving.
- e. Use of innovative ground improvement technique helps in reduction of number of piles and reduces cost of foundation system for the project.
- f. Use of high grade hollow PC spun piles helps in optimizing piling costs and compressing project schedule.
- g. Use of sea water desalination helps in conservation of groundwater and fresh surface water. Selection of optimum desalination technique will help in reducing overall water costs for the project.
- h. Faster communication, knowledge sharing and cost reduction

Future plan of action

- a. Full Field Test (FFT) for testing suitability of Bio - Fuel (Ethanol) as Gas Turbine alternative fuel at Goa.
- b. Use of CDMA (Code Division Multiple Access) technology for Automated Remote Metering at Goa.
- c. Extending the usage of more Variable Frequency Drives.
- d. Naphtha additive testing for fuel efficiency at Goa.
- e. Solar water heating system for colony household usage at Dahanu.
- f. Use of on-line Motor Current Signature Analysis as a predictive maintenance for reliability improvement.
- g. Setting of coarse ash grinding system in order to utilize coarse ash gainfully.

- h. Thermal Energy Storage system for Air Conditioning for off-setting peak load.
- i. High Concentration Photovoltaic (HCPV) system for electricity generation for auxiliary power requirements.
- j. Concentrated Solar Water Heating system for application in the thermal cycle.

<b>4. Expenditure incurred on R&amp;D</b>	Rs. Lakh
a. Capital	1,379.06
b. Recurring	141.12
c. Total	<u>1,520.18</u>
d. Total R&D expenditure as per centage of total turnover	0.14%

Exchange earnings and outgo

Virtually, all of the Company's revenues are derived from the domestic market in India. The foreign exchange earnings for the year 2008-09 was Rs 93.35 crore (previous year Rs 29.96 crore) and foreign exchange outgo during the year was Rs 1,363.86 crore (previous year Rs 716.15 crore).

Annexure II

**Auditors' Certificate on compliance with the conditions of corporate governance under Clause 49 of the listing agreement(s)**

To the Members of Reliance Infrastructure Limited

We have examined the compliance of the conditions of Corporate Governance by Reliance Infrastructure Limited ('the Company') for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the 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 compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F55913  
Date : April 23, 2009  
Place : Mumbai

**C D Lala**  
Partner  
Membership No. F35671  
Date : April 23, 2009  
Place : Mumbai

### 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 under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 and comply 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. 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" or "Reliance Infrastructure" are to Reliance Infrastructure Limited and/or its subsidiary companies.

### Overall Review

The Company changed its name from Reliance Energy Limited to Reliance Infrastructure Limited with effect from April 28, 2008 as approved by the members through postal ballot on April 17, 2008. The new name appropriately reflects various infrastructure businesses, including in the power and energy sector, being carried on by the Company and redefines the Company's vision and focus to emerge as a premier Infrastructure Company.

Reliance Infrastructure is India's leading private sector Infrastructure Company, with aggregate estimated group revenues of Rs 21,818 crore (US\$ 4.3 billion) and total assets of Rs 14,722 crore (US\$ 2.9 billion). Reliance Infrastructure is ranked amongst India's leading private companies on all major financial parameters, including assets, sales, profits and market capitalisation.

The highlights of performance of the Company for the year 2008-09 are:

- Total Income of Rs 10,959 crore (US\$ 2.16 billion), as against Rs 7,501 crore (US\$ 1.48 billion), in the previous financial year, an increase of 46%.
- Cash Profit of Rs 1,384 crore (US\$ 273 million) against Rs 1,308 crore (US\$ 258 million), in the previous financial year.

- Net Profit of Rs 1,139 crore (US\$ 225 million) against Rs 1,085 crore (US\$ 214 million) in the previous financial year, an increase of 5%.
- Cash Earnings Per Share for the year of Rs 60 (US\$ 1.18) against Rs 56 (US\$ 1.1) in the previous financial year.
- Earnings Per Share (EPS) of Rs 49.5 (US\$ 1) against Rs 46.9 (US\$ 1) 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 Rs 20,625 crore (US\$ 4.07 billion) as on March 31, 2009.

### Financial Review

Reliance Infrastructure's total income for the year ended March 31, 2009 increased to Rs 10,959 crore (US\$ 2.16 billion), compared to Rs 7,501 crore (US\$ 1.48 billion), in the previous year.

The total income includes earnings from sale of electrical energy of Rs 7,183 crore (US\$ 1.42 billion) as compared to 4,920 crore (US\$ 0.97 billion) recorded last year. The sale of electrical energy includes income of Rs 319 crore (US\$ 63 million) and Rs 313 crore (US\$ 62 million) from the Samalkot Power Station (SPS) and the Goa Power Station (GPS) respectively.

The turnover of our EPC business was Rs 2,513 crore (US\$ 495 million), against Rs 1,444 crore (US\$ 285 million) in the previous year.

Other income for the year was Rs.1,262 crore (US\$ 249 million) including interest income.

The cost of electrical energy purchased increased by 71% from Rs 2,488 crore (US\$ 490 million) in the previous year to Rs 4,254 crore (US\$ 839 million) during the current year.

During the year, interest expenditure increased to Rs 330 crore (US\$ 65 million) as compared to Rs 309 crore (US\$ 61 million) in the previous year, owing to higher level of debt for the period.

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 Rs. 752 crore (US\$ 148 million). In view of this, the depreciation on such revalued assets is higher by Rs 54 crore (US\$ 11 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 – Dahanu power station, 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. Hence, the effective tax rate for the Company as a whole is governed by section 115JB of the Income-tax Act, 1961.

The corporate tax liability for the year was Rs 55 crore (US\$ 11 million), compared to Rs 67 crore (US\$ 13 million) in the previous year.

Cash profit for the year was Rs 1,384 crore (US\$ 273 million) compared to Rs 1,308 crore (US\$ 258 million) in the previous year.

Operating profit i.e. profit before depreciation, interest and tax (PBDIT) increased by 5% to Rs 1,769 crore (US\$ 349 million) during the year, up from Rs 1,683 crore (US\$ 332 million) in the previous year.

Net profit for the year recorded an increase of 5% to Rs 1,139 crore (US\$ 225 million), against Rs 1,085 crore (US\$ 214 million), in the previous financial year.



## Management Discussion and Analysis

The net profit of Rs 1,139 crore (US\$ 225 million) has been arrived at after taking into consideration the following higher expenses aggregating to Rs 558 crore (US\$ 110 million) for the year.

- Rs 170 crore (US\$ 34 million) towards revaluation of foreign exchange derivative instruments
- Rs 320 crore (US\$ 63 million) towards provision for contingencies.
- We have followed conservative accounting policy and have not adopted modified Accounting Standard - 11 which would have increased our profits further by Rs 68 crore.

Excluding the above, the net profit would have been higher by Rs 491 crore (US\$ 97 million), an increase of 50% over the previous year.

In our ongoing endeavour to enhance value for our shareholders, RInfra introduced India's largest share buy-back programme. The Company made an announcement to buy-back up to 10% of the paid-up capital and free reserves (including securities premium) of the Company aggregating Rs 800.06 crore, at a maximum price of Rs 1,600 per share, as approved by the Board of Directors on March 5, 2008. The shareholders of the Company also approved the buy-back of up to 25% of the paid-up capital and free reserves of the Company aggregating Rs 2,000.14 crore on April 17, 2008, inclusive of the percentage of shares and the aggregate amount approved by the Board of Directors of the Company.

The Company bought-back 95.6 lakh equity shares for an aggregate amount of Rs 759 crore (US \$ 149 million) during the year and all the shares bought-back were extinguished. As of the date of this report, the Company had cumulatively bought-back 112.6 lakh equity shares for an aggregate amount of Rs 927 crore (US \$183 million).

At its meeting held on April 23, 2009, the Board approved payment of final dividend of Rs 7.0 per share, amounting to pay out of Rs.185 crore (US \$ 36 million) for the year ended March 31, 2009. The capital expenditure during the year was Rs 584 crore (US\$ 115 million), primarily on account of expenditure incurred on modernizing and strengthening of the distribution network.

Total gross assets increased during the year to Rs 6,923 crore (US\$ 1.36 billion).

The Company ranks among leading Indian private sector companies in terms of net worth. As on March 31, 2009, the net worth of the Company stood at Rs 11,907 crore (US\$ 2.35 billion).

During the year, pursuant to the sanction of the Hon'ble High Court of Bombay to the scheme of amalgamation between Reliance Projects Finance Private Limited (RPFPL), a wholly owned subsidiary and the Company, RPFPL has been amalgamated with the Company with appointed date as April 1, 2007. The Profit after Tax of RPFPL of Rs 66.19 crore for the year ended March 31, 2008 has been added to the balance of the Profit and Loss account as on April 1, 2008 of the Company. On account of the above amalgamation, Profit before tax for the year is higher by Rs 46.28 crore.

### Resources and Liquidity

Reliance Infrastructure 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 Rs 7,332 crore (US\$ 1.45 billion). Of this, nearly 70% represented foreign currency denominated debt. The average final maturity of the Company's long-term debt is about 5 years and 3 months. The average annual interest cost is about 6.41%.

Reliance Infrastructure'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 practised on an ongoing basis to reduce overall cost of debt and diversify liability mix.

### Reorganization of various businesses

The Company reviewed its existing businesses and felt the need to create a simplified and transparent structure focusing on each individual business segments. Each of the several businesses carried on by RInfra either by itself or through its subsidiaries and affiliates and through strategic investments in other companies have significant potential for growth. The nature of risk and returns involved in each of these businesses is distinct from others and consequently, each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed.

In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, RInfra has decided to reorganize all its business verticals envisaging transfer of various divisions of Reliance Infrastructure Limited to various resulting wholly owned subsidiary companies as under:

- Dahanu Thermal Power Station to Reliance Energy Generation Limited
- Goa and Samalkot Power Stations to Reliance Goa and Samalkot Power Limited
- Power Transmission Division to Reliance Power Transmission Limited
- Power Distribution Division to Reliance Energy Limited
- Toll Roads Division to Reliance Infraventures Limited
- Real Estate Division to Reliance Property Developers Limited

With effect from the Appointed Date, i.e. March 31, 2009, the whole of the undertaking and properties of the above divisions, shall stand transferred to and vested in the resulting companies pursuant to the provisions contained in Section 391 to 394 of the Companies Act, 1956 and subject to requisite consents and approvals of the shareholders, lenders, creditors of the Company and of the resulting companies, Central Government, Securities and Exchange Board of India, Stock Exchanges on which the equity shares of the Company are listed, the Bombay High Court or any other statutory or regulatory authorities.

The management believes that all the business segments have tremendous growth and profitability potential and are at a stage where they require focused leadership and management attention.

The re-organization exercise would achieve the following synergies for the RInfra Group:

- Simplified and transparent business structure
- Attribution of appropriate risk and valuation to different businesses based on their respective risk-return profile and cash flows
- More focused management

# Reliance Infrastructure Limited

## Management Discussion and Analysis

- Greater visibility on the performance of individual businesses
- Possibility of investments by strategic players in different businesses

Apart from the above, all other remaining businesses of RInfra and all the assets including but not limited to shares held in companies engaged in metro rail projects in Mumbai and Delhi, liabilities and obligations pertaining thereto shall continue to belong to and be managed by RInfra.

### Infrastructure Industry Structure and Development

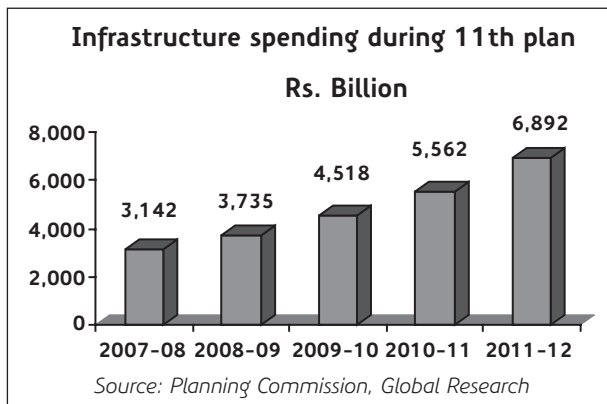
The existence and development of adequate infrastructure is an essential requirement for sustaining the growth momentum and to ensure required growth rate.

With the rapid growth of the economy in recent years, the importance and urgency of removing infrastructure constraints have increased. Traditionally, power, roads, railways, ports, airports and telecommunications were the exclusive domain of the government.

Infrastructure investment requires huge initial capital outlay, which was considered to be a big hurdle in the past due to prohibition or lesser private participation on infrastructure projects. Even in the present situation it is not possible on the part of the Government to provide the infrastructure on its own and is under the pressure of rising gaps between demand and supply of infrastructure. Consequently, the government is encouraging more private sector participation through Public Private Partnership (PPPs) concept, which is fast evolving in all the aspects of infrastructure development.

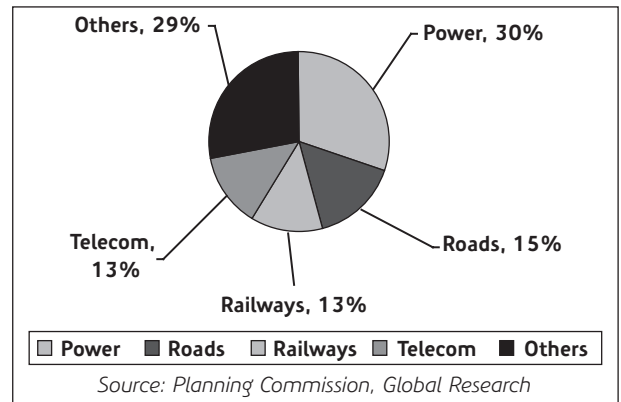
Involvement of private investments not only suffice funding requirement of the projects but it has also other advantages like improvement in competitiveness of the projects, more efficient execution, better offerings, etc. Out of the total outlay on infrastructure sector during 11th five year plan, government expects 29.7% of total outlay to come from private participation and balance (79.1%) through public funding.

The government has shown greater commitment to accelerate the infrastructure development as indicated by its plans to raise infrastructure spending during 11th five year plan. According to 11th five year plan, investment in infrastructure sector is likely to increase to around 8% of GDP compared to 4.6% in 10th plan period. It is estimated that infrastructure spending of around Rs 23,850 billion is planned during the 11th Plan period.



The total spending on infrastructure during 11th five year plan is almost 2.7 times bigger than anticipated spending on infrastructures during 10th five year plan. This spending is planned across the segments, with power likely to see the maximum spending of

30.4% of total outlay during 11th five year plan. Other sectors to see major outlay of total infrastructure spending are roads, railways and telecom with total infrastructure outlay of 15.4%, 12.7%, 13.2% respectively.



### Power

The Indian power sector has grown manifold in size and capacity since independence. The per capita power consumption has increased to approximately 612 kWh (as per Key world energy statistics 2007) vs 1,802 kWh in China, 2,980 kWh in Middle East countries and 8,365 kWh in OECD countries.

The growth in generation capacity has been witnessed across the regions and has been made possible by tapping into several energy sources. While new capacity has been added, demand has far outstripped the supply leading to a widening gap.

The access to electricity has improved tremendously with electrification of almost 87% villages and energisation of 65% pump sets. The capacity of transmission and distribution lines has also increased but lot more need to be done. The Ministry of Power has set a vision of "providing reliable, affordable and quality power for all by 2012".

From the facts above, it is clear that this provides a tremendous investment opportunity in the Indian power sector for both the public and the private players. It is clear that the biggest fundamental issue hampering the viability of the Indian Power Sector is the sheer volume or level of Transmission and Distribution (T&D) losses that amount to over 30%, a very high level by any standard. To make the matters worse, indirect calculations show T&D losses to be much higher in the range of 40-50%. In addition, the distribution system in India is often characterized by inefficiency, low productivity, frequent interruption in supply and poor voltage. The surge in interest in adding new power capacity has been driven by rising power shortages, electricity reforms initiated in 2003, deregulation of electricity sector and potential for higher returns, gradual improvement in financial situation of some state utilities, allocation of captive blocks to private and government companies, and initiatives like UMPP at central and state levels.

Over the past few years, the government has taken a number of steps beginning with the Electricity Act 2003 and securitization of State Electricity Board dues to reform the private sector and attract more private investments. Distribution reforms were brought under focus and power theft was made a punishable offence. Accelerated Power Development and Reform programme (APDRP) was launched to improve T&D infrastructure in the country and electricity regulatory commission has been set up at the state level to delineate tariff setting from politics.

## Management Discussion and Analysis

### Roads

Indian road network, forms 15% of India's Infrastructure investment in the 11th plan and is also one of the busiest road networks in the world. While India has one of the longest road system in the world, only a very small fraction of this is comparable to world standard in terms of width and quality. About 65% of freight and 87% of passenger traffic is carried by roads in India. Traffic on Indian roads has been increasing by 7-10% per annum which has led to about 25-30% of national and state highways being heavily congested with truck speeds of around 25-40 km/hr. India's road network has witnessed rapid traffic growth, which has far outstripped the capacity increase of the road network.

The government has successfully experimented participation of private sector in road development and expects the share of private investments to go up from 5% in 10th plan to 36% in 11th plan. Driven by the initiatives of National Highways Authority of India (NHAI) as well as the state bodies, the 11th plan is expected to generate investments of Rs 3,14,200 crore into the roads sector, representing an increase of more than 110% over the corresponding investment in the 10th plan. The 11th plan focuses on harnessing investments from the private sector, with such investments set to increase by more than 14% over the corresponding 10th plan investments. Currently, 60 NHAI road projects are under implementation by private developers. On the other hand, contribution from the Central and State sectors is expected to grow by just over 50%.

### Railways

Indian Railways has been the prime mover of the nation and has the distinction of being the largest railway system in Asia and the second largest railway system in the world under single management.

Recognizing the need for substantial financial and managerial capital, the Railways have been actively seeking and encouraging increased private sector participation. Railways are targeting Rs 1,20,000 crore of public-private partnership (PPP) investment and will be focused on the modernization of metro rail stations, logistics, parks and container depots, the establishment of manufacturing facilities for modern rolling stock and dedicated freight and high-speed passenger corridors.

### Real Estate

The real estate sector is second only to agriculture in terms of employment generation and contributes heavily towards the gross domestic product (GDP). According to industry players, housing accounts for 4.5% of gross domestic product (GDP) with urban housing accounting for 3.13%.

India's property sector could begin to improve from late 2009 and may attract up to US\$ 12 billion in real estate investment over a five-year period. Moreover, the real estate sector is also responsible for the development of over 250 ancillary industries such as cement, steel, paints, etc. A study by rating agency ICRA shows that the construction industry ranks 3rd among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. A unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times. The IT and IT Enabled Services sector alone are estimated to require 150 million sq ft of office space across urban India by 2010. The organized retail industry is likely to require an additional 220 million sq ft by 2010. Moreover, growth is not restricted to a few towns and cities but is pan-India, covering nearly all tier-I and tier-II cities.

The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). In fact, according to a CRISIL paper, the REITs would have the potential to hold at least 5% share of the total global real estate market by 2010, the size of which would turn to US\$ 1,400 billion in the next 3 years. The paper titled, 'Indian REITs; Are We Prepared', says that by 2010, REITs alone would hold a market size of US\$ 70 billion of the total real estate market as its concept is gaining ground in countries like India and other developing nations.

The government's recently announced stimulus package, coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector, is likely to impact the Indian real estate sector in a positive way.

Besides the above measures, public sector banks and private sector banks have announced a package for home loan borrowers in various categories. This is expected to increase borrowing for homes and in turn give a boost to the realty sector. Moreover, excise duty cuts on cement and steel will bring down construction costs.

### Reliance Energy – Energy Distribution Division of Reliance Infrastructure

#### Mumbai Distribution Business

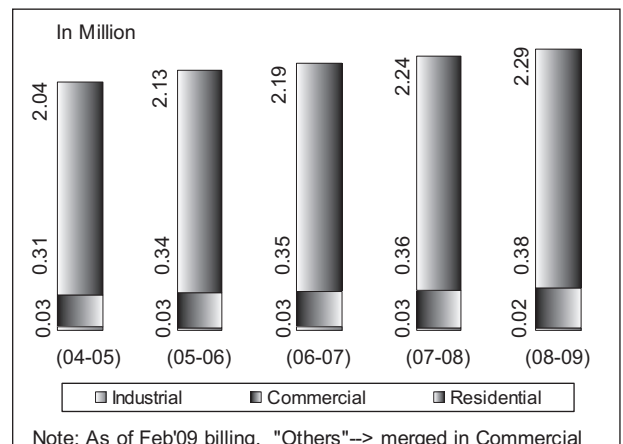
The Company's distribution business division, "Reliance Energy", has been in the field of power distribution for almost eight decades and has achieved the distinction of consistently operating its distribution network at 99.9% reliability. The Company has been recognized as the best utility for 'Excellence in Power Distribution-Urban' amongst 20 utilities from across the country in the recently concluded prestigious IEEMA National Awards 2009. This recognition is based on the Company's leadership in parameters like uninterrupted power supply, average cost of supply, deployment of IT and other modern technologies and advanced customer service.

#### Customers

The number of customers at the end of the year was 26.92 lakh (previous year 26.29 lakh).

#### Customer profile and units sold

Customer Base (in Million)

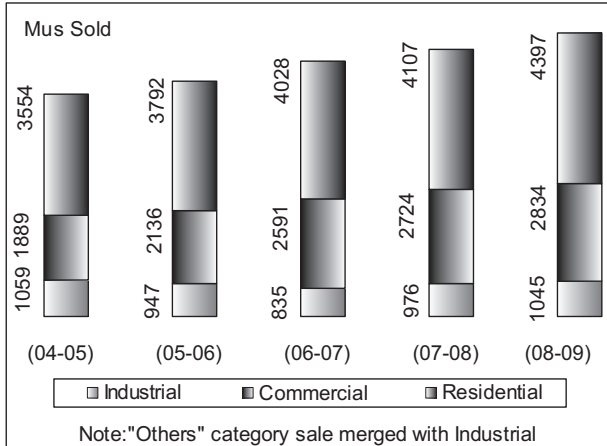
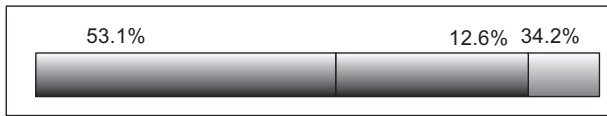


Note: As of Feb'09 billing. "Others"--> merged in Commercial

# Reliance Infrastructure Limited

## Management Discussion and Analysis

Units Sold (in Million)



### Revenue

The billing revenue by the Mumbai distribution business of the Company for the year was Rs 6,542 crore (previous year Rs 4,324 crore).

### System Demand

The coincident peak demand registered in the Company's system during the year was 1,579 MVA as against 1,540 MVA during the previous year, growing at 3%.

### Network Augmentation

In order to meet the rising demand, network augmentation is a continuous process. At the close of the year, there were 3,860 kms of high tension and 3,619 kms of low tension mains in the Company's system, with the addition of 210 kms of high tension and 220 kms of low tension lines during the year.

During the year, the installed capacity of Power Transformers increased by 130 MVA to 2,492 MVA. The installed capacity of Distribution Transformers increased by 187 MVA to 3,923 MVA. The Company added 172 new substations, and has 5,079 substations at the end of the year.

The Company 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) including installation of fault passage indicators.
- 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 static type. The Company has 27,28,683 meters as on year end, out of which over 87% meters (23,82,708 meters) are electronic meters and only 13% meters (3,45,975 meters) are electro-mechanical, which will also be replaced with electronic meters in due course of time. All the meters installed by the Company conform to IS-13779 specifications.

### Customer Service

Reliance Energy continues its focus on providing enhanced services to its customers with several transparent services including better access to billing information, ease of payments and speedy redressal of grievances. As a part of Demand Side Management (DSM) activities, the Company provides energy audit services to its customers resulting in substantial savings in consumed units and cost. In order to create awareness, the Company sends E-Newsletters on important subjects such as Safety and Energy Conservation, to its customers.

### Billing

The Company carries out monthly billing for its customer base with actual meter reading of over 99.5%. The balance remains predominantly due to meter inaccessibility in unoccupied premises. The Company unveiled a new layout of its electricity bill emphasizing on higher visibility of contents relating to snap shot of bill for quick reference, customer education, personalized message space, thus enhancing transparency.

The Company offers its customers a range of choices for having their bill. Choices include Bill in 4 different languages, English, Hindi, Marathi and Gujarati, Braille bill for the visually challenged customers and e-bills for those who provide their email address. There is also an option of viewing the energy bill at the Rlnfra website and the key bill details can also be received as an SMS alert on one's mobile phone.

Our Customers are being 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

In addition to the 2,200 payment locations consisting of collection centers, collecting banks, drop boxes, Pay-by-phone and online options, last year saw three more payment modes being offered for enhanced customer convenience viz. Payment via SMS using ITZ Cash cards, payment via rinfra.com using ICICI Bank's net banking service and Cheque payment by mail.

### Call Centre

As a listening organization, the Company has taken cognizance of customer feedback and subsequently made the 24 x 7 helpline Toll Free. The customers can now continue enjoying the services of this single window call-centre with multi-lingual customer service staff.

Reliance Energy also introduced "E-Courtesy" services through the Call Centre during the year. "E-Courtesy" is an automated follow-up mail communication for information provided during the call. IVR-based services for requesting billing and payment information were also introduced during the year. The Call Centre also supports a centralized web desk to handle all email-based queries from customers.

### Customer Care Centres

The Company has eight Customer Care Centres spread over its licensed area, across its five divisions, to attend to customers'



## Management Discussion and Analysis

requirements including new connections, payments and redressal of grievances. In addition, the Internal Grievance Redressal Cell is also functional at each of these Customer Care Centres.

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

### Website

Reliance Infrastructure's website [www.rinfra.com](http://www.rinfra.com) is designed in a way that best serves the needs of the customer. Informative, interactive and user-friendly, the website enables the customer to access the consumption profile, billing information and payment status in addition to communicating with the organization. Other features of the website include a personalized 'My-Account', online update of billing language option and contact details. Meter reading schedules for the month are also available online. Customers having multiple premises/account can now view all their accounts through one integrated login.

## Regulatory Initiatives, Developments and Issues

### New Regulations

- The Maharashtra Electricity Regulatory Commission (MERC) has issued Specific Conditions of Distribution Licence to the Company, in conformity with the provisions of the Electricity Act 2003.
- MERC has issued Regulations on Uniform Recording and Maintenance of Information. The Regulations require Balance Sheet and Profit and Loss Account, as well as cost records to be maintained separately for Generation, Transmission, Distribution-wires and Distribution-Retail Supply businesses. These accounts have to be submitted to the Commission on a quarterly basis.

### Tariff Revision

The Company has filed with MERC the Annual Revenue Requirements for the financial year 2009-10 for its Generation, Transmission and Distribution functions. The public hearing on the same is completed on March 26, 2009. The revised Tariff once notified by MERC would be effective from date of the order. These Orders will be towards truing-up of FY 2008, Annual Performance Review of FY 2009 and determination of ARR and Tariff for FY 2010.

### Renewable Purchase Standards

The Renewable Purchase Standards (RPS) Order of MERC issued on August 16, 2006, specifies minimum percentage of total energy input that distribution licensees are required to purchase from renewable energy sources. In case such obligation not being met, a penalty of Rs 5/u, Rs 6/u and Rs 7/u is applicable for FY 2007, FY 2008 and FY 2009 respectively. For FY 2007, MERC had stated that there would be no penalty. For FY 2008, FY 2009 and FY 2010, the Company has filed a petition seeking for a waiver of RPS targets, citing non-availability of renewal energy capacity in the State.

### Standby Charges

The Tata Power Company Limited (TPC) filed a civil appeal bearing C.A. 415/2007 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 Rs 227 crore, being 50% of the deposit with TPC, in exchange of bank guarantee pending disposal of the appeal, as directed by the Supreme Court of India.

### Rebate to Customers

TPC has filed a civil appeal before the Supreme Court of India (CA no. 3101 of 2006 against Appellate Tribunal for Electricity (ATE) judgment which held that RInfra could offer certain rebates with effect from 1998 to retain high value consumers and prevent their migration to TPC. The said appeal is pending. Earlier MERC by its order dated February 20, 2004, disallowed such rebate and treated the rebate of Rs. 350 crore as a notional income while computing the aggregate revenue requirement for the period FY 1998 to 2004. RInfra had challenged the said order by filing an appeal before the ATE. The ATE held that there was no bar in law against the grant of such rebates and consequently this amount should not be included in the notional income of the Company. TPC filed an appeal in the Supreme Court against the said order which is pending for hearing before the Hon'ble Supreme Court.

### Take or Pay

MERC passed an order on December 6, 2007 on a petition filed by TPC in 2001 relating to Additional Energy Charges (AEC) and Take or Pay for 1998-99 and 1999-2000 holding that an amount of Rs 116 crore would be payable by the Company with interest at 24% per annum. Pursuant to this order, TPC raised a claim together with interest for Rs 324 crore. The Company 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 redetermination. The Company has filed an appeal to the Supreme Court against ATE judgment, while TPC has filed an appeal in respect of Take or Pay. Both Appeals are pending.

### Power Purchase Agreement with TPC

MERC in its tariff order of June 4, 2008 allocated 500 MW capacity of TPC generation after approving PPA of 800 MW between BEST and TPC-G and 477 MW between TPC-D and TPC-G. RInfra had intervened in these PPA matters at MERC hearing. Since the PPA was approved by MERC, RInfra successfully appealed before the ATE. However, TPC / BEST appealed against the ATE order in the Supreme Court, which while admitting the appeals had granted interim stay on the ATE judgment. The Hon'ble Supreme Court has completed the hearing in the matter and the order is expected shortly.

### TPC license issue

The Hon'ble Supreme Court has passed a judgment on July 8, 2008 holding that TPC has license to supply power in retail, in Mumbai (distribution areas of both BEST and RInfra). RInfra has filed a Review Petition in the Supreme Court and the same is pending.

### Medium Term and Long Term Power Procurement

The Company has initiated the process of medium term and long term power procurement. These bidding documents for procurement are at various stages of approval before the MERC. Once the approval is granted, the Company will start inviting bids for the same. The procurement process once completed, will eliminate the impact of fluctuating electricity price, in the present national power shortage scenario.

### Training

Reliance Energy Management Institute (REMI) has maintained its top rating for the Distribution Reform Upgrades and Management (DRUM) training programmes, an initiative of the United States Agency for International Development (USAID) and the Ministry of Power, Government of India. Almost 3,000 participants attended the training programmes and REMI has been adjudged the best rating in terms of quality of training. Many companies from the power distribution sector viz., Maharashtra State Electricity

# Reliance Infrastructure Limited

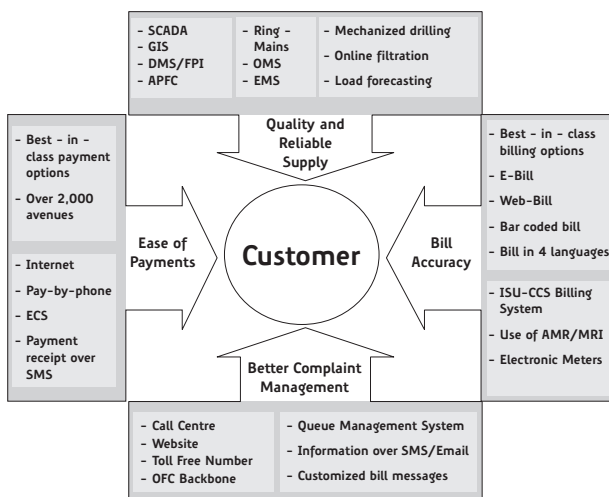
## Management Discussion and Analysis

Distribution Company Limited, the Goa Electricity Department and Brihanmumbai Electric Supply and Transport Undertaking, evinced keen interest in the DRUM training programmes conducted by REMI and more than 300 executives participated in a variety of programmes ranging from technical skill upgradation to behavioural skills development.

During the year 2008–09, over 300 training programmes were conducted by the training institutions of RInfra for more than 8,000 participants, aggregating to over 18,000 man-days. The focus of training activities was to address the prevailing and emerging training needs of all divisions of distribution business in functional and behavioural areas. More than 100 training programmes were conducted in functional areas of our business and about 50 training programmes addressed the development of behavioural, attitudinal and soft skills.

### Automation and Information Technology

This year has been very eventful. Our focus on being a technology driven company has enabled intensive use of technology in catering to the key needs of the customer, as shown in the figure.



SCADA : Supervisory Control and Data Acquisition System, GIS: Geographical Information System, DMS: Distribution Management System, FPI: Fault Passage Indicator, APFC: Automatic Power Factor Correction, EMS: Equipment Management System, ISU: CCS: Industry Solution Utility-Customer Care Solution, AMR: Automated Meter Reading, MRI: Meter Reading Instrument, OMS: Outage Management System, OFC: Optical Fibre Cable.

This has helped the Customer Care and Operation teams in enhancing service levels to our customers. Geographical Information System (GIS) has played a key role in integrating the geographical attributes of the network and customers to the ERP. The enhanced GIS is now the chosen system in management of operation and maintenance of the Distribution Business, enhancing efficiency and facilitating analysis for managing network and customer services viz. Energy Audit, Web GIS for efficient Operations management, Fault Locator for quick customer response.

In addition, several projects like Availability Based Tariff (ABT), Outage Management System (OMS), SCADA-GIS integration and Zone-wise demand forecasting have been undertaken. Initiatives such as Web based application to record transmission energy flow for Transmission department, 11 kV cable loss reduction by network

optimization, communication through Automatic Meter Reading (AMR), etc. have contributed to improving operational efficiency. The new initiatives of On-Line Distribution Transformer oil filtration and Hot-Line washing of transmission lines has enabled the Company in saving over 2 lakh customer hours lost for preventive maintenance activity.

A state-of-the-art technology has been incorporated for remotely monitoring of substation parameters such as Distribution Transformer condition, Switchgear status, and Substation intrusion, etc. on a real time basis.

Towards enhancing security of corporate and divisional/site offices, Access Control System (ACS) along with CCTVs at strategic locations have been installed to enable a one window view of all offices from the Security Control Centre.

RInfra has successfully upgraded the SAP R/3 and HR to ECC6, thus taking full advantage of the various functionalities offered by SAP. New systems in the Employee Self Service (ESS) module of SAP have been introduced for improving convenience and increasing efficiency of office personnel.

### Delhi Distribution Business

The Delhi distribution companies ("Discoms"), viz. BSES Rajdhani Power Limited (BRPL) in South and West and BSES Yamuna Power Limited (BYPL) in East and Central Delhi are implementing a series of measures aimed at improving customer service, fulfilling our corporate social responsibility and reducing aggregate technical and commercial (AT&C) losses at the same time so as to benefit the consumers from all perspectives. Financial year 2008–09 witnessed strong operating performance by the Delhi Discoms with significant improvement across all operating parameters.

### Loss reduction performance

The Aggregate Technical and Commercial (AT&C) losses have declined steeply from 27.26% in BRPL and 29.99% in BYPL to 20.59% and 24.02% respectively during the financial year, against the MYT target of 23.46% and 30.52% respectively.

### Performance incentives by State Regulator

With this over-achievement of AT&C losses, total incentive earned would be approximately Rs 271 crore having a Discom share of Rs 136 crore (BRPL-Rs 59 crore, BYPL- Rs 77 crore). This would add significantly to the shareholder value. The incentive earned during FY 2008–09 alone is more than 24% of the initial equity of both discoms.

### Key Financials

The Delhi distribution companies registered an aggregate total income of Rs 5,137 (US \$ 1 billion) crore during the year (excluding income from sale of power aggregating to Rs 1,092 crore) against Rs 4,422 crore in the previous year, which is an increase of 16%. 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 processes.

### Capital Expenditure and Funding

The aggregate capital expenditure incurred during the year amounted to Rs 575 crore for the upgradation, strengthening and modernization of the distribution system. The aggregate net block including current work in progress stood at Rs 4,077 crore. The additional loans sanctioned by various banks during the year 2008–09 for financing the capital expenditure of Discoms aggregated Rs 250 crore, raising the total loans sanctioned for the purpose to Rs 3,454 crore. The aggregate fund based limits sanctioned by a consortium of banks for working capital was Rs 454 crore (BRPL Rs 264 crore and BYPL Rs 190 crore) against which the utilization was Rs 210 crore (net of cash and bank balances).

## Management Discussion and Analysis

### Growth in Consumer base

The aggregate consumer base has grown by 1.96 lakh customers for BRPL and 0.84 lakh customers for BYPL, bringing the total for BSES Delhi customer base to 25 lakh

### Mass Meter replacement

All three-phase meters are now electronic. 1.8 lakh meters were changed in 2008-09. There are approximately 43,000 single-phase mechanical meters left which will be changed in the current calendar year. All 1,600 feeders and 11,000 distribution transformers are metered with strong analytics in place.

### Technical improvements

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. The snapshot of system upgradation during the year is tabulated below:

### Customer Care initiatives

- Substantial improvements in all key customer satisfaction numbers ~ 7 on a scale of 10 in FY 2008-09 as compared to 6.9 in FY 2007-08
- Door Step services to consumers
- Upgraded website
- Unified Complaint number
- Caller Identification Implemented
- Many new initiatives aimed at Customer satisfaction
  - "Vishisht Sahyogi" – BSES Brand Ambassadors
  - "Vivad Samadhan" Enforcement schemes
  - Lok Adalats and Amnesty Schemes for liquidating legal cases.

### Active CSR initiatives

- Biji Gyan Abhiyan- Energy Conservation quiz with 1,200 schools
- Rs 50 lakh donation for Bihar Flood Relief
- Food packet donation for Yamuna flood relief
- "Arpan" – Clothes distribution to poor
- Eye catching social messages on our assets
- Energy Conservation rally by school children
- CFL Promotion at discounted price- (~5 lakh units sold, saving ~27MW of demand)
- Earth Hour-700 MW saved through Resident Welfare Associations (RWA) and other consumer association participation.

### 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

### Awards and Applauds

- NABL accreditation received for both meter testing labs
- ISO 27001 certification for IT and ISO 9001:2000 Certification for HR
- CIO 100 Award from IDG , USA
- SMART Infrastructure Award from AMD Athlon
- ICWA Award to BRPL for "Most Transparent Cost Accounting"

### 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 unremunerative tariffs. The bulk supply tariff orders for 2006-07 and 2007-08 were having substantial adverse financial impact for 2 discoms viz. WESCO and NESCO. The discoms have filed review petitions and the matters are pending before ATE and the Supreme Court. In addition, the Retail Supply tariffs have not been increased by the Orissa Electricity Regulatory Commission (OERC) for 12 consecutive years, resulting in negative returns to Discoms.

There was substantial increase in demand from the industries in WESCO and NESCO, in the previous years. However, with melting down of the economy, the demand from industrial consumers has declined during the current year.

The Discoms are seeking support from regulators and other authorities concerned to make the business operations financially viable. The Discoms have filed revised turnaround Business Plan and OERC has been reviewing the same.

### Generation Business

#### Dahanu Thermal Power Station

Dahanu Thermal Power Station (DTPS) continued to maintain the top position in the power sector in the country on all operating parameters.

During the year, DTPS generated 4,423 million units at an average Plant Load Factor (PLF) of 100.99%. The plant has been consistently operating at more than 100% PLF for the last five years.

The station has also achieved plant availability of 96.31% against the CERC norm of 80% during the year. However, Unit No 2 has recorded the highest availability of 99.17%.

DTPS emerged as the country's best Thermal Power Plant on various parameters such as PLF, Availability and Heat Rate. The Power station has received total 18 awards including 3 international awards for excellence across different categories ranging from operational performance, energy conservation, environmental management and safety management during the year.

The Station continues to surge ahead on six sigma quality initiatives for all round improvement in business processes. The station also has the distinction of achieving Integrated Management System (IMS) certification for ISO 9001, ISO 14001, OSHAS 18001, SA 8000 and ISO 27001.

Power Plant process Simulator has been installed at CEA approved Technical Training Centre at DTPS.

### **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 52.5%, against a PLF of 60.61% in the previous year due to reduced availability of natural gas. The station generated 1,011.76 million units, against 1,171.25 million units in the previous year. The average gas availability to the station decreased to 0.53 million cubic meters as against 0.63 million cubic meters per day made available in the last year. This year the Station has also operated in mixed fuel mode as per AP Transco's dispatch instructions. The Station continued to maintain high availability factor at 97.08%. The Samalkot Power Station is certified for Integrated Management System covering ISO 14001: 2004 for Environment Management System, OHSAS 18001: 2007 for Occupational Health and Safety Management System, ISO 9001:2000 for Quality Management System, SA 8000: 2001 for Social Accountability Management System and ISO 27001 : 2005 for Information Security Management System.

The power station is one of the few power plants in the country to receive such unique certification with all five Management Standards under one umbrella as a part of the Integrated Management System.

### **Goa Power Station**

During the year 2008-09, the 48 MW combined cycle power station of the Company at Goa generated 334.62 million units, at an average PLF of over 79.58% against a generation of 326.83 million units and PLF of 77.73% achieved in the previous year. The station achieved plant availability of 95.19% compared to 91.66% achieved in 2007-08. Gross Station heat rate remained same at 2,065 Kcal/Kwh.

The Goa Distribution achieved an overall availability of over 99.99% compared to 99.98% during the previous year. The AT&C loss is maintained at 0.75%. Customer Satisfaction Indices (CSI) based on the customer feedback on power quality and service, was 85.39% as compared to 71.85% during the previous year. The entire metering and billing cycle including dispatch is reduced to one day from two days and the station achieved collection efficiency of almost 100%. Power Quality Analysis for detecting Harmonics and Current / Voltage unbalances were conducted for all consumers.

A number of processes are introduced and improved that resulted in significant savings for the plant. A major initiative was the installation of High Voltage Series Reactor (HVSR) to reduce / eliminate the effect of grid disturbance in form of voltage dips on consumers and also to avoid tripping of STG due to these faults. This has increased the Reliability of the system tremendously and also Customer Satisfaction.

Power export (outside Goa) has also started for the first time wherein the power station supplies excess power outside the state.

Public Hearing was successfully conducted for environmental clearance from the Union Ministry of Environment and Forests (MoEF) for the proposed plant expansion to 100 MW on naphtha and/or gas. Environmental Clearance is under process from MoEF for the expansion project.

The station achieved significant milestones in the fields of environment and safety practices during 2008-09. The Goa Power Station and Distribution was certified by DNV for ISO 14001:2004, ISO 9001:2000, ISO 27001:2005 and OHSAS 18001:2007 under the Integrated Management System.

### **Kochi Power Station**

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

The plant is operated based on the dispatch instructions from the Kerala State Electricity Board (KSEB). As compared to previous years, KSEB has increased the offtake this year from BKPL due to lower fuel prices and acute shortage of power in Kerala. During the year under review, the plant has achieved a PLF of 60.47% and generated 875.48 million units as compared to PLF of 25.8% for 2007-08. However, the Deemed PLF stands at 87.7%. The plant availability is 93.39% as compared to 82.8% in the previous year.

### **Wind Farm Project**

During the year, the Company's wind farm project consisting of 36 windmills with an aggregate capacity of 9.39 MW at Chitradurga in Karnataka generated over 20.80 million units.

The wind farm recorded a PLF of 25.29% during the year 2008-09 as against 25.81% during the previous year because of lower wind velocity patterns in the area. SCADA system has been installed at the wind farm for better monitoring and control of the windmills. The wind farm has also achieved availability of 98.49% during the year 2008-09 as compared to 94.93% in the previous year.

### **Transmission Business**

With increased focus on Open access regime and Power trading across the national grid, Transmission sector is geared up for makeover from the traditional generation linked evacuation system to network expansion based on integrated system planning. Further, with the rededicated efforts by the Government of India (GoI), it is expected that the transmission sector shall be wide open for private participation.

Commensurate with the requirement, 14 new transmission projects for the national grid have been identified by GoI for development under tariff based competitive bidding route to be awarded on Build, Own and Operate (BOO) basis. Out of these, 3 projects worth approximately Rs 6,000 crore are already at Request for Proposal (RfP) stage. Further, huge investment at the intra-state level is envisaged to be put up for private participation through competitive bidding in this sector. Initiatives have also been taken for private participation in transmission at state level by States of Haryana and Rajasthan, who have already commenced the competitive bidding process for 5 projects. Likewise, in Uttar Pradesh transmission system consisting of 21 elements has been identified for private participation.

### **Positioning of Reliance Power Transmission Limited in the industry**

Reliance Power Transmission Limited (RPTL), the transmission arm and wholly owned subsidiary of Rinfra, backed by vast work experience is in unique advantageous position to offer the most appropriate technologies, methodologies and services by virtue of having one of the early set ups. We are the first private utility having secured the first set of projects of about Rs 1,370 crore (Western Region System Strengthening Schemes - Maharashtra and Gujarat) through International Competitive Bidding conducted by Power Grid Corporation of India Limited (PGCIL). We have also been declared qualified at RfQ stage for all the projects under competitive bidding coordinated by Rural Electrification Corporation Limited (REC) and Power Finance Corporation Limited (PFC). Similarly, we are participating in projects bid out by Haryana and Rajasthan transmission utilities for private participation in the intra-state transmission schemes.



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Further, RInfra is also executing Rs 1,070 crore Parbati Koldam Transmission project in Himachal Pradesh for the Northern Regional grid. This is a joint venture with PGCIL where we hold 74% stake.

For the city of Mumbai, projects worth Rs 1,800 crore for strengthening the transmission network are under implementation and 4 new such projects with capital outlay of worth approximately Rs 2,000 crore are also in the pipeline.

### Projects under execution

#### Western Region System Strengthening Scheme II

This project awarded to the Company on BOO basis involves 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) Limited, and 3 lines with line length 967 ckt kms by Western Region Transmission (Gujarat) Limited). It will benefit 9 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. Approval under section 68 of Electricity Act, 2003 has been accorded by Ministry of Power (MoP) for execution of projects. Financial closure for these projects has been achieved and commercial operation for the projects is targeted to be in third quarter of financial year 2010-11.

#### Parbati Koldam Transmission Corporation Limited

The project, awarded to the Company on BOO basis involves 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 Ckt kms.

The power evacuated from these stations shall be utilized by 13 beneficiaries of Northern Region states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu & 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. Approval under section 68 by MoP, Stage I Forest clearance and Aviation clearance have already been secured for the project.

#### Strengthening of Mumbai transmission system

To serve the consumers with improved reliability and match the load requirements, RInfra has conceived and taken up state-of-the-art technology projects with, 220kV GIS cables, etc. Technical clearances from State Transmission Unit (STU) and Regulatory clearances from MERC have already been received for these projects. The required sites are under procurement / re-location. The civil works orders and major equipments orders are in bidding stage for different projects. There are 9 ongoing schemes for strengthening of Mumbai Transmission System with approved cost of Rs 1,800 crore. The schemes are scheduled to be completed by the financial year 2011-12. Two new transformers having 220 kV GIS, 220 kV cables and 33 kV GIS boards have already been commissioned in last quarter with a cost of Rs 80 crore.

### EPC Business

#### Overview

The Company undertakes the Engineering, Procurement and Construction (EPC) contracts of industrial projects in various fields like power generation, transmission and distribution. The EPC

Division mainly focuses on the power sector projects and is continuously building up on its strengths in the same field. It employs state-of-the-art technology in engineering design and project management to execute its projects.

The division has continued to perform well during 2008-09 with an order book position of Rs 20,625 crore as on March 31, 2009 as compared to Rs 7,849 crore as on March 31, 2008.

Turnover achieved as on March 31, 2009 was at Rs 2,437 crore registering an increase of 75% as against Rs 1,393 crore on March 31, 2008 while Profit achieved for 2008-09 was Rs 204 crore against Rs 131 crore for 2007-08, an increase of 56%.

The EPC Division has been recertified for ISO 9001: 2000 by BVQI and also for Integrated Management System (IMS) by Det Norske Veritas (DNV) covering Environmental Management System (ISO 14001) and Occupational Health and Safety Management (OHSAS 18001).

This year, the EPC Division was certified for ISO 27001 by Det Norske Veritas (DNV) covering Information Security Management Systems.

#### Opportunities and Challenges in the 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 capitalized.

#### Ongoing Projects

##### Generation Projects

#### 2 X 300 MW Deenbandhu Chhoturam Thermal Power Station, Yamuna Nagar

The project is completed and both the units are running at full load. Significant highlights of the projects are:

- Trial Operation of both the units had been completed on April 14, 2008 and June 24, 2008 and performance guarantee (PG) tests of boiler, turbine, electrostatic precipitator and balance of payment systems for both the units successfully completed.
- Both units are generating power regularly since completion of their trial operations.
- Arrangements for Provisional Taking Over (PTO) by the client, Haryana Power Generation Company Limited (HPGCL) have been completed; PTO is likely to be accorded shortly.

#### 2 X 600 MW Rajiv Gandhi Thermal Power Project, Hisar

This is the second project awarded by HPGCL which started on January 29, 2007. Against the aggressive schedule of 35 months for Unit-I and 38 months for Unit-II, the project is progressing as per the planned schedule. The project has achieved 67.68% progress as on date. In achieving this progress, the significant highlights and milestones reached are:

- Boiler Hydro Test for Unit No 1 has been completed successfully in 25th month from issue of Letter of Intent and

## Management Discussion and Analysis

in 23rd month from zero date of award of main plant contract. This was achieved in a record time in the Indian power sector.

- Demineralised and pre - treatment plant commissioned in January 2009; Water filling completed in raw water reservoir No.1.
- Chimney shell (275 m) casting completed to full height
- Cooling Tower No 1 with 173 m height, tallest in the country, has reached to its full height. Cooling Tower No 2 has been constructed up to 160 m height.
- Switchyard works are in full swing with 98% progress in engineering and procurement and 90% progress achieved in construction

### **2 x 250 MW Parichha TPP – II (Unit 5 & 6) Balance of Plant (BOP) Package**

The project was awarded to RInfra by Uttar Pradesh Rajya Vidyut Utpadan Nigam for the execution of Balance of Plants for its Parichha-II extension project on January 29, 2007. The project commenced on February 23, 2007 and has achieved an overall progress of 60%. Significant highlights are:

- Demineralised / fuel oil pump house/raw water pump house/ pipe rack released for mechanical and electrical works
- Installation of cooling water piping, auxiliary cooling water piping, low pressure piping, demineralised plant, fuel oil tanks / demineralised tanks, raw water / auxiliary cooling water pumps, cranes, cable tray, service transformer and diesel generator installation in full swing.

### **6 x 660 MW Sasan Ultra Mega Power Project**

Reliance Power has bagged the India's second Ultra Mega Power Project and largest domestic coal based power plant through an international competitive bidding process. The project is being executed by the EPC division of RInfra. The project highlights are:

- Most of the studies and investigation work have been completed.
- Procurement of major civil and mechanical packages is under advance stages of negotiation
- Site office established. Construction of boundary wall, permanent store and other site enabling works in progress
- Biggest 765 kV switchyard in India

### **2 x 600 MW Raghunathpur Thermal Power Station**

The project was awarded to RInfra by Damodar Valley Corporation (DVC) for 2 X 600 MW thermal power plant at Raghunathpur in West Bengal on December 14, 2007. The project has so far achieved 20% progress despite adverse conditions like land disputes, stoppage of works by locals, etc. In achieving this progress, the significant highlights and milestones reached are –

- Engineering work is in full swing and achieved 55% progress so far
- BTG order placed on Shanghai Electric Company and material started reaching at site
- Area Grading for Main Plant area is completed
- Boiler foundation works are completed

### **1 x 300 MW Butibori Group Captive Power Plant**

Reliance Power has bagged the prestigious Group Captive Thermal Power Project (GCPP), the first in the state of Maharashtra. The project was awarded by the Maharashtra Industrial Development Corporation (MIDC) through the competitive bidding route. RInfra's EPC division is executing the project. Major highlights of the project are:

- All statutory clearances for the project have been accorded

- Engineering and procurement for the project is in advanced stage
- Area grading works completed and boundary wall enclosing complete plant area built
- Boiler foundation for Unit No 1 nearing completion and foundation works for steam turbine generator building are in progress

### **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). Following are the key highlights of the year:

- Provided more than one lakh Below Poverty Line connections till date
- 49 out of 50 - 33/11 kV new substations have been commissioned and 100% augmentation of 33/11 kV substations achieved
- 5,629 villages' energized and 5,476 villages have been handed over to client

#### **Western Region System Strengthening Scheme**

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

#### **Bidding Status**

Enormous opportunities are available in the market for execution of power projects, with several states also looking up to set up power projects under the Case- I bidding guidelines of the Ministry of Power. The EPC division continuously scans such options for enhanced business opportunity.

#### **New Initiatives**

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

1. *Center of Engineering Excellence:* The Centre of Engineering Excellence has been formed to build "Knowledge Capital" in order to enable the execution of large projects at optimum cost and schedule while ensuring high standards of quality. Some of the steps undertaken in this direction are standardization of engineering documents, in - house competency for steel fabrication drawings using the latest softwares, plant layout and design using 3D modeling and integrated engineering software tools.
2. *Remote Surveillance of Project Sites:* Implementation of IP Camera at Butibori and Raghunathpur project sites – the outdoor camera can be used for remote surveillance of project activities without having to be physically present at the site.
3. *Construction Workers Skill Development:* This year EPC undertook the task of improving the quality of our workers at sites. For this, an initiative was taken by involving Construction Industry Development Council (CIDC). As first step, at Sasan site we trained workforce of 80 masons and 80 carpenters.

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4. *E-Library*: Document Management System that works as a central data repository allows collaboration, approval workflow of drawing and design basis reports with client and consultants.
5. *Contract Management System*: Development and Implementation of SAP based contract management system which automates the entire lifecycle from contract-to-commissioning. It encompasses contract creation, negotiation/award, and scheduling and progress percentage, S-curves for erection, testing and commissioning, compliances, deliverable tracking/management, billing break ups (BBUs), financial processing and event monitoring. This solution will also help streamline contract award priorities, reduce procurement monitoring and contract lifecycle times, and improve effectiveness in day-to-day operations across the wide range of pre-award packages.
6. *Fly Ash Utilization*: The Company has taken the initiative of using the fly ash in a big way. The mission is to minimize the green house gases (GHGs) emission while reducing the construction cost.
7. *In-House Aggregate Production*: The Company has undertaken aggregate production for construction purposes at its project sites. This will result in considerable cost savings while ensuring continuity of supply and high quality.
8. *In-house Construction Group*: In-house construction has been taken up by the Company at Parichha thermal power plant. The works are being executed by deploying Piece Rate Work contractors. This has resulted in significant cost savings, better monitoring and control of schedule, resources and quality of works.

**Human Resource at EPC Division**

During 2008-09, the challenges for timely execution of Rosa, Hissar, DVC-Raghnathpur along with accelerating Sasan UMPP laid the road map for accelerated talent acquisition endeavours. The major focus remained on Centre of Engineering Excellence including building in-house capabilities in engineering.

The overall human capital addition has been to the tune of 862 during 2008-09. This accelerated talent infusion has led to strengthening of EPC talent pool to 1,527 as on date. It was in this year that we saw the emergence of our major project teams and Centre of Engineering Excellence.

The in-house mentoring initiative named "Sankalp-2009" has been rolled out to institutionalize Mentoring as a core value to the organization and to help our Budding Leaders diffuse into the cultural milieu of the organization.

A major initiative named 'Role Identification, Alignment and Potential Evaluation' (RIPE) has been rolled out to capture functional competencies and skill matrix of all employees.

**Employee Services Automation**: The entire gamut of employee services was automated by linking it with SAP. The PMS process for the year 2007-08 was completely automated including issuance of PLI and increment letters to individuals through ESS. The Bio-Metric attendance system was brought online and linked with payroll.

**Employee Database Maintenance through SAP**: SAP modules have been implemented for Organization Management, Personnel Administration, Pay Roll and Leave and attendance management. In our constant quest to upgrade the workforce competence and increase the commitment and engagement levels in the organization, we are continually making efforts to institutionalize an approach of 'Excellence by Design' in all our endeavours.

**Infrastructure Projects**

**Road Projects**

*Growing opportunities in Road Business* : Under various phases of National Highways Development Programme (NHDP), approximately 15,645 kms of Highway lengths involving an estimated amount of Rs 1,40,805 crore are yet to be awarded by National Highways Authority of India (NHAI) out of which approximately 9,145 kms lengths are to be awarded to developers on build, own and transfer (BOT) / annuity basis.

**Projects under execution**

Five Projects are under construction in the state of Tamil Nadu totaling to a length of 401 kms, costing around Rs. 3,150 crore. Out of them, NK Toll and DS Toll Road projects, both on National Highways (NH) 7 are in advanced stage and are expected to be commercially operational in the financial year 2009-10.

Some of the unique features of the projects undertaken by the respective project companies include:

1. *NK Toll Road Limited* is constructing 44 kms long 4 lane road connecting Namakkal to Karur in Tamil Nadu with a concession period of 20 years. The major challenge was construction of major bridge of 800 metre across river Cauvery. This bridge construction included all types of construction activity, viz. construction of different types of foundations to precast pre-stressed concrete structures.
2. *DS Toll Road Limited* is constructing 53 kms long 4 lane road connecting Dindigul to Samyanallore in Tamil Nadu with a concession period of 20 years. Railway line runs close to the NH all along the corridor. This railway line is crossing NH at 3 locations. Building Railway over bridges at these locations in coordination with the Railways is a major challenge.
3. *TK Toll Road Private Limited* is constructing 81 kms long 4 lane road from Trichy to Karur in Tamil Nadu with a concession period of 30 years. This is a technically challenging project to construct. The road corridor runs between a river and railway line. Construction activity and diversion of traffic during construction was required to be done within the limited available land.
4. *SU Toll Road Private Limited* is the first project by NHAI on build, own and transfer (BOT) basis of 136 kms connecting Salem to Ulundurpet in Tamil Nadu with a concession period of 25 years.
5. *TD Toll Road Private Limited* is constructing 88 kms 4 lane road connecting Trichi to Dindigul in Tamil Nadu with a concession period of 30 years.

The Company has also been awarded an important road connectivity between Gurgaon and Faridabad in the State of Haryana having length of 66 kms to be developed on BOT basis. The concession period is for 17 years. The scope includes 4 laning of Gurgaon – Faridabad corridor of 33.10 kms. The project also includes improvement / reconstruction of Ballabgarh–Sohna link road of 33.98 kms, which is again one of the important roads in the vicinity.

**Metros**

The Company is the only private player which is currently implementing two metro rail projects on a BOT basis in the country (Mumbai and Delhi) at a total project cost of about Rs 5,200 crore.

**Mumbai Metro One Private Limited**

Versova–Andheri–Ghatkopar Corridor Mass Rapid Transit System (MRTS) project (Mumbai Metro Line 1) has been awarded by

## Management Discussion and Analysis

Mumbai Metropolitan Region Development Authority (MMRDA) through a global competitive bidding process on Public-Private-Partnership (PPP) framework to RInfra led consortium.

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

Reducing the vehicular traffic substantially, the system will provide the first east to west connectivity for 6 lakh commuters per day with fares comparable to fares charged by local buses of Brihanmumbai Electric Supply and Transport (BEST) Undertaking. The biggest advantage of the system is the reduction in the traveling time from 90 minutes to about 20 minutes along with improved traveling experience.

MMOPL has awarded all the critical and major contracts and the project implementation is going on in full swing.

Civil works for both viaduct and station works is going on in full fledged manner. Foundation works for three special bridges i.e., Andheri Special Bridge, Western Express Highway Special Bridge and the Mithi River Special Bridge is also going on in full swing. Casting yard at Wadala is fully functional and casting of the super structure comprising pier cap and girder is underway.

Earthwork at the D N Nagar Car Depot land is in advanced stage of completion and Depot Civil Works is in progress for critical structures that includes viaduct ramp structure.

All rail systems works including the rolling stock are largely on schedule and the system integration with civil works and other rail systems is being done simultaneously.

MMOPL has achieved the financial closure for a total debt of Rs 1,194 crore. This debt has been raised amidst a tight global liquidity position, based on a unique funding model, where the only recourse available to the lenders is through the cash flow generated from the project instead of the project assets. MMOPL has raised this debt from a group of banks led by IDBI Bank, Karur Vyasa Bank, Oriental Bank of Commerce and Independent Finance Corporation Limited (IFCL) (UK) who are providing the foreign currency loan for the project.

The project is scheduled to be commissioned by second quarter of FY2011, two years before the contractual commissioning date. Thereafter, Metro One Operation Private Limited, a joint venture company between Veolia Transport and RInfra, will operate and maintain the line for the concession period of 30 years.

### ***Airport Express Metro Link, Delhi***

Delhi Airport Express Line project has been awarded by Delhi Metro Rail Corporation (DMRC) through a global competitive bidding process on PPP basis to a consortium of RInfra (95%) and CAF, Spain (5%). A special purpose company viz. Delhi Airport Metro Express Private Limited (DAMEPL) has been incorporated to set up the project.

This is the first high speed airport link of its kind in the country connecting the airport with the central business district and is comparable with similar projects in other mega cities across the world, viz. London, Hong Kong, etc. The metro link will operate at the high design speed of 135 kmph and the total length of the network would be 23 kms with six stations enroute – New Delhi, Shivaji Stadium, Dhaula Kuan, NH-8, IGI Airport and Dwarka. Out of the six stations, 5 stations would be underground and only the Dhaula Kuan station shall be elevated.

The entire project is to be developed, financed, constructed, operated and maintained by Delhi DAMEPL. DMRC shall however

construct the civil works pertaining to stations, tunnels and viaducts. The project is to be completed in a record time of 30 months with commissioning scheduled for second quarter of FY2011 i.e., before the Commonwealth Games. Thereafter, the RInfra led consortium will operate and maintain the line for the concession period of 30 years.

The project would offer high speed connectivity from city center to the IGI airport and would catapult Delhi to one of the few cities in the world which provide this infrastructure facility reducing the journey time from New Delhi to Airport to approximately 18 minutes. In addition, airport passengers would be able to check in themselves and their baggage at three city airport terminal stations – New Delhi, Shivaji Stadium and Dhaula Kuan. Also, for the first time in the country, all stations would be air-conditioned having platform screen doors. The airport line would be fully integrated with the existing DMRC metro network at New Delhi and Dwarka. The line would also be integrated with the Northern Railway New Delhi Station and with the IGI Airport. All these integrations would ensure very smooth passenger interchange.

The project cost is estimated at Rs 2,885 crore, with debt to equity ratio of 70:30. The project received an overwhelming response from the lenders and the financial closure for the project was achieved in March 2009.

The Company has appointed globally renowned consultants and system contractors for the project and major portion of design and engineering has been completed. All major contracts have been awarded and the civil construction of tunnels, stations, viaduct and depot planned at Dwarka is in full swing.

### **Real Estate and SEZs**

As reported last year, RInfra was awarded the Hyderabad Trade Tower and Business District Project by Andhra Pradesh Industrial Investment Corporation (APIIC) through competitive bidding. The project entails development of a 100 storeyed tower along with other commercial developments on a 76 acre plot in western Hyderabad on the upcoming outer ring road. Separate special purpose vehicle has been formed with APIIC as required under the bid terms and it has been appropriately capitalized.

RInfra is also developing a 45 acre IT special economic zone, through a subsidiary, in a part of its Dhirubhai Ambani Knowledge City campus at Navi Mumbai. The development would have around 4 million sq. feet of office space along with a 4 star hotel. Various permissions from MIDC as well as the final SEZ approval from the Ministry of Commerce of GOI have been obtained.

In view of the current slump in the real estate market, RInfra is proceeding very cautiously in the implementation of these projects and is re-working certain aspects of the development mix and phasing in order to time the deliveries with the economic recovery so as to maximize the returns. We are also ensuring that our rights remain protected in all the projects.

RInfra also has a number of other real estate and SEZ projects in various stages of bidding/negotiation/planning with over 400 million sq. feet of mixed use built up potential including Jaipur Ring Road and township, Noida Multiproduct SEZ, etc.

### **Major Associate Company - Reliance Power Limited Power generation sector**

The current installed power generation capacity of India is 147,966 MW as on March 31, 2009. Thermal power constitutes about 63% of the current capacity and the other major segments are hydroelectric power (25%), nuclear (3%), and renewable energy (9%). Geographically, western region accounts for largest share (31%) of the installed power in India followed by southern region with 27% and northern region with 26%.



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The increase in installed power capacities has not kept pace with the increase in demand for power thus leading to shortages. The peak power deficit was 12% while the energy deficit was 11% in the financial year 2008-09. The per capita consumption of electricity in India is one of the lowest in the world. This presents a huge opportunity in the power generation space in India.

**Status of project**

Reliance Power, an associate of the company with 44.95% equity stake directly and through its subsidiaries is currently developing 17 large and medium sized power projects with a combined planned installed capacity of 33,480 MW, the largest portfolio of power generation assets under development in India in the private sector. The projects are diverse in terms of geographic location, fuel source and offtake.

Reliance Power has the unique distinction of securing 3 out of the 4 Ultra Mega Power Projects (UMPPs) awarded by the Government of India on the basis of tariff based competitive bidding.

**Projects under implementation**

Reliance Power has taken up the following major power projects for implementation.

1. Rosa Phase I - 600 MW Coal-fired Power Project, Uttar Pradesh
2. Rosa Phase II - 600 MW Coal-fired Power Project, Uttar Pradesh
3. Butibori Group Captive Power Project - 300 MW Coal-fired Power Project, Maharashtra
4. Sasan Ultra Mega Power Project- 3,960 MW Pit head Coal-fired Power Project, Madhya Pradesh
5. Krishnapatnam Ultra Mega Power Project - 4,000 MW Imported Coal-fired Power Project, Andhra Pradesh
6. Chitrangi Power Project - 3,960 MW Coal-fired Power Project, Madhya Pradesh
7. Shahapur 1,200 MW Imported Coal-fired Power Project, Maharashtra
8. Shahapur 2,800 MW Combined Cycle Gas-fired Power Project, Maharashtra
9. Dadri Gas Project - 7,480 MW Combined Cycle Gas-fired Power Project, Uttar Pradesh.
10. Tilaiya Ultra Mega Power Project- 3,960 MW Pit head Coal-fired Power Project, Jharkhand
- Hydro Power Projects
11. Urthing Sobla - 400 MW Hydroelectric Project, Uttarakhand
12. Siyom - 1,000 MW Hydroelectric Project, Arunachal Pradesh
13. Tato II - 700 MW Hydroelectric Project, Arunachal Pradesh
- Besides the existing hydroelectric portfolio, Reliance Power has been awarded the following hydroelectric projects in Arunachal Pradesh in the financial year 2008-09
14. Kalai II - 1,200 MW Hydroelectric Project, Arunachal Pradesh
15. Amulin - 420 MW Hydroelectric Project
16. Emini - 500 MW Hydroelectric Project
17. Mithundon - 400 MW Hydroelectric Project

**Risks and Concerns**

Reliance Infrastructure 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 power sector, however the same are unlikely looking to the huge power shortage in the country.

The Government of India has been pursuing progressive policies on economic liberalization and reforms in the infrastructure sector including considerable focus on power 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 consumer tariffs are regulated by the Maharashtra Electricity Regulatory Commissions. Any adverse changes in the tariff structure could have a material impact on the profitability. 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. Reliance Infrastructure is currently developing highways 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, Reliance Infrastructure 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.

The procurement and operational maintenance activities are planned well in advance to avoid any possible risk of late delivery

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## Management Discussion and Analysis

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 framework 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.

### Emission Parameters at Dahanu Thermal Power Station

Various initiatives have been taken to increase ash utilization further i.e. open truck unloading system for ash collection and transportation without any fugitive emissions.

Sr. No.	Parameters	UOM	MPCB* Limit	06-07	07-08	08-09
1	Stack Total Particulate Matter (TPM)	mg/Nm <sup>3</sup>	150	39.3	34.9	37.3
2	Sulphur Dioxide (SO <sub>2</sub> )	TPD	80.4	56.1	29.4	3.92
3	NOx (ppm) at 15% excess oxygen v/v	PPM	150	75.9	69.9	75.3
Ambient air out side plant premises						
1	Suspended Particulate Matter (SPM)	µg/M <sup>3</sup>	100	52.7	56.0	55.0
2	Sulphur Dioxide (SO <sub>2</sub> )	µg/M <sup>3</sup>	30	4.5	4.1	3.9
3	Oxides of Nitrogen (NOx)	µg/M <sup>3</sup>	30	9.4	10.2	10.6

\*MPCB : Maharashtra Pollution Control Board  
UOM: Unit of Measurement

### Samalkot Power Station

Samalkot Power Station uses natural gas, an environment friendly fuel, as the primary fuel and naphtha as the secondary fuel. A dedicated Chemistry and Environment, Health, Safety (EHS) and Quality manager is assigned with the responsibility of supervising, monitoring and ensuring all necessary actions with regard to EHS issues at the power station. The average levels of emission recorded at the power station during the year 2008-09 were much below the limits stipulated by Andhra Pradesh Pollution Control Board. The Station is 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 35 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 Steam and Water Analysis System as well higher Cycle of Concentration (COC) operation of Cooling Water Systems.

### Environment, Health and Safety

#### Dahanu Power Station

The Company attaches utmost importance to safety standards at all its installations, especially the power stations. Necessary steps are regularly taken to ensure the safety of employees and equipment. Both external and internal audits are conducted regularly. Mock drill is conducted 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 is no reportable accident in more than 17.5 million man hours from November 4, 2003 to March 31, 2009. In addition to this, near miss incident and potential risks are identified for corrective and preventive actions.

As a result of this, Dahanu Thermal Power Station received various safety awards including Shreshta Suraksha Puraskar by National Safety Council of India, Safety Innovation Award by Institution of Engineers, etc.

All the plant emission parameters are well below statutory limits. Both the Flue Gas De-sulphurisation units were in service throughout the year with SOx absorption more than 90% as stipulated.

### Emission Parameters at Samalkot Power Station

Sr. No	Parameters	UOM	APPCB* Limits	2006-07	2007-08	2008-09
1	Particulate Matter in ambient air	µg/m <sup>3</sup>	200	138	156	139
2	Sulphur Dioxide (SO <sub>2</sub> ) in ambient air	µg/m <sup>3</sup>	80	39.09	33.98	12.50
3	Nitrogen Oxide (Stack)	PPM	75	18.44	33.96	34.67

\*APPCB : Andhra Pradesh Pollution Control Board

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**Goa Power Station**

The plant has taken up several initiatives towards conservation of resources and improving environmental performance. Improvement on Cycle of Concentration (COC) and reduction in average water consumption has been achieved. An area of about 1.6 hectares is covered under forestation in and around the plant premises.

Goa Power Station maintained a 'Zero Reportable Accident' record since its inception. Steps undertaken to ensure safety of man and machine includes 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 carries out mock drills on disaster management.

**Emission Parameters at Goa Power Station**

Sr. No	Parameters	UOM	APPCB* Limits	2006-07	2007-08	2008-09
1	NOX	PPM	100	10.75	16.05	17.29
2	SOX	mg/Nm <sup>3</sup>	50	24.24	25.75	22.18

**Energy Conservation**

**Dahanu Power Station**

Dahanu Thermal Power Station achieved an average heat rate of 2,300 Kcal/Kwh during the year against the norm of 2,500 Kcal/Kwh specified by the Central Electricity Regulatory Commission for unit of this size.

The Power Station undertakes various energy conservation measures i.e. installation of variable frequency drive in condensate extraction pumps, coal mill seal air fans, Primary Air (PA) fan, corrocoating of Cooling Water (CW) pumps and ACW pumps, wind turbo-ventilator, energy efficient lighting systems, etc. This has resulted in saving of power to the tune of 1,040 KW. Installation and commissioning of Vapour Absorption Machine (VAM) system is also nearing completion.

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 are carried out at regular interval and all audit findings / recommendations are followed up with appropriate action to implement them.

Dahanu Thermal Power Station bagged the prestigious awards like IEEMA Power Awards 2009 : 1st prize in the category of "Excellence in Thermal Power Generation", Maharashtra Energy Development Agency (MEDA) State level awards for excellence in energy conservation management, CII - National Award for excellence in energy management - 2008.

The power station completed overhaul of unit No.1 within 16 days against planned period of 25 days. Unit No.1 overhaul has given improvement in heat rate by 30 Kcal/Kwh, resulting in direct saving of Rs. 6.3 crore per annum.

**Samalkot Power Station**

Samalkot power station continues to adopt appropriate operation and maintenance strategies, and makes all possible efforts towards energy conservation.

Various energy conservation measures undertaken were installation of variable frequency drive (VFD) in High Pressure Boiler Feed Pump (HPBFP), Low Pressure Boiler Feed Pump (LPBFP), Destaging of Condensate Extraction Pump (CEP), wind turbo ventilators, energy efficient lighting system, corrocoating of CW pumps, optimisation of Plant Air Compressor and other plant operations etc. This has resulted in total power saving of 1,024 KW.

The energy cell consisting of qualified energy managers and auditors undertakes various energy conservation projects and conducts energy conservation awareness programmes.

The plant operational strategies have been suitably modified for achieving higher efficiencies, with the result that Samalkot station achieved a gross heat rate of 2,141 Kcal/kwh against the design value of 2,172 Kcal/kwh at an operating PLF of 52.50%.

**Goa Power Station**

Continuous focused efforts towards energy conservation have reduced the auxiliary power consumption to about 2.10% as compared to 2.20% during the previous year and CEA benchmark of 3% for a plant configuration of this size.

The energy management cell at Goa consisting of qualified energy managers and auditors continue to drive the conservation agenda with defined energy policy. Internal and external energy audits of various systems are carried out at regular interval.

Various energy conservations measures i.e. installation of Energy Efficient CT fan blades, efficient lighting systems, multi-stage pressure reduction drag valve, optimization of HP, LP, deaerator pressure, etc. have resulted in saving of 251 KW. Dry ice blasting was also carried out to improve the Heat Recovery Steam Generator; Differential Pressure so as to improve its output.

The Power Station has undertaken further initiatives i.e. installation of vacuum pump in place of steam ejector, Variable Frequency Drive (VFD) for High Pressure Boiler Feed Pump (HPBFP), efficient CW pumps, etc. to step up energy conservation.

**Human Resource**

While Reliance Infrastructure is continually growing into becoming a multi business, service cum value provider as also a trusted partner in nation building, its pivotal force is the inherent capabilities of its people. Our human resource is an all-star workforce that not only epitomizes our company's mission but also has the skills to realize it. The present employee strength in the organisation stands at 7,304.

Having the very best people, we believe that they deserve the very best and therefore our HR works with the mission of creating 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.

**Recruitment**

Creating a workforce of the best talent is challenging and maintaining it over time is a bigger challenge. To 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 state-of-the-art world class methods. 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 business and project.

**Learning and Development**

As part of the Company's commitment to make RInfra a learning organization, the training and development team at Reliance Energy Management Institute (the learning and development centre of RInfra) constantly strives to provide globally acclaimed programmes 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

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## Management Discussion and Analysis

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 and an in-house designed leadership development program – EM–Power for all our future leaders. 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 management. Through a productivity/performance driven collaborative approach we have had zero work interruption in the last 3 years which has led to strong Employee Relations.

### 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.

### Talent Development

With the diverse and fast paced growth of businesses at RInfra, meeting talent needs at the same pace is just not enough. Competencies and talents have to be made available in advance, commensurate with our critical talent requirements. Therefore, a career planning programme is designed to meeting our critical talent requirements wherein potential employees are groomed and developed to take critical leadership roles in future from within. Since the top teams are very crucial to the execution of a great strategy and to capitalize on the leadership talent pool available with us to fuel the future growth and success of the Company, several Leadership Development initiatives are undertaken. 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' rather than merely 'programmed thinking managers'. At HR, we strive continually to make RInfra a place where people are enthused to produce innovative ideas and dedicated to turn RInfra 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.

### Quality

A comprehensive quality plan has been formulated with a view to enhancing quality standards at all levels. A quality council has been formed which is in the process of preparing a company wide quality plan. To broad base participation, almost 30 projects have

been initiated which are aimed at addressing specific quality problems in the field. Two of these groups have been recognized at the national level in Quality Control forum of India. The initial results have been extremely encouraging. For more complex problems we have started several six-sigma projects and the results have been very promising.

Mumbai Transmission and Distribution has been recertified to the revised ISO 9001:2008 Standard. The Information Technology department has been awarded the ISO 27001, the first initiative in the country.

### Corporate Governance

The Company from time to time has voluntarily introduced several governance practices long before clause 49 of the listing agreement with stock exchanges was introduced. The Company has also adopted the *Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct*, which has set out a set of systems, processes and principles conforming to the international standards.

The Corporate Governance policies were reviewed during the year and revised to incorporate new initiatives, significant ones being board evaluation, lead independent director and rotation of chairmanship of board committees.

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

### Corporate Social Responsibility

RInfra continues to contribute actively towards community welfare measures and took up several initiatives/measures related to education, healthcare, environmental improvement and other developmental measures.

### Education

- Best teacher Awards were given to five teachers in Dahanu Taluka for promoting education
- More than 4,500 educational kits were distributed by active participation of all levels of employees.
- Mobile medical unit provided for medical assistance to nearby villages.
- Computer training courses for family members of community and employees around Dahanu have been undertaken with the help of MH-CIT.
- Sponsorship and Contribution under the 'Prothsaham' scheme (by sponsoring three girl students from the near by villages i.e. from Vetlapalem Village and G Medapadu) for two year Intermediate course in reputed colleges at Samalkot.
- Financial support for higher studies extended to talented needy student by the employees at Samalkot.
- Distribution of school uniform to needy students of Government Primary and Secondary Schools located at plant vicinity at Goa.
- Free stationary kits distributed to the students of Primary school near Project sites.
- Construction skill development center in collaboration with CIDC established near Sasan site for the locals and project affected persons



**Management Discussion and Analysis**

**Healthcare**

- More than 350 Hand pumps installed till date under the project "Safe Drinking water to all" in Dahanu Taluka.
- Health services support provided to schools in tribal areas of Dahanu Taluka.
- Blood donation camps organized at various plants, offices and project sites
- Gynaec Camp was organized for the rural poor women at Vetlapalem village, Samalkot including medical consultation and distribution of medicines at the Camp.
- Support to local hospital for improvement of basic infrastructure facilities so as to provide good health and services near Sancoale, Goa
- Support to Taluka sports meet thus encouraging social and cultural activities in school children and arranging talks on health and nutrition for residents of surrounding communities near Sancoale, Goa
- Support for maintenance of water filter systems and new water coolers to local schools for providing safe drinking water to children at Goa.
- First aid centre, health check up camps and counseling sessions were arranged. Free HIV tests were also conducted for villagers located near project sites.
- Basic amenities like electricity, streetlights, clean drinking water facility and a well hygienic central canteen with meals at subsidized rates are provided in labour colonies at all the project sites.

**Environment**

- Extensive plantation outside the plant boundaries
- Distribution of Ash bricks for community construction activities around Dahanu.
- Check dams and water harvesting projects at Dahanu Taluka

**Other Developmental Initiatives**

- Financial assistance provided for the construction of old age home at Vetlapalem Village, Samalkot.
- Distribution of Sewing machines for helping poor and needy women for self sustenance in the village of Sancoale, Goa.
- Construction Skill development Centre in collaboration with CIDC established near Sasan Site for the locals and project affected persons.

Our initiatives as Corporate Social Responsibility (CSR) have been recognised through awards like CII national award in excellence in water management – beyond the fence, Golden Peacock Award for corporate social responsibility 2007, etc.

**Awards and Recognitions**

**1. Dahanu Power Station**

The Station continues to receive prestigious awards and recognitions for its outstanding performance in various fields. The station received the following awards during the year 2008-09.

*Operational Performance Awards*

1. IEEMA Power Awards 2009 - 1st Prize in the category of "Excellence in Thermal Power Generation"
2. IEEMA Power Awards 2009 - 1st Prize in the category of "Best Environment & Efficient Power Plant – Thermal"
3. IMC Ramakrishna Bajaj National Quality Performance Trophy – 2008

4. QCI – D. L. Shah Award on Economics of Quality commendation award under large scale manufacturing unit, 2009
5. CII – National Award for Excellence in Water Management – 2008
6. CII – National Award for Excellence in Energy Management – 2008
7. "International Star Award for Leadership in Quality in Diamond Category" in recognition of Commitment to Quality, Leadership, Technology and Innovations
8. National Award for Meritorious Performance (Silver Shield) for outstanding Performance during 2006-07 by Ministry of Power, Government of India.

*Environmental Awards*

9. Golden Peacock Innovation Award – 2008 received at London
10. Greentech Environment Excellence Award 2007, in Gold Category
11. Golden Peacock Award-2008 for Environment Management
12. Srishti Good Green Governance Award 2007

*Safety Awards*

13. "Greentech Safety Award – 2008"
14. National Safety Council of India "Shreshtha Suraksha Puraskar" 2007
15. Safety Innovation award – 2008 from the Institution of Engineers, New Delhi Chapter

*Corporate Social Responsibility*

16. CII – National Award for Excellence in Water Management – 2008, for "Beyond the fence"
17. CII – National Award for Excellence in Water Management – 2008, for "Innovative case study"
18. Golden Peacock Award – 2007 for corporate social responsibility

**2. Goa Power Station**

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". The awards in both categories were received for the third year in succession.

Reliance Infrastructure Limited has maintained the highest standards of corporate governance policies, principles and best practices by adopting the "Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct" as followed by all constituents in the group. These policies and code prescribe a set of systems, processes and principles conforming to international standards which are reviewed periodically to ensure their continued relevance, effectiveness and responsiveness to the needs of local and global investors and all other stakeholders.

### Our governance philosophy

The Company's philosophy on Corporate Governance is driven by its desire towards attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders: From, customers, shareholders and employees, to government, lenders and the wider community. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and safeguarding the shareholders' trust. 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 ensure that employees consistently pursue excellence in everything they do.

#### 4. Compliances

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

#### 5. Ethical conduct

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

#### 6. Stakeholders' interests

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

### Governance practices beyond regulatory requirements

Our governance practices seek to go beyond statutory and regulatory requirements. Our endeavour is to follow the spirit of good governance rather than the mere letter of the conditions specified by regulatory authorities. With this objective, we have formulated, *inter alia*, the following policy documents and introduced best practices of governance:

#### 1. Values and commitments

We have set out and adopted policy documents 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 of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

#### 2. Code of ethics

Our policy document on 'code of ethics', in essence, directs that our employees should conduct the business with integrity by excluding consideration of personal advantage.

#### 3. Business policies

Our 'business policies' cover a comprehensive range of governance 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.

#### 4. 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.

#### 5. 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.

#### 6. Prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a work environment that protects the individual against sexual misdemeanour of any kind whatsoever.

#### 7. 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 action.

#### 8. Environment policy

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

#### 9. Risk management

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

#### 10. 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.

#### 11. Six Sigma

Dahanu power station has 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.

#### 12. OHSAS 18001

All power stations of the Company are OHSAS 18001 certified. OHSAS 18001 helps to establish occupational health and safety management system.

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**13. ISO 9001**

ISO 9001 is concerned with establishing quality management system to achieve continual improvement of performance. All the power stations of the company 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.

**14. ISO 14001**

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

**15. 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.

**16. Integrated Management System**

Samalkot Power Station is the first power plant in Reliance Anil Dhirubhai Ambani Group to secure Integrated Management System certification consisting of ISO 14001, OHSAS 18001, ISO 9001, SA 8000 and ISO 27001. Dahanu Power Station and BSES Kerala Power Limited 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.

**17. Boardroom practices**

**a. Chairman**

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

**b. Board Charter**

The Board of Directors has adopted a comprehensive Board Charter. The Charter has set out matters relating to Board composition, scope and functions of the Board and its committees, etc.

**c. Board Committees**

The Board constituted the audit committee way back in 1986. The Board also constituted the nomination/remuneration committee and shareholders/investors grievances committee. The Board rotates the chairman of these committees once in two years.

**d. Tenure of independent director**

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

**e. Interaction of non-executive, including independent directors, 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.

**f. Lead independent director**

Recognizing the need to have 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, agendas for the meetings 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.

For the year 2008-09, the board designated Gen V P Malik as the lead independent director. The position of the lead independent director is rotated on a yearly basis or as decided by the Board and for the years 2009-10 and 2010-11, the Board has designated Shri S L Rao as the lead independent director.

**g. Independent director's interaction with shareholders**

Shri V R Galkar, a senior independent director, interacts with shareholders on their suggestions and queries which are forwarded to the Company Secretary at ramesh.shenoy@relianceada.com.

**h. Meeting of independent directors without the management**

The independent directors of the Company meet in executive sessions (with no executive directors present) as and when they deem necessary. These executive session discussions may include topics such as, performance and compensation, strategic issues for Board consideration, the flow of information to directors, management progression and succession, and such other matters as the independent directors think appropriate.

During these executive sessions, the independent directors have access to such members of management or advisors, as they may deem fit and necessary. The sessions are chaired by the lead independent director.

**i. 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.

### j. **Monitoring Subsidiaries**

The minutes of meetings of boards of subsidiary companies are periodically placed before the board of the Company.

### k. **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, has been appointed on the boards of BSES Rajdhani Power Limited and BSES Yamuna Power Limited.

### l. **Commitment of directors**

The dates of the Board meetings for the entire financial year are scheduled at 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 well in advance and facilitates attendance of all directors at the meetings of the board and its committees.

### m. **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.

### n. **Compliance**

The Company Secretary monitors the compliance of applicable laws, regulations and rules including the Companies Act, 1956 and the listing agreement with stock exchanges, including in-house legal audit and places confirmation of such compliance before the board at the end of every calendar quarter.

### o. **Training of Board members**

The Company periodically organizes training programmes for directors on various corporate governance related issues.

### p. **Evaluation of the Board**

Evaluation of the Board, Committees and Directors of the Company are carried out on an annual basis. The Board, through peer evaluation, carries out evaluation of the Board including Board process, risk management systems, performance of Board committees based on inputs received from individual directors.

## 18. **Governance practices being followed to promote the interests of our stakeholders**

We have in the recent past introduced several trend setting governance practices to improve stakeholder satisfaction, some of the major ones being –

- a. **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.

- b. **Employees**: There is a focused attempt to make the organization a '*People's Organization*'. There are a number of initiatives being taken to enhance employee capability, engagement and effectiveness. These include initiatives for achieving a competency based organization, performance driven compensation, nurturing of talent, developing leadership pipeline and focused training to promote learning within the organization. To support the above initiatives, the Company runs state-of-the-art functionalities in SAP – HR such as details of current and past salaries, income tax computations, attendance and leave management, E-learning, travel management, grievance management, reimbursements and E-joining for new entrants. These support system help in achieving speed, efficacy and probity in our endeavour to greater employee engagement.
- c. **Shareholders** : The significant services and facilities being rendered to investors include e-payment of dividend at over 160 cities, odd lot share trust for convenient disposal of odd lot shares held in physical form and annual shareholder satisfaction survey.
- d. **Vendors** : The major initiatives introduced are global sourcing, e-procurement, strategic supply management, continuous vendor development and evaluation, elimination of sourcing risk while reducing overall procurement costs, value creation through quality and logistics, etc.
- e. **The society** : The Company, in keeping with its Corporate Social Responsibility (CSR) policy, focuses on healthcare, education, water resources, etc. for citizens around its power stations. Details of its CSR activities are set out in detail in the Management Discussion and Analysis Report annexed to the Directors' Report.

## 19. **Awards**

For the pursuit of excellence in corporate governance, the Company was conferred the Golden Peacock award for corporate governance by the Institute of Directors. The Company was also presented several prestigious awards for excellence in performance, energy management, environmental management, energy conservation and pollution control, leadership in quality system and management, water management, safety track record and management and corporate social responsibility.

## **Compliance with the code and rules of LSE and NYSE**

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

**Corporate Governance Report**

(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**

Reliance Infrastructure adopted and introduced several sound governance practices well before they were codified through clause 49 of the listing agreement formulated by the Securities and Exchange Board of India (SEBI) were made applicable from January 1, 2006.

We present our report on compliance of governance conditions specified in clause 49.

**1. Board of directors**

**A. Board composition**

**I. Board strength and representation**

As of March 31, 2009, the Board consisted of eight members. The composition and the category of directors on the Board of the Company were as under:

**Table 1**

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

**Notes:**

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

**II. Conduct of Board proceedings**

The day-to-day business is conducted by the executives of Reliance Infrastructure under the direction of Whole – time directors and the supervision of the Board. The Board holds periodic 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 the oversight of 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 laws;
  - (d) relationships with customers, suppliers and other stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

**B. Board meetings**

The Board held 5 meetings during 2008-09 on April 28, 2008, July 26, 2008, September 16, 2008, October 22, 2008 and January 22, 2009. The maximum time gap between any two meetings was 91 days and the minimum gap was 35 days.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes appropriate action.

**Standards issued by ICSI:** The Company is in substantial compliance with the secretarial standards governing board meetings as also general meetings as set out in Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India. The Board of Directors of the Company has taken necessary steps in order to ensure compliance with these standards.

The Board has constituted several committees to deal with various specialized issues. While the recommendations of SEBI on the constitution of Audit Committee and shareholders/ investors' grievance committee have come into force from March 31, 2001, Reliance Infrastructure had set up such committees in May 1986 and January 1995 respectively.

**Amendment to SEBI (Prohibition of Insider Trading) Regulation, 1992**

The Board of the Company during the year adopted the revised Reliance Infrastructure Limited (Prohibition of Insider Trading) Code modified in terms of amendments notified by the Securities and Exchange Board of India (SEBI) under the SEBI (Prohibition of Insider Trading) Regulations, 1992, on November 19, 2008.

**C. Attendance of directors and other directorships**

The overall attendance of directors at the Board Meetings and the AGM was almost 97.5 per cent. It is proposed to introduce teleconferencing and videoconferencing facilities immediately upon amendment to the relevant statutes, in order to ensure participation of directors in the deliberations of all meetings of the board.



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**Table 2 - Attendance at Board Meetings held during 2008-09 and at the last AGM, number of directorships, memberships/ chairmanships in public companies during 2008-09**

Name of Directors	Number of Board meetings attended out of five meetings held	Attendance at the last AGM held on 16.09.2008	Number of directorship <sup>1</sup> (including RInfra)	Committee(s) <sup>2</sup> position (including RInfra)	
				Member <sup>3</sup>	Chairman
Shri Anil D Ambani	5	Present	10	4	None
Shri Satish Seth	4	Present	3	2	2
Shri Lalit Jalan	5	Present	5	2	2
Shri S C Gupta	5	Present	4	3	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	None
Shri V R Galkar	5	Present	1	2	2

1. Number of directorships excludes directorship in foreign Company, alternate directorships, Companies registered under Section 25 of the Companies Act and private companies.
2. Committee includes Audit Committee and Shareholders / Investors' Grievances Committee as required under clause 49 of Listing agreement
3. Membership of Committees includes Chairmanship also.

#### D. Other directorships

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

#### E. Membership of Board committees

No director had membership of more than 10 committees of Boards nor is any director is Chairman of more than 5 committees of Boards.

#### F. Details of Directors

The abbreviated resumes of all directors are furnished hereunder:

##### Shri Anil D Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D Ambani, 50, the Chairman of all listed companies of the Reliance ADA Group, namely, Reliance Communications, Reliance Capital, Reliance Infrastructure, Reliance Natural Resources and Reliance Power.

He is also 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 ADA 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.

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**, 53, is a Fellow Chartered Accountant and a law graduate. He has had 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**, 60, 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,

## Corporate Governance Report

Patalganga, Naroda and Jamnagar totalling 750 MW and development of Independent Power Projects (IPPs) at various locations. He is on the boards of Reliance Energy Trading Limited, Utility Powertech Limited and BSES Kerala Power Limited. He is a member of the shareholders'/investors' grievances committee of Reliance Infrastructure Limited. He is a member of the audit committee of BSES Kerala Power Limited and Reliance Energy Trading Limited.

**Shri Lalit Jalan**, 52, was appointed to the board as whole-time director on April 25, 2007. 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 is on the Board of BSES Rajdhani Power Limited, BSES Yamuna Power Limited, Reliance Power Transmission Limited, Reliance Digital World Limited and various private limited companies. He is Chairman of the Audit Committee of BSES Rajdhani Power Limited and BSES Yamuna Power Limited.

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

**Dr Leena Srivastava**, 48, 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 between June 2000 to March 2008. She has a PhD. in energy economics from the Indian Institute of Science, Bangalore. She has a number of publications to her credit and is on the Editorial Boards of various international journals dealing with energy and environment issues.

Dr Srivastava was a member of the expert committee to formulate an integrated energy policy set up by the Planning Commission, Government of India and also of the Steering Committee on North Eastern Region for the 11th Five Year Plan. She serves on the Foresight Advisory Council of Suez Environment, the Investment Advisory Panel of Cumulus Climate Fund; the research advisory committee of IGES (the Institute for Global Environmental Strategies, Japan), the International advisory Board of the Wuppertal Institute for Climate, Environment and Energy, Germany and the scientific committee of the International Human Dimensions Programme on Global Environmental Change (IHDP). She is

a member of the audit and shareholders'/investors' Grievances Committee of the board of the Company.

**Shri S L Rao**, 73, is currently Chairman, Board of Governors of the Institute for Social and Economic Change, Bangalore; Distinguished Visiting Fellow at The Energy and Resources Institute (TERI); a widely read newspaper columnist, writer and speaker on management, consumer markets, the economy and energy issues. He is an economist by training and a professional manager with 28 years of experience in large companies including in top management positions in marketing and general management and a further 4 years in management consultancy. He 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 data 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 was President of the Madras Management Association (1983-84) and All India Management Association (1985-86), a founder and former Vice President of the People's Union for Civil Liberties in 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. His writings and active participation contributed to the formation of the Indian Ocean Region as a zone for economic cooperation. He was awarded the Ravi J Mathai Fellowship Award by the Association of Indian Management Schools in 2001. He is on the Board of Honeywell Automation India Limited, Kanoria Chemicals and Industries Limited, Reliance Natural Resources Limited, Reliance Power Limited, Rain CII (Carbon) India Limited and other private limited companies. He is the Chairman of the Audit Committee of Honeywell Automation India Limited, Reliance Natural Resources Limited, Reliance Power Limited and Rain CII (Carbon) India Limited. He is also a member of the Audit Committee of the Company and member of Shareholders'/Investors Grievances Committee of Reliance Natural Resources Limited and Reliance Power Limited. He is Columnist: Telegraph, Deccan Herald, Life Trustee of the Madras Craft Foundation, Trustee of the Aga Khan Foundation India Committee, Trustee, CIRC-CUTS Institute of Regulation and Competition, Jaipur, Trustee, Bangalore International Centre, Chairman, Academic Advisory Council, IMI, Delhi. Member of the Board of the Institute for Learning and Management, Delhi, Member on the General and Energy Committees of Bangalore Chamber of Commerce and Industry, and holds memberships in various advisory boards/committees. He has written 13 books, the latest being *"From Servants to Masters?"*, *The Evolution of Professional Management in India"* (2007) and hundreds of articles in newspapers and journals.

**Gen V P Malik**, 69, was chief of 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 neighboring 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. He is a former member of the National Security Advisory Board. Currently, an honorary advisor to the Centre for Policy Research, New Delhi and President of the ORF Institute of Security Studies. 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. He is also a member of the audit Committee of Hero Honda Motors Limited, BSES Rajdhani Power Limited and BSES Yamuna Power Limited.

**Shri V R Galkar**, 65, B.Com, LL.B., FCA, is representative of Life Insurance Corporation of India. He was appointed on the Board of Reliance Infrastructure Limited on June 9, 2003. He has vast experience in the fields of accounts and finance. He is the Chairman of the Audit and Shareholders/Investors' grievances committee of the Company.

### G. Insurance coverage

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

### 2. Audit Committee

The Audit Committee of Reliance Infrastructure was set up way back in May 1986. Currently, the committee consists of all the four independent directors of the Company. All the directors have good knowledge of finance, accounts and Company law. The Chairman of the committee, Shri V R Galkar, a chartered accountant, was formerly the Executive Director (Finance) of Life Insurance Corporation of India and has accounting and related financial management expertise. The committee held five meetings during the year. The Audit Committee also advises the management on the areas where 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. Approve payment for any other services by statutory auditors.
- 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;
  - c. major accounting entries based on exercise of judgment by management;
  - d. qualifications in draft statutory audit report;
  - e. significant adjustments arising out of audit;
  - f. compliance with listing and other legal requirements concerning financial statements;
  - g. any 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, statutory 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 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 the functioning of the Whistle Blower mechanism, in case the same is existing.
- xiv. Carrying out any other function as is mentioned in the terms of reference of the audit committee.



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- xv. 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 / internal auditors;
  - d. Statement of significant related party transactions; and
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

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 it necessary.

**Table 3 - Attendance at the meetings of the Audit Committee held during 2008-09**

Members	Meetings held during the tenure of directors	Meetings attended
Shri V R Galkar, Chairman	5	5
Shri S L Rao	5	5
Gen V P Malik	5	5
Dr Leena Srivastava	5	5

Overall attendance: 100 per cent

The Audit Committee held its meetings on April 27, 2008, July 26, 2008, October 22, 2008, January 21, 2009 and January 31, 2009 and the maximum gap between any two meetings was 90 days.

Shri V R Galkar, the Chairman of the Audit Committee was present at the AGM.

**Table 5 - Remuneration paid to directors (excluding contribution to gratuity fund and provision for leave encashment on retirement) during 2008-09**

Sr. No.	Name	Position	Sitting Fees	Salary	Commission <sup>2</sup>	Rs. in lakh
						Total
1.	Shri Anil D Ambani	Chairman	1.20	N.A.	1,100.00	1,101.20
2.	Shri Satish Seth	Vice Chairman	1.00	N.A.	8.00	9.00
3.	Shri S C Gupta	Director (Operations)	Nil	112.88	Nil	112.88
4.	Gen V P Malik	Director	2.80	N.A.	8.00	10.80
5.	Shri S L Rao	Director	2.80	N.A.	8.00	10.80
6.	Dr Leena Srivastava	Director	3.60	N.A.	8.00	11.60
7.	Shri V R Galkar <sup>1</sup>	Director	3.00	N.A.	8.00	11.00
8.	Shri Lalit Jalan	Whole-time Director	Nil	110.04	Nil	110.04
<b>Total</b>			<b>14.40</b>	<b>222.92</b>	<b>1,140.00</b>	<b>1,377.32</b>

1. Shri V R Galkar represents Life Insurance Corporation of India (LIC) and hence, commission of Rs 8,00,000 was paid to LIC.

2. Relates to 2007-08

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. The Company has not entered in to any other pecuniary relationship or transactions with the non-executive directors. The compensation paid to non-executive directors including independent directors is approved by the shareholders in the general meetings.
- d. The Company has so far not issued any stock options to its directors.

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

The Company Secretary, Shri Ramesh Shenoy, acts as the secretary to the committee.

**3. Nomination / Remuneration committee**

The Nomination / Remuneration Committee of the board is constituted to formulate and recommend to the Board from time to time, a compensation structure for whole-time directors of the Board. Gen V P Malik is the Chairman of the committee and the other members are Dr Leena Srivastava and Shri S L Rao. Though the package of remuneration does not include pension plans, the perquisites of whole time directors include superannuation benefit under which these directors are entitled to an annuity from LIC on their retirement. It is proposed to introduce a stock option scheme for the directors of the Company in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as approved by the members through a postal ballot on January 8, 2007.

**Table 4 - Attendance at the meetings of the Nomination / Remuneration committee held during 2008-09**

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

Overall attendance: 100 per cent

The Nomination / Remuneration committee held its meeting on July 26, 2008. The Company Secretary, Shri Ramesh Shenoy, acts as the secretary to the committee.

Shri V R Galkar was inducted on the committee on April 23, 2009.

**Table 6 - 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.

### Equity shares held by Directors

Except Shri Anil D Ambani who held 1,39,437 equity shares, Dr Leena Srivastava who held 16 equity shares and Shri Lalit Jalan who held 23 equity shares as at March 31, 2009, no other Director of the Company held any equity share of the Company.

### Directors' remuneration policy

The Nomination / Remuneration Committee determines and recommends to the Board, the compensation of 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 non-executive directors are paid commission taking into account the significant contribution made by them to the growth of the Company, prevailing industry trend and in line with the Group's philosophy to adequately remunerate the directors for their contribution.

The Members had, through Postal Ballot on January 8, 2007 subject to approval and permissions as may be required, approved payment of commissions to non-executive Directors, who are not in the full time employment, up to the limits laid down under the provisions of Section 309(4) of the Companies Act, 1956, computed in the manner specified in the Act, or such other limit as approved by the Central Government, for a period of 5 years from the financial year commencing April 1, 2007. Subsequently, the Central Government has approved the payment of commission to non-executive directors for the said period.

### 4. Shareholders / Investors' Grievances Committee

The Board of Directors of the Company constituted the Shareholders / Investors' Grievances Committee in the year 1995. As on March 31, 2009, the Committee comprised Shri V R Galkar as Chairman and Shri S C Gupta and Dr Leena Srivastava as members. The Company has appointed Karvy Computershare Private Limited to act as Registrar and Share Transfer Agent of the Company. The Committee also monitors redressal of investors' grievances. Particulars of investors' grievances received and redressed are furnished in the Investor Information section of this report.

The composition of the Committee and the number of meetings held during the year are furnished hereunder.

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

**Table 7 - Attendance of members at the meeting of the Shareholders / Investors' Grievances Committee held during 2008-09**

Members	Meetings held during the tenure of directors	Meetings attended
Shri V R Galkar, Chairman <sup>1</sup>	4	4
Dr Leena Srivastava	4	4
Shri S C Gupta <sup>2</sup>	4	4

<sup>1</sup> Dr Leena Srivastava was appointed as Chairperson of the committee from April 23, 2009

<sup>2</sup> Shri Lalit Jalan was appointed on the Committee in place of Shri S C Gupta from April 23, 2009

Overall attendance : 100 per cent

The Shareholders / Investors' Grievances Committee held its meetings on April 27, 2008, July 26, 2008, October 22, 2008 and January 22, 2009 and the maximum gap between any two meetings was 91 days.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 688. There were no complaints pending as on March 31, 2009. None of the complaints during the year remained pending for more than 30 days and no request for dematerialization and share transfers remained pending for more than two weeks. 21 requests for transfers and 94 requests for dematerialization were pending for approval as on March 31, 2009, which were approved and dealt with by April 5, 2009. The details of period taken on transfer of shares and nature of complaints are furnished in the Investor Information section of this Annual Report.

### 5. 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 Dr Leena Srivastava (Chairperson), Gen V P Malik, Shri S L Rao and Shri S C Gupta. The composition of the Committee and the number of meetings held during the year are furnished hereunder:

**Table 8 - Attendance at the meeting of the Environment, Health and Safety Committee held during 2008-09**

Members	Meetings held during the tenure of directors	Meetings attended
Dr Leena Srivastava	2	2
Gen V P Malik	2	2
Shri S L Rao	2	2
Shri S C Gupta	2	2

Overall attendance : 100 per cent

The Environment, Health and Safety Committee held its meeting on August 01, 2008 and March 18, 2009.

Corporate Governance Report

**6. General Body Meetings: The Company held its last three AGMs as under :**

Year	Date and time	Venue	Special resolutions passed
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
2005-06	June 7, 2006 11.00 a.m.	Shri Bhaidas Maganlal Sabhagriha, U-1 Juhu Development Scheme Vile Parle (West) Mumbai 400 056	None

**7. Postal Ballot**

During the year, Ordinary and Special resolutions as proposed in Postal Ballot Notice dated March 10, 2008, were passed on April 17, 2008 through postal ballot which related to (i) change in name of Company from 'Reliance Energy Limited' to 'Reliance Infrastructure Limited', (ii) Buy-back of shares, (iii) waiver of entitlement to receive Bonus Shares proposed by Reliance Power Limited, (iv) acceptance of gift of shares of Reliance Power Limited from AAA Project Ventures Private Limited and (v) appointment and fixation of terms of re-appointment of Shri S C Gupta as Whole-time Director, designated as Director (Operations). Shri Anil Lohia, Chartered Accountant, was appointed as the scrutinizer for overseeing the Postal Ballot process. The above resolutions have been passed with the requisite majority as per the following details.

**Table 9 - Postal Ballot results**

Sr. No.	Particulars of resolutions	Percentage of votes cast in favour of resolution
1.	Special Resolution for change in name of Company from 'Reliance Energy Limited' to 'Reliance Infrastructure Limited'	99.968
2.	Special resolution for Buy-back of shares	99.787
3.	Ordinary Resolution for waiver of entitlement to receive Bonus Shares proposed by Reliance Power Limited	99.937
4.	Ordinary Resolution for acceptance of gift of shares of Reliance Power Limited from AAA Project Ventures Private Limited	99.972
5.	Ordinary Resolution for appointment and fixation of terms of re-appointment of Shri S C Gupta as Whole-time Director, designated as Director (Operations)	99.976

The Company has complied with the procedures for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and amendments thereto. The Board does not recommend any special resolution for approval of the members at the ensuing 80th AGM.

**8. Compliance with other mandatory requirements**

**8.1 Management Discussion and Analysis report**

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

**8.2 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.

**8.3 Subsidiaries**

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

**8.4 Disclosures**

**8.4.1** No penalty or stricture has been imposed on the Company by the stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

**8.4.2 Related party transactions**

The details of all significant transactions with related parties are periodically placed before the audit committee. The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have a conflict with the interest of the Company.

**8.4.3 Disclosure of accounting treatment**

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 Standard) Rules, 2006.

**8.4.4 Disclosures on risk management**

The Company has laid down procedures to inform the members of the board about the risk assessment and minimisation procedures. A risk management committee consisting of senior executives of the Company periodically reviews these procedures to ensure that executive management controls risk, through means of a properly defined framework. A senior independent director is associated with the committee. The Company has framed the risk assessment and minimisation procedure which is periodically reviewed by the Board.

### 8.4.5 Proceeds from the preferential issue of warrants

The details of utilisation of proceeds raised through preferential issue of warrants on January 20, 2008 are disclosed to the Audit Committee. The Company has not utilized these funds for purposes other than those stated in the notice convening the general meeting.

### 8.4.6 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 had been put on the Company's website [www.rinfra.com](http://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 appointed in terms of the Companies Act, 1956 (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 affirmation that they have complied with the code of conduct for directors and senior management of the Company for the year 2008-09."

Lalit Jalan  
CEO

### 8.4.7 CEO/CFO certification

A certificate from the Chief Executive Officer and the finance head on the financial statements of the Company was placed before the Board.

### 8.4.8 Review of Directors' responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 9. Compliance with non-mandatory requirements

### 9.1 Tenure of independent directors on the board

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

### 9.2 Nomination / Remuneration committee

The Board has set up a nomination / remuneration committee details whereof are furnished at Sr. No. 3 of this report.

### 9.3 Shareholder rights

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

### 9.4 Audit qualifications

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

### 9.5 Training of Board members

For orientation and to get familiar with the Company's business operations, governance procedures and practices, the directors visit the power stations and the project sites of the Company. Besides, detailed presentations are periodically made to the board members on the business model of the

Company, risk profile of the business parameters and their responsibilities as directors.

## 9.6 Whistle blower policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse personnel action against employees 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 in to whistleblower 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 has been denied access to the grievance redressal mechanism of the Company.

## 10. Means of communication

i. Information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, institutional investors and analysts are hosted on the Company's web site and has also been submitted to the stock exchanges on which the Company's equity shares are listed, to enable them to put them on their own web sites. The quarterly financial results are published in Financial Express and Navshakti.

### ii. Corporate Filing and Dissemination System (CFDS)

As per the requirements of Clause 51 and 52 of the Listing Agreement with the Stock Exchanges, all the data relating to quarterly financial results, shareholding pattern etc. are being electronically filed on [www.corpfiling.co.in](http://www.corpfiling.co.in) in addition to the filing the same with the Stock Exchanges within the time frame prescribed in this regard. However, the company has also filed the above data through electronic data information filing and retrieval (EDIFAR) web site of SEBI ([www.sebidifnar.nic.in](http://www.sebidifnar.nic.in)).

## 11. General shareholder information

The mandatory as also various additional information of interest to investors is voluntarily furnished in a separate section on Investor Information elsewhere in this Annual Report.

## 12. Auditor's certificate on corporate governance

The Auditor's certificate on compliance of clause 49 of the listing agreement relating to corporate governance is published as an annexure to the Directors' Report.

## 13. 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 the years, 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 recognized practices of governance, so as to meet the expectations of all our stakeholders.

## Investor Information

### Annual General Meeting

The 80th Annual General Meeting (AGM) will be held on Tuesday, July 21, 2009 at 2.00 p.m. or soon thereafter as the AGM of Reliance Capital Limited convened for the same day shall be over at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai 400 020.

**Financial year of the Company :** April 1 to March 31, each year.

**Website:** The website of the Company [www.rinfra.com](http://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](mailto:rinfra.investor@relianceada.com).

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

### Registrar and Transfer Agents (RTA)

Karvy Computershare Private Limited

Unit: Reliance Infrastructure Limited

Plot No 17-24, Vittal Rao Nagar

Madhapur

Hyderabad 500 081

Telephone No: +91 40 2342 0815-25

Fax No: + 91 40 2342 0859

E-mail: [rinfra@karvy.com](mailto:rinfra@karvy.com)

Shareholders / Investors are requested to forward share transfer documents, dematerialisation requests and other related correspondence directly to Karvy Computershare Private Limited at the above address for speedy response.

### Dividend announcements

The Board of Directors of the Company have recommended a dividend of Rs 7.00 per equity share of the Company for the financial year ended March 31, 2009, subject to the approval by shareholders at the AGM [dividend paid in the previous year was Rs 6.30 per equity share]. The dividend, if approved, will be paid on or after the AGM.

### Book closure dates for the purpose of dividend and AGM

To determine the entitlement of shareholders to receive the dividend, if any, for the year ended March 31, 2009, as well as for the purpose of AGM, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 6, 2009 to Friday, July 10, 2009 (both days inclusive).

### Dividend remittance

Dividend on equity shares as recommended by the Directors for the year ended March 31, 2009, when declared at the meeting, will be paid:

- i. to those members whose names appear on the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before July 4, 2009, and

- ii. in respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the purpose as on the close of business hours on July 4, 2009.

Members may please note that the dividend warrants shall be payable at par at the designated branches of the bank printed on the reverse of the dividend warrant for an initial period of 3 months only. Thereafter the dividend warrant on revalidation shall be payable only at limited centers/branches of the said Bank. The Members are, therefore, advised to encash dividend warrants within the initial validity period.

With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, residing in the following cities:

Agra, Ahmedabad, Allahabad, Amritsar, Asansol, Aurangabad, Bangaluru, Baroda, Belgaum, Bhilwara, Bhopal, Bhubaneswar, Bikaner, Burdwan, Calicut, Chandigarh, Chennai, Cochin, Coimbatore, Cuttack, Deharadun, Dhanbad, Durgapur, Erode, Goa, 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, Shimla, Shimoga, Srinagar, Sholapur, Siliguri, Surat, Tirupathi, Tirupur, Trichur, Trichy, Trivandrum, Udaipur, Udupi, Varanasi, Vijaywada and Vizag.

### 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 400 614 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 2000-01 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.



# Reliance Infrastructure Limited

## Investor Information

### 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
2001-02	114th	September 21, 2002	October 27, 2009
2002-03	115th	June 9, 2003	July 15, 2010
2003-04 (Q1)	116th	July 28, 2003	September 3, 2010
2003-04 (Q2)	117th	October 15, 2003	November 20, 2010
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

Members who have so far not encashed their dividend warrants or have not received the dividend warrants are requested to seek issuance of duplicate warrants. The Company during the year 2008-09 has also individually intimated the concerned members of non-encashment of their dividend warrants. Such members may write to Karvy Computershare Private Limited, the RTA of the Company, for payment of unclaimed dividend amounts.

### Direct deposit of dividend (electronic clearing service)

Members desirous of receiving dividend by direct electronic deposit to their bank accounts may authorise the Company with their mandate. For details, kindly write to Karvy Computershare Private Limited, at the address mentioned above or members may visit the *Investor Relations* Section at our website [www.rinfra.com](http://www.rinfra.com).

### Bank details for physical shareholdings

In order to provide protection against fraudulent encashment of dividend warrants, members are requested to provide, if not provided earlier, their bank account numbers, bank account type, names and addresses of bank branches, quoting folio numbers, to Karvy Computershare Private Limited, to enable them to incorporate

### Shareholding pattern

Category	As on 31.03.2009		As on 31.03.2008	
	No. of Shares	%	No. of Shares	%
<b>A Holdings of the Promoter Group</b>				
AAA Project Ventures Private Limited	8,34,98,937	36.88	8,34,98,937	35.30
Reliance Innoventures Private Limited	8,64,675	0.38	8,64,675	0.37
Reliance Capital Limited	1,653	0.00	1,653	0.00
Hansdhvani Trading Company Pvt Ltd.	3	0.00	3	0.00
Promoter Director and his relatives	6,63,378	0.29	6,63,378	0.28
<b>Sub-total</b>	<b>8,50,28,646</b>	<b>37.55</b>	<b>8,50,28,646</b>	<b>35.95</b>

the same on their dividend warrants. This is a mandatory requirement in terms of Securities and Exchange Board of India (SEBI) circular No. D&CC/FITTC/CIR-04/2001 dated November 13, 2001.

### Bank details for electronic shareholdings

While opening accounts with depository participants (DPs), members may have given their bank accounts details, which will be used by the Company for printing on dividend warrants for remittance of dividend. SEBI by its circular No. DCC/FITTC/CIR-03/2001 dated October 15, 2001 has advised that all companies should mandatorily use electronic clearing service (ECS) facility, wherever available. SEBI has also, vide its circular dated November 13, 2001 referred to above, advised companies to mandatorily print the bank account details furnished by the depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the monies in the account specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the depository account, may notify their DPs about any change in bank account details. The Members are requested to furnish complete details of their bank accounts including MICR codes of their banks to their DPs.

### Nomination facility

Individual shareholders holding physical shares can nominate any person 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 RTA of the Company or visit the *Investor Relations* section at our website [www.rinfra.com](http://www.rinfra.com).

### Share transfer system

Shareholders / investors are requested to send share transfer related documents directly to our RTA whose address is given at the beginning of this section. A committee of executives of the Company is authorised to approve transfer of shares. 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. This scheme has been launched and is available to shareholders of Reliance Infrastructure, who hold shares in odd lots. The shareholders who wish to avail of the above facility can contact the Registrar and Share Transfer Agent of the Company.

## Investor Information

Category	As on 31.03.2009		As on 31.03.2008	
	No. of Shares	%	No. of Shares	%
<b>B Non-promotes holdings</b>				
1. <b>Institutional investors</b>				
a. Mutual Funds and Unit Trust of India	1,53,62,583	6.78	1,19,24,356	5.04
b. Banks, Financial Institutions, Insurance Companies, Governments	4,68,01,672	20.67	4,30,57,887	18.20
c. Foreign Institutional Investors	3,57,59,166	15.79	4,38,58,727	18.55
<b>Sub-total</b>	<b>9,79,23,421</b>	<b>43.25</b>	<b>9,88,40,970</b>	<b>41.79</b>
2. <b>Others</b>				
a. Private Corporate Bodies	99,69,529	4.40	1,56,52,012	6.62
b. Indian Public/Others	3,06,07,056	13.52	2,94,76,490	12.46
c. Non Resident Indians/Overseas Corporate Bodies	15,12,397	0.67	14,48,686	0.61
d. The Bank of New York (for GDRs)	13,82,718	0.61	60,83,458	2.57
<b>Sub-total</b>	<b>4,34,71,700</b>	<b>19.20</b>	<b>5,26,60,646</b>	<b>22.26</b>
<b>Grand total</b>	<b>22,64,23,767</b>	<b>100.00</b>	<b>23,65,30,262</b>	<b>100.00</b>

Note:

On January 20, 2008, the Company made an allotment of 4,30,00,000 warrants at Rs 1,822.08 each to the Promoters on a preferential allotment basis. The warrant holders are entitled to apply for and be allotted one equity share of Rs 10 each at a premium of Rs 1,812.08 per share against each warrant at any time on or before July 19, 2009. 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. January 19, 2011.

**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.

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Shri Anil Dhirubhai Ambani</li> <li>2. Smt Tina A Ambani</li> <li>3. Smt Kokila D Ambani</li> <li>4. Master Jai Anmol Ambani</li> <li>5. Master Jai Anshul Ambani</li> <li>6. Reliance Innoventures Private Limited</li> <li>7. AAA Enterprises Private Limited</li> <li>8. AAA Communication Private Limited</li> <li>9. AAA Project Ventures Private Limited</li> <li>10. AAA Power Systems (Global) Private Limited</li> <li>11. Telecom Infrastructure Finance Private Limited</li> <li>12. Reliance General Insurance Company Limited</li> <li>13. Sonata Investments Limited</li> <li>14. Reliance Limited</li> <li>15. Reliance India Private Limited</li> <li>16. AAA Pivotal Enterprises Private Limited</li> <li>17. AAA Infrastructure Consulting and Engineers Private Limited</li> <li>18. K D Ambani Trust</li> <li>19. AAA Entertainment Private Limited</li> <li>20. AAA Industries Private Limited</li> <li>21. Reliance Enterprises and Ventures Private Limited</li> <li>22. AAA Global Ventures Private Limited</li> <li>23. Ambani Industries Private Limited</li> <li>24. Solaris Information Technology Private Limited</li> <li>25. AAA &amp; Sons Enterprises Private Limited</li> <li>26. AAA International Capital Private Limited</li> </ol> | <ol style="list-style-type: none"> <li>27. Ambani International Private Limited</li> <li>28. AAA Business Machines Private Limited</li> <li>29. Reliance Big Private Limited</li> <li>30. ADA Enterprises and Ventures Private Limited</li> <li>31. ADAE Global Private Limited</li> <li>32. Ikosel Investments Limited</li> <li>33. Reliance Anil Dhirubhai Ambani Group (UK) Private Limited</li> <li>34. Reliance Anil Dhirubhai Ambani Investments (UK) Limited</li> <li>35. Serbus Asia Private Limited</li> <li>36. Millsfield Enterprises Limited</li> <li>37. Tareson Company Limited</li> <li>38. Reliance Communications Limited</li> <li>39. Reliance Capital Limited</li> <li>40. Reliance Natural Resources Limited</li> <li>41. Adlabs Films Limited</li> <li>42. Reliance Infratel Limited</li> <li>43. Reliance Communications Infrastructure Limited</li> <li>44. Reliance Telecom Limited</li> <li>45. Reliance Net Limited</li> <li>46. AAA Infrastructure Finance Management Private Limited</li> <li>47. AAA Corporation Private Limited</li> <li>48. AAA Facilities Solutions Private Limited</li> <li>49. AAA Cap Advisory Services Private Limited</li> <li>50. AAA Finance Management Private Limited</li> <li>51. ADA Enterprises &amp; Ventures Private Limited</li> <li>52. AAA Resources Private Limited</li> </ol> |
|--|--|

# Reliance Infrastructure Limited

## Investor Information

53. AAA Advisory Services Private Limited	71. ND's Art World Private Limited
54. AAA Home Entertainment Services Private Limited	72. Emerald Telecom Services Private Limited
55. AAA Infra Advising Services Private Limited	73. Reliance Entertainment Ventures Private Limited
56. AAA Advertisement Private Limited	74. Gaylord Investments and Trading Private Limited
57. AAA Infrastructure Investments Private Limited	75. Fidelity Shares and Securities Private Limited
58. AAA Enterprises and Ventures Private Limited	76. Guruvas Textiles Private Limited
59. AAA Telecom Holdings Private Limited	77. Hansdhvani Trading Company Private Limited
60. Shreenathji Krupa Project Management Private Limited	78. Kokilaben Dhirubhai Ambani Enterprises Private Limited
61. Shreenathji Krupa Endeavour Management Private Limited	79. Reliance Land Private Limited
62. Reliance Big Entertainment Private Limited	80. Reliance Futura Limited
63. Big Flicks Private Limited	81. Reliance Prima Limited
64. Big Animation (India) Private Limited	82. Quadro Mercantile Private Limited
65. Jump Games Private Limited	83. Trans-Pacific Advisory Services Private Limited
66. Zapak Digital Entertainment Limited	84. Whitehills Corporate Services Private Limited
67. Reliance Big Broadcasting Private Limited	85. Sevenstar Corporate Services Private Limited
68. Reliance Big News Private Limited	
69. AAA Digital Imaging Private Limited	The above disclosure has been made, inter alia, for the purpose of
70. AAA Infrastructure Solutions Private Limited	Regulation 3(1)(e) of the Securities and Exchange Board of India
	(Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

## Top 10 shareholders as of March 31, 2009

Sr. No.	Name of the Shareholder(s)	No. of Shares	% to total shareholding
1.	AAA Project Ventures Private Limited	8,34,98,937	36.88
2.	Life Insurance Corporation of India	3,02,50,431	13.36
3.	Reliance Capital Trustee Company Limited	81,56,861	3.60
4.	Quantum (M) Limited	52,89,729	2.34
5.	The New India Assurance Company Limited	48,03,917	2.12
6.	The Oriental Insurance Company Limited	33,37,255	1.47
7.	General Insurance Corporation of India	31,00,303	1.37
8.	JP Morgan Asset Management (Europe) S.A.R.L.A/C	27,38,676	1.21
9.	Abu Dhabi Investment Authority	26,32,568	1.16
10.	National Insurance Company Limited	22,68,728	1.00

## Distribution of shareholding

Number of shares	Number of Shareholders as on 31.03.2009		Total shares as on 31.03.2009		Number of Shareholders as on 31.03.2008		Total shares as on 31.03.2008	
	Number	%	Number	%	Holders	%	Shares	%
1 – 500	15,84,483	99.60	2,48,77,275	10.99	15,90,342	99.63	2,36,31,732	9.99
501 – 5,000	5,507	0.35	66,17,037	2.92	5,266	0.33	64,40,788	2.72
5,001 – 1,00,000	560	0.04	1,32,55,845	5.85	485	0.03	1,05,88,480	4.48
1,00,001 and above	143	0.01	18,16,73,610	80.24	133	0.01	19,58,69,262	82.81
<b>TOTAL</b>	<b>15,90,693</b>	<b>100.00</b>	<b>22,64,23,767</b>	<b>100.00</b>	<b>15,96,226</b>	<b>100.00</b>	<b>23,65,30,262</b>	<b>100.00</b>

## Investors' grievances attended

Received From	Received during April to March		Redressed during April to March		Pending as on	
	2008-09	2007-08	2008-09	2007-08	31.3.2009	31.3.2008
Securities and Exchange Board of India	48	40	48	40	0	0
Stock Exchanges	28	14	28	14	0	0
NSDL/CDSL	8	6	8	6	0	0
Direct from investors	604	825	604	825	0	0
<b>Total</b>	<b>688</b>	<b>885</b>	<b>688</b>	<b>885</b>	<b>0</b>	<b>0</b>

**Investor Information**

**Analysis of grievances**

Particulars	Number		Percentage	
	2008-09	2007- 08	2008-09	2007-08
Non-receipt of dividend warrants	566	650	82	73
Non-receipt of share certificates	88	132	13	15
Non-credit of shares	0	7	0	1
Non-receipt of fractional warrant	0	3	0	0
Others	34	93	5	11
<b>Total</b>	<b>688</b>	<b>885</b>	<b>100</b>	<b>100</b>

Notes :

1. 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.
2. The queries and grievances received during 2008-09 correspond to 0.04 per cent (Previous Year 0.05 per cent) of the number of members.

**Shareholder Satisfaction Survey**

The Company constantly endeavors to extend the best of facilities and services to shareholders and intends to further improve the services standards. In response to the Shareholder Satisfaction Survey feedback forms mailed to our shareholders in 2008, the Company received response from shareholders, results of which are summarised hereunder:

Satisfaction level of services in following areas received	% of total responses received				
	Excellent	Good	Needs improvement	Invalid	Total
1 Response to queries/complaints	76	12	11	1	100
2 Your overall rating of our investor service	70	22	7	1	100
3 Presentation of information on Company website	71	23	4	2	100
4 Quality and Contents of Annual Report 2007-08	79	16	5	-	100

**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 31.03.2009**

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	%
8,30,031	21,96,27,472	97.00	7,60,662	67,96,295	3.00	15,90,693	22,64,23,767	100.00

# Reliance Infrastructure Limited

## Investor Information

### Equity history

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 <sup>1</sup>	+ 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 <sup>2</sup>	+ 49,336	13,77,75,002
07.10.2003	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 49,336	13,78,24,338
07.11.2003	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 1,50,00,399	15,28,24,677
24.02.2004	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 51,00,036	15,79,24,713
23.03.2004	Allotment of shares under preferential issue <sup>3</sup>	+ 1,35,80,000	17,15,04,713
24.03.2004	Allotment of shares under preferential issue <sup>3</sup>	+ 36,50,000	17,51,54,713
02.04.2004	Allotment of shares under preferential issue <sup>3</sup>	+ 91,95,622	18,43,50,335
30.04.2004	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 9,99,009	18,53,49,344
29.07.2004	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 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 <sup>1</sup>	+ 200	18,55,72,799
02.05.2005	Allotment of equity shares against conversion of warrants <sup>4</sup>	+ 97,50,000	19,53,22,799
21.07.2005	Allotment of shares under preferential issue <sup>5</sup>	+ 41,84,000	19,95,06,799
05.08.2005	Allotment of equity shares against conversion of warrants <sup>4</sup>	+ 1,11,228	19,96,18,027
19.08.2005	Allotment of equity shares on conversion of 0.5% FCCBs <sup>2</sup>	+ 22,86,224	20,19,04,251
31.03.2006	Allotment of equity shares on conversion of warrants <sup>6</sup>	+ 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 <sup>6</sup>	+ 1,54,00,000	22,85,30,308
	Allotment of shares on conversion of FCCBs <sup>7</sup>	+ 79,99,954	23,65,30,262
	Extinguishment of shares consequent to Buy-back <sup>8 &amp; 9</sup>	- 1,12,60,000	22,52,70,262

Dates	No. of shares	Total No. of shares	Dates	No. of shares	Total No. of shares
<b><sup>7</sup> Allotment of shares on conversion of FCCBs</b>			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
<b><sup>8</sup> Extinguishment of shares consequent to Buy-back (Board approval)</b>			<b><sup>9</sup> Extinguishment of shares consequent to Buy-back (Shareholders approval)</b>		
04.02.2008	+ 26957	23,65,30,262	07.03.2009	- 400,000	22,73,70,262
01.04.2008	- 249,070	23,62,81,192	13.03.2009	- 530,968	22,68,39,294
04.04.2008	- 580,670	23,57,00,522	20.03.2009	- 315,527	22,65,23,767
11.04.2008	- 950,260	23,47,50,262	27.03.2009	- 100,000	22,64,23,767
22.04.2008	- 258,551	23,44,91,711	03.04.2009	- 398,173	22,60,25,594
08.05.2008	- 399,784	23,40,91,927	10.04.2009	- 429,904	22,55,95,690
09.05.2008	- 44,643	23,40,47,284	14.04.2009	- 325,428	22,52,70,262
16.05.2008	- 374,020	23,36,73,264			
30.05.2008	- 200,000	23,34,73,264			



## Investor Information

### Notes:

1. 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.
2. 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 Rs 245 from September 25, 2002 to September 25, 2007 at pre-determined exchange rate of US\$ 1=Rs 48.35. The entire outstanding 0.5 per cent FCCBs were converted into equity shares during the year 2005-06.
3. Issued at Rs 640 per share.
4. Warrants converted into Equity Shares at a price of Rs 640 per share.
5. Issued at Rs 573 per share.
6. Warrants converted into Equity Shares at a price of Rs 573 per share.
7. Equity Shares were allotted on conversion of zero coupon FCCBs. These FCCBs were converted into Equity Shares at a pre-determined price of Rs 1,006.92 from October 15, 2007 to February 4, 2008 at a pre-determined exchange rate of US\$ = Rs 45.24.
8. 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.
9. 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 January 20, 2008, the Company allotted 4,30,00,000 warrants to AAA Project Ventures Private Limited, convertible into equity shares at a price of Rs 1,822.08 (including a premium of Rs 1,812.08) per share, convertible into shares any time up to July 19, 2009 and will be subject to lock in up to January 19, 2011.

### 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 are listed

##### 1. National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
Telephone : + 91 22 2659 8235/8236  
Fax : + 91 22 2659 8237/38  
e-mail : cmlist@nse.co.in  
Website : www.nseindia.com

##### 2. Bombay Stock Exchange Limited (BSE)

1st Floor, New Trading Ring  
Rotunda Building, P J 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 2009-10 and to LSE for 2008-09 have been paid in full by the Company.

#### C. Depository for GDR holders Custodian

The Bank of New York Express Towers, 13th Floor Nariman Point Mumbai 400 021 Tel: +91 22 2202 2936 Fax: + 91 22 2204 4942	ICICI Bank Limited Securities Market 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
The Bank of New York 101 Barclay Street 22nd Floor West New York NY 10286 Telephone: (212) 815 3882 Fax: (212) 571 3050	

#### Stock Codes

	Physical	Electronic
Bombay Stock Exchange	390	500390
National Stock Exchange	REL	RELINFRA
London Stock Exchange	Not Applicable	REYD
Reuters Code	RLEN.BO	RLEN.BO
International Securities Identification Number (ISIN) for the Company's shares in dematerialized form	Not Applicable	INE036A01016

#### 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, 2009 represent 13,82,718 equity shares constituting 0.61 per cent of the paid-up equity share capital of the Company. The Company had on January 20, 2008 allotted 4,30,00,000 warrants of Rs 1,822.08 (including a premium of Rs 1,812.08) each on preferential basis to one of the promoter companies, AAA Project Ventures Private Limited. The warrants are convertible into equity shares of Rs 10 each at a premium of Rs 1,812.08 per equity share on or before July 19, 2009. As of March 31, 2009 the entire warrants are outstanding.

# Reliance Infrastructure Limited

## Investor Information

### Buy-back of Equity Shares of the Company

As approved by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 ('Board Approval') and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company made a Public Announcement to buy-back the equity shares of the Company at a maximum price of Rs 1,600 per equity share, up to an amount not exceeding 10 per cent of the paid-up equity share capital and free reserves (including securities premium) of the Company, i.e. up to Rs 800.06 crore. The Buy-back under the Board approval was open from March 25, 2008 till February 6, 2009 and the Company bought back 87,60,000 Equity Shares at an aggregate value of Rs 795.53 crore. Consequently, the paid-up equity share capital of the company declined from Rs 236.53 crore to Rs 227.77 crore as on February 6, 2009.

Further, the shareholders of the Company had on April 17, 2008 passed a resolution through postal ballot enabling the Company to buy-back equity shares, up to an amount not exceeding 25 per cent of the paid-up equity share capital and free reserves (including

securities premium) of the Company, at a maximum price of Rs 1,600 per equity share, aggregating Rs 2,000.14 crore, including the limit approved by the Board of the Company ('Shareholders Approval') and authorized the Board to fix the price and amount of issue within the limits approved. The Board accordingly made a fresh announcement for buy-back of equity shares for an aggregate amount of up to Rs 700 crore, as approved by the shareholders of the Company at maximum price of Rs 700 per share. The buy-back under the Shareholders Approval was open from February 25, 2009 till April 10, 2009, being the expiry of validity period of the shareholders' resolution and the Company bought-back 25,00,000 equity shares and utilized an amount of Rs 127.38 crore. Consequently, the paid-up equity share capital of the Company declined further to Rs 225.27 crore as on April 23, 2009.

**An Index Scrip :** Equity shares of the Company are included in almost all indices i.e. BSE-30, BSE-100, BSE National, BSE-200, BSE-500, BSE-Dollex, BSE-Power, CNX Infrastructure, CNX Service Sector, S&P CNX 500, S&P CNX Nifty Index, S&P CNX Defty.

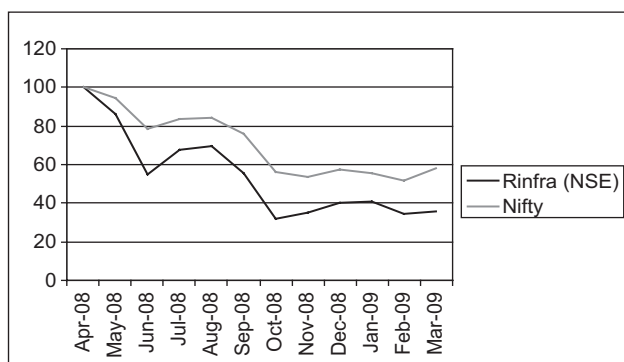
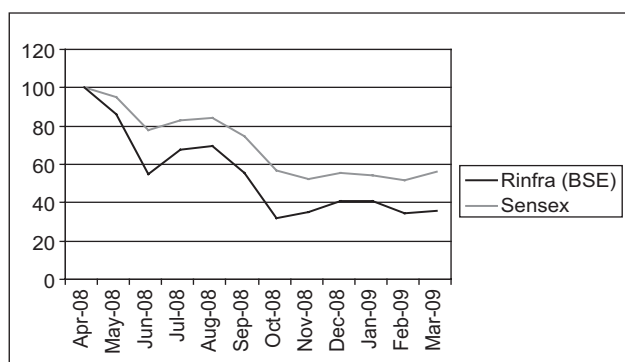
### Stock Price and Volume

Monthly high and low quotations as also the volume of shares traded on Bombay Stock Exchange and National Stock Exchange with monthly high and low quotations of GDRs

2008-09	BSE			NSE			GDRs	
	Highest Rs.	Lowest Rs.	Volume Nos.	Highest Rs.	Lowest Rs.	Volume Nos.	Highest US \$	Lowest US\$
April	1,457.00	1,131.00	18,162,977	1,464.70	1132.10	45,280,991	106.71	86.30
May	1,574.90	1,207.00	13,474,659	1,575.00	1206.35	36,373,174	112.76	86.93
June	1,250.00	751.05	15,830,083	1,250.00	751.55	42,784,990	82.84	62.03
July	1,063.80	660.05	47,859,310	1,069.90	660.25	101,757,614	73.25	48.55
August	1,122.00	927.35	23,002,349	1,121.00	923.70	54,661,791	78.38	63.92
September	1,101.00	755.00	30,359,372	1,109.00	702.65	67,507,010	71.68	50.48
October	811.00	354.00	30,195,322	818.70	352.75	71,847,651	50.23	22.97
November	650.05	405.00	40,439,314	627.90	414.00	92,215,527	36.07	25.39
December	674.95	447.10	51,700,396	675.00	447.25	117,254,833	40.82	27.88
January	670.00	461.00	41,637,163	670.00	466.50	97,184,652	41.20	29.10
February	596.90	467.55	44,527,437	596.90	467.35	104,808,262	35.70	28.81
March	577.50	428.30	46,381,822	577.85	428.40	114,815,009	33.68	25.19

Issue Price per GDR US\$ 14.40 each. Each GDR represents 3 Equity Shares. 1 US\$ = Rs 50.72 as on March 31, 2009

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



## Investor Information

### Depository services

For guidance on depository services, shareholders may write to the 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 400 023. Telephone: +91 22 2272 3333 Fax: +91 22 2272 3199/2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com

### Communication to members

The quarterly financial results of the Company are normally announced within a month 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 on

February 20, 2002. 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.

### 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 that all issuer companies shall submit a certificate of capital integrity, 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 a certificate, 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.

### Key Financial Reporting Dates for the year 2009-10

Unaudited results for the first quarter ending June 30, 2009	:	On or before July 31, 2009
Unaudited results for the second quarter / half year ending September 30, 2009	:	On or before October 31, 2009
Unaudited results for the third quarter ended December 31, 2009	:	On or before January 31, 2010
Audited results for the financial year 2009-10	:	On or before June 30, 2010

### 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 Vice President and  
Company Secretary  
Reliance Infrastructure Limited  
Reliance Energy Centre  
Santa Cruz (East)  
Mumbai 400 055  
Telephone: +91 22 3009 9311  
Fax: +91 22 3009 9763  
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 Abridged Financial Statements

To the Members of Reliance Infrastructure Limited

We have examined the attached abridged Balance Sheet of Reliance Infrastructure Limited ('the Company') as at March 31, 2009, the abridged Profit and Loss Account for the year ended on that date annexed thereto and the abridged Cash Flow Statement for the year ended on that date, together with the notes thereon.

These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the financial statements of the Company for the year ended March 31, 2009 prepared in accordance with Schedule VI of

the Companies Act, 1956 and is covered by our report of even date to the members of the Company which report is attached herewith.

For **Price Waterhouse**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. 55913

Place: Mumbai  
Date: April 23, 2009

For **Chaturvedi & Shah**  
Chartered Accountants

**C D Lala**  
Partner  
Membership No. 35671

Place: Mumbai  
Date: April 23, 2009

## 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, 2009 and the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, 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 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 the 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 Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks 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 said Order to the extent applicable to the Company.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- 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;
- 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;
- 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 Section 211(3C) of the Act;

e. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2009 from being appointed as a director in terms of Section 274(1)(g) 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 also give, a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F55913

Place : Mumbai  
Date : April 23, 2009

For **Chaturvedi & Shah**  
Chartered Accountants

**C D Lala**  
Partner  
Membership No. F35671

Place : Mumbai  
Date : April 23, 2009

## 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, 2009

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets. We have been informed that the fixed assets of the Company are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and no material discrepancies were noticed. However, we are informed that distribution system being underground is not physically verifiable.
- (b) During the year, a substantial part of fixed assets have not been disposed off by the Company.
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 two companies 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 is Rs 57.14 Crore and Rs 18.30 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.
- (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, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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 energy/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 are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register required to be maintained under that Section.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
8. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under Section 209(1)(d) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
9. (a) According to the information and explanations given to us and books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of Provident Fund, Employees' State Insurance dues, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other material statutory dues, as applicable, have generally been regularly deposited, by the Company during the year with the appropriate authorities in India.
- (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, 2009 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of the dues	Amount (Rs Crore)	Period to which the amount relates	Forum where 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	8.32	2000-02	High Court of Orissa
Finance Act, 1994	Service Tax	2.71	2004-06	Customs, Excise and Service Tax Appellate Tribunal, New Delhi

10. The Company has neither accumulated losses as at March 31, 2009, nor has it incurred any cash losses either during 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. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
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. On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company 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 not made any preferential allotment of shares to parties and companies listed in the register maintained under Section 301 of the Act during the year.
19. The Company has not created charge for securities given in respect of debentures amounting to Rs 850 Crore issued and outstanding as at the year-end.
20. The Company has not raised any money by public issue during the year.
21. During the course of examination of the books of account 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 not come across any 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**  
Chartered Accountants

For **Chaturvedi & Shah**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F55913

**C D Lala**  
Partner  
Membership No. F35671

Place : Mumbai  
Date : April 23, 2009

Place : Mumbai  
Date : April 23, 2009



# Reliance Infrastructure Limited

## Abridged Balance Sheet as at 31<sup>st</sup> March, 2009

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

	As at March 31, 2009		As at March 31, 2008	
	Rs Crore	Rs Crore	Rs Crore	Rs Crore
<b>I. Sources of Funds</b>				
(1) Shareholders' Funds				
(a) Share Capital				
(i) Equity	226.07		235.62	
(ii) Equity Warrants	783.49		783.49	
		1,009.56		1,019.11
(b) Reserves and Surplus				
(i) Capital Reserves	231.62		215.70	
(ii) Securities Premium Account	5,224.82		5,974.55	
(iii) Revaluation Reserve	589.74		643.69	
(iv) Statutory Reserves	137.69		123.14	
(v) Debenture Redemption Reserve	169.51		136.16	
(vi) Conversion Reserve	563.45		563.45	
(vii) General Reserve	3,056.82		2,066.37	
(viii) Other Reserves	241.03		241.03	
(ix) Profit and Loss Account	683.20		703.76	
		10,897.88		10,667.85
(2) Loan Funds				
(a) Non Convertible Debentures	1,475.00		625.00	
(b) Secured Loans	373.33		500.00	
(c) Unsecured Loans	5,483.85		3,863.88	
		7,332.18		4,988.88
(3) Deferred Tax Liability (net)		193.95		248.51
		19,433.57		16,924.35
<b>II. Application of Funds</b>				
(1) Fixed Assets				
(a) Net Block	3,340.17		3,067.58	
(b) Capital Work-in-Progress	564.42		568.92	
		3,904.59		3,636.50
(2) Investments				
(a) Government securities [Market Value Rs 33.70 Crore (Rs 32.54 Crore)]	33.88		34.72	
(b) Investment in subsidiary companies				
(i) Quoted	-		-	
(ii) Unquoted	1,542.99		1,243.79	
(c) Others				
(i) Quoted [Market Value Rs 16,364.36 Crore (Rs 34,204.07 Crore)]	6,982.23		3,533.92	
(ii) Unquoted	3,588.00		2,913.97	
		12,147.10		7,726.40
(3) Current Assets, Loans and Advances				
(a) Current Assets				
(i) Inventories	440.68		300.29	
(ii) Sundry Debtors	1,523.33		1,351.41	
(iii) Cash and Bank Balances	251.01		87.65	
(iv) Other Current Assets	1,012.05		645.54	
(b) Loans and Advances				
(i) To subsidiary companies	778.45		288.85	
(ii) To others	4,798.11		5,948.31	
	8,803.63		8,622.05	
Less: Current Liabilities and Provisions				
(a) Current Liabilities	4,655.50		2,619.53	
(b) Provisions	766.25		441.07	
	5,421.75		3,060.60	
Net Current Assets		3,381.88		5,561.45
		19,433.57		16,924.35

Refer Notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

For and on behalf of the Board

**Anil D Ambani**  
**Satish Seth**  
**S C Gupta**  
**Lalit Jalan**

Chairman  
Vice Chairman  
Director (Operations)  
Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar**

Directors

**Partha Ghosh**  
Partner

**C D Lala**  
Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary

Membership No. 55913  
Place : Mumbai  
Date : April 23, 2009

Place : Mumbai  
Date : April 23, 2009

# Reliance Infrastructure Limited

## Abridged Profit and Loss Account for the year ended March 31, 2009

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

	2008-09		2007-08
	Rs Crore	Rs Crore	Rs Crore
<b>Income</b>			
Earnings from sale of Electrical Energy		<b>7,183.10</b>	4,919.87
Income from EPC and Contract Division		<b>2,513.39</b>	1,444.35
Dividend		<b>3.50</b>	9.76
Interest		<b>338.81</b>	515.81
Other Income		<b>919.99</b>	611.41
		<b>10,958.79</b>	7,501.20
<b>Expenditure</b>			
Cost of Electrical Energy purchased (net)		<b>4,253.99</b>	2,487.69
Cost of Fuel		<b>1,166.78</b>	1,015.52
Cost of Materials and Sub Contract Charges		<b>1,966.49</b>	1,193.83
Salaries, Wages and Other Employee Benefits		<b>533.02</b>	383.38
Managerial Remuneration		<b>3.74</b>	14.06
Auditors' Remuneration		<b>1.50</b>	1.18
Provisions for Doubtful Debts / Advances / Deposits		<b>58.97</b>	7.17
Other Expenses		<b>1,205.49</b>	714.97
Interest and Finance Charges		<b>330.50</b>	308.76
Depreciation	<b>306.56</b>		
Less: Transferred from Revaluation Reserve	<b>53.95</b>		
Less: Transferred from Service Line Contribution	<b>7.73</b>		
		<b>244.88</b>	222.94
		<b>9,765.36</b>	6,349.50
<b>Profit before Taxation and Adjustments</b>		<b>1,193.43</b>	1,151.70
Provision for Taxation:			
Current Tax (including Fringe benefit tax and Wealth tax)		<b>181.45</b>	143.15
Deferred Tax (net)		<b>(54.56)</b>	17.22
Tax Adjustments for earlier years (net)		<b>(72.34)</b>	(93.30)
<b>Profit after Tax and before Adjustments</b>		<b>1,138.88</b>	1,084.63
Attributable Conversion Cost	-		563.45
Less: Withdrawn from General Reserve	-		(563.45)
		<b>-</b>	-
<b>Profit after Tax and Adjustments</b>		<b>1,138.88</b>	1,084.63
Balance of Profit brought forward from previous year		<b>703.76</b>	359.28
Balance of Profit transferred on amalgamation		<b>71.10</b>	-
		<b>1,913.74</b>	1,443.91
Less: Transfer to Contingencies Reserve (Statutory Reserve)		<b>14.55</b>	13.32
<b>Amount available for Distribution and Appropriations</b>		<b>1,899.19</b>	1,430.59
<b>Appropriations</b>			
Proposed Final Dividend on Equity Shares		<b>157.69</b>	147.73
Dividend on Equity Shares for previous year (Including Tax on Dividend)		<b>(1.85)</b>	-
Corporate Tax on dividends		<b>26.80</b>	25.11
Transfer to Debenture Redemption Reserve		<b>33.35</b>	53.99
Transfer to General Reserve		<b>1,000.00</b>	500.00
Balance carried to Balance Sheet		<b>683.20</b>	703.76
		<b>1,899.19</b>	1,430.59
		<b>Rupees</b>	Rupees
Earnings per Equity Share (Face Value of Rs 10 per share)			
Basic		<b>49.45</b>	46.85
Diluted		<b>48.54</b>	45.68

Refer Notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

For and on behalf of the Board

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

**Anil D Ambani**  
**Satish Seth**  
**S C Gupta**  
**Lalit Jalan**

Chairman  
Vice Chairman  
Director (Operations)  
Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar**

Directors

**Partha Ghosh**  
Partner  
Membership No. 55913  
Place : Mumbai  
Date : April 23, 2009

**C D Lala**  
Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary  
Place : Mumbai  
Date : April 23, 2009

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

### 1. Significant Accounting Policies:

#### (a) Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, 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) Revenue Recognition Policy:

##### (i) Sale of Electricity:

Revenue from Power Supply is accounted for on the basis of billing to consumers and is inclusive of Fuel Adjustment Charges(FAC). Generally all consumers are billed on the basis of recording of consumption of energy by installed meters. Where meters are stopped or are faulty, the billing is done based on past consumption for such period.

Revenue from Power Supply also includes (a) revenue gaps (i.e. shortfall in actual returns over assured returns) as determined by the regulator and (b) FAC for the year pending recovery, determined as per formula set out in electricity regulations for which corresponding costs are incurred during the said year and charged to Profit and Loss Account, both of which will be recovered through future tariff determination in accordance with electricity regulations and are carried forward as regulatory assets at the end of the financial year.

##### (ii) EPC and Contracts Activity:

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

The stage of completion of a contract is determined on the basis of the proportion that progress billings raised upto the reporting date 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 investment is recognized 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.

#### (c) 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. Premium in respect of forward contracts is accounted over the period of the contract.

(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, if any, is recognised in the Profit and Loss Account.

#### (d) 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).

#### (e) 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 service line contribution received from consumers.

**Notes to Abridged Financial Statements**

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

(ii) Other Activities:

Fixed assets of other activities 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) 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.

(iv) Intangible Assets:

Softwares are amortised over a period of three years.

**(f) 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.

**(g) 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.

**(h) 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 Activities:

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

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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.

**(m) Impairment of Assets:**

If the carrying amount of fixed assets 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.

**(n) 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.

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

### 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 14.55 Crore (Rs 36.50 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 3,155.66 Crore (Rs 2,752.25 Crore) in respect of financing facilities granted to other body corporates.
- (iii) Uncalled liability on partly paid shares Rs 45.20 Crore (Rs 10.70 Crore).
- (iv) Claims against the Company not acknowledged as debts and under litigation aggregates to Rs 648.69 Crore (Rs 363.37 Crore), these include claim from Suppliers aggregating to Rs 292.98 Crore (Rs 261.93 Crore), Income tax claims Rs 343.17 Crore (Rs 90.75 Crore) and Other claims Rs12.54 Crore (Rs 10.69 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 130.54 Crore (Rs 124.02 Crore).

### 3. Quantitative Information:

(Note No. 5 of Schedule 16 of Financial Statements)

kWh (million)

Particulars	2008-09	2007-08
(a) Generation and Supply of Electricity:		
(i) Generation of Energy	5,770	5,957
(ii) Purchase of Energy [excluding 3,951 (4,019) kWh (million) from Generating Station]	5,287	4,861
(iii) Sale of Energy	9,582	9,271
(b) Wind Mill Project:		
(i) Generation of Energy	21	21
(ii) Sale of Energy	21	21

### 4. Related Party Disclosure:

(Note No. 7 of Schedule 16 of Financial Statements)

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

#### (A) Parties where control exists:

- |              |  |
|--------------|--|
| Subsidiaries | (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 (formerly known as Reliance Power Infrastructure Private Limited) (RInVL) |
|              | (f) BSES Kerala Power Limited (BKPL)   |
|              | (g) Noida Global SEZ Private Limited (NGSPL)   |
|              | (h) Mumbai Metro One Private Limited (MMOPL)   |
|              | (i) Reliance Energy Trading Limited (RETL)   |
|              | (j) Parbati Koldam Transmission Company Limited (PKTCL)  |
|              | (k) Delhi Airport Metro Express Private Limited (DAMEPL) w.e.f. April 1, 2008                                |
|              | (l) CBD Tower Private Limited (CBDTPL) w.e.f. May 21, 2008   |
|              | (m) Tulip Realtech Private Limited (TRPL) w.e.f. January 19, 2009  |
|              | (n) Reliance Energy Generation Limited (REGL) w.e.f. February 13, 2009                                       |
|              | (o) Reliance Energy Limited [formerly known as Reliance Global Limited] (REL) w.e.f. January 31, 2009        |



## Notes to Abridged Financial Statements

- (p) Reliance Property Developers Limited (RPDL) w.e.f. January 31, 2009
- (q) DS Toll Road Limited (DSTL) w.e.f. May 23, 2008 \*\*\*
- (r) NK Toll Road Limited (NKTL) w.e.f. May 23, 2008 \*\*\*
- (s) SU Toll Road Private Limited (SUTL) w.e.f. May 2, 2008 \*\*\*
- (t) TD Toll Road Private Limited (TDTL) w.e.f. May 2, 2008 \*\*\*
- (u) TK Toll Road Private Limited (TKTL) w.e.f. May 2, 2008 \*\*\*
- (v) GF Toll Road Private Limited (GFTL) w.e.f. December 23, 2008
- (w) Reliance Goa and Samalkot Power Limited (RGSL) w.e.f. March 4, 2009 \*\*
  - \*Subsidiary of a Subsidiary Company - Reliance Power Transmission Limited
  - \*\* Subsidiary of a Subsidiary Company - Reliance Energy Generation Limited
  - \*\*\* Classified as an Associate upto the dates mentioned. The transactions upto the dates mentioned (including previous year) have been disclosed under the subsidiary classification for the purpose of comparatives

**(B) Other related parties with whom transactions have taken place during the year:**

- (i) 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 [formerly MP Power Generation Private Limited] (MPPGPL) \*
  - (j) Tato Hydro Power Private Limited (THPPL) \*
  - (k) Siyom Hydro Power Private Limited (SHPPL) \*
  - (l) Kalai Power Private Limited (KAPL) \*
  - (m) Coastal Andhra Power Limited (CAPL) \*
  - (n) Reliance Coal Resources Private Limited (RCRPL) \*
    - \* Subsidiary of an Associate Company - Reliance Power Limited (RePL)
- (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 Anil D Ambani (upto April 24, 2007)
  - (b) Shri Satish Seth (upto April 24, 2007)
  - (c) Shri S C Gupta
  - (d) Shri Lalit Jalan
  - (e) Shri J P Chalsani (upto January 17, 2008)
- (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)
  - (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)

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

(C) Details of transactions during the year and closing balances as at the year end:

Rs Crore

Particulars	Subsidiaries		Associates / Joint Ventures		Enterprises over which person described in (iii) has control		Key Management Personnel	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>(a) Profit and Loss Account Heads:</b>								
<b>( I ) Incomes:</b>								
(i) Sale of Electricity	9.04	0.43	-	-	-	-	-	-
(ii) Income / (Sales reversal) of EPC and Contracts Division	-	-	88.28	(7.50)	-	-	-	-
(iii) Dividend Received	-	-	0.48	0.59	-	-	-	-
(v) Interest earned	2.70	3.37	10.82	22.98	-	-	-	-
(vi) Other Income	8.00	1.32	0.56	10.09	0.74	1.95	-	-
<b>( II ) Expenses:</b>								
(i) Purchase of Electricity	166.37	2.36	-	-	-	-	-	-
(ii) Purchase of other items on revenue account	-	-	3.94	77.23	207.36	361.74	-	-
(iii) Purchase of other items on Capital account	-	-	2.35	16.62	-	33.16	-	-
(iv) Receiving of Services	-	0.79	22.25	1.97	131.07	15.76	-	-
(v) Rent paid	0.01	-	0.76	0.37	-	-	-	-
(vi) Interest Paid	-	-	14.06	-	-	-	-	-
(vii) Salaries, Commission and Other benefits	-	-	-	-	-	-	3.20	13.46
<b>(b) Balance Sheet Heads (Closing Balances):</b>								
(i) Sundry Creditors / other liabilities for rendering services	3.04	-	1,624.93	28.92	67.31	175.61	-	-
(ii) Investment in Equity Shares / Preference Shares	1,542.98	1,370.70	2,012.93	1,880.67	-	-	-	-
(iii) Loans / ICDs Placed (Including accrued interest)	35.90	273.98	142.75	37.60	-	-	-	-
(iv) Subordinate Debts	254.83	62.04	-	-	-	-	-	-
(v) Advance against Investments	742.76	-	51.05	50.00	-	-	-	-
(vi) Recoverable Expenses	0.31	14.81	6.30	121.06	1.68	-	-	-
(vii) Sundry debtors	6.56	0.05	26.17	156.68	-	-	-	-
(viii) Equity Warrants issued and subscribed	-	-	-	783.49	-	-	-	-
<b>(c) Contingent Liabilities (Closing balances):</b>								
Guarantees and Collaterals	2,010.11	1,448.30	612.45	1,068.27	6.05	9.18	-	-
<b>(d) Transactions during the year:</b>								
(i) Guarantees and Collaterals provided	626.51	148.60	10.00	814.22	-	-	-	-
(ii) Deposits Given to	174.35	1,006.20	106.90	9.91	-	-	-	-
(iii) Deposits Returned by	200.39	3,776.52	1.75	8.16	-	-	-	-
(iv) Recoverable Expenses:-								
(a) incurred for related parties	1.33	3.17	39.25	133.68	9.72	10.73	-	-
(b) incurred by related parties on our behalf	-	0.04	1.34	0.01	-	-	-	-
(v) Investment in Equity Shares / Preference Shares	282.03	1,211.34	-	1,619.97	-	-	-	-
(vi) Subordinate Debts	81.65	50.46	-	-	-	-	-	-
(vii) Advance against Investments	742.76	-	1.05	(7.05)	-	-	-	-
(viii) Sale of Investments	-	-	@	0.02	-	-	-	-
(ix) Sale of Fixed Assets	0.13	-	0.61	-	0.07	-	-	-
(x) Advances received towards contracts	-	-	1,795.00	-	-	-	-	-
(xi) Advances towards contracts refunded	-	-	105.00	-	-	-	-	-
(xii) Issue of Equity Warrants	-	-	-	783.49	-	-	-	-

@ Rs 3,167.50

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

Notes to Abridged Financial Statements

(D) Details of Material Transactions with Related Party:

- (i) Guarantees and Collaterals provided to RePL Rs Nil (Rs 595.00 Crore), SPL Rs Nil (Rs 187.31 Crore) and DAMEPL Rs 625.00 Crore (Rs Nil). Deposit Given to RInfl Rs Nil (Rs 326.39 Crore), RPFPL Rs Nil (Rs 323.89 Crore), RInvL Rs Nil (Rs 325.63 Crore), RICL Rs 106.10 Crore (Rs 2.25 Crore) and DAMEPL Rs 92.90 Crore (Rs Nil). Deposit Returned by BKPL Rs 26.84 Crore (Rs Nil), Recoverable Expenses incurred for SHPPL Rs Nil (Rs 113.51 Crore), REIL Rs 9.46 Crore (Rs 10.56 Crore), ROSA Rs 10.97 Crore (Rs Nil), SPL Rs 7.97 Crore (Rs Nil) and CAPL Rs 8.47 Crore (Rs Nil). Recoverable Expenses incurred by BKPL Rs Nil (Rs 0.04 Crore), BYPL Rs Nil (Rs 0.01 Crore), BRPL Rs Nil (Rs 0.01 Crore) and RICL Rs 1.26 Crore (Rs Nil). Investment in Equity Shares of RePL Rs Nil (Rs 1,619.98 Crore), RInfl Rs Nil (Rs 500 Crore), RInvL Rs Nil (Rs 500 Crore), MMOPL Rs 103.50 Crore (Rs Nil) and CBDTPL Rs 163.70 Crore (Rs Nil). Issue of Share Warrants AAAPVPL Rs Nil (Rs 783.49 Crore). Subordinate debt given to NKTL Rs 15.38 Crore (Rs Nil), DSTL Rs 13.64 Crore (Rs 6.01 Crore), SUTL Rs 19.41 Crore (Rs 18.58 Crore), TDTL Rs 10.62 Crore (Rs 9.98 Crore) and TKTL Rs 22.60 Crore (Rs 12.33 Crore). Advance against Investments paid to DAMEPL Rs 373.90 Crore (Rs Nil) and RPTL Rs 341.32 Crore (Rs Nil). Advance against Investments received back from VIPL Rs Nil (Rs 7.05 Crore). Sale of Investments to RIEPL Rs 3,167 (Rs Nil) and VIPL Rs Nil (Rs 0.02 Crore). Sale of Fixed Assets to RePL Rs 0.37 Crore (Rs Nil), SPL Rs 0.13 Crore (Rs Nil) and CAPL Rs 0.10 (Rs Nil). Advances received towards contract from SPL Rs 700 Crore (Rs Nil), VIPL Rs 200 Crore (Rs Nil) and CAPL Rs 700 Crore (Rs Nil). Advance towards contracts refunded to MEGL Rs 105 Crore (Rs Nil).
- (ii) Sundry Creditors / Other Liabilities for rendering services SPL Rs 651.11 Crore (Rs Nil), VIPL Rs 180.42 Crore (Rs Nil), CAPL Rs 679.37 Crore (Rs Nil), UPL Rs Nil (Rs 28.92 Crore), RNRL Rs Nil (Rs 9.61 Crore) and REIL Rs Nil (Rs 164.69 Crore). Investment in Equity of RInfl Rs 502.10 Crore (Rs Nil), RInvL Rs 502.11 Crore (Rs Nil) and RePL Rs 1,720.00 Crore (Rs Nil). Deposits Given BKPL Rs 18.30 (Rs Nil) and RICL Rs 142.75 Crore (Rs Nil). Subordinate debt NKTL Rs 40.29 (Rs Nil), DSTL Rs 46.80 Crore (Rs Nil), SUTL Rs 75.63 Crore (Rs Nil), TDTL Rs 40.52 Crore (Rs Nil) and TKTL Rs 51.59 Crore (Rs Nil). Advance against Investments DAMEPL Rs 373.90 Crore (Rs Nil) and RPTL Rs 341.32 Crore (Rs Nil). Recoverable Expenses RNRL Rs 1.68 Crore (Rs Nil), THPPL Rs 3.67 Crore (Rs Nil) and USHPPL Rs 1.78 Crore (Rs Nil). Sundry Debtors BRPL Rs Nil (Rs 93.79 Crore), BYPL Rs Nil (Rs 62.88 Crore), CAPL Rs 12.92 Crore (Rs Nil) and VIPL Rs 13.24 Crore (Rs Nil).
- (iii) Sale of Electricity to RETL Rs 9.04 Crore (Rs 0.43 Crore). Gross Revenue of EPC and Contracts Division / Sales reversal from BRPL Rs Nil (Rs 7.17 Crore), BYPL Rs Nil (Rs 0.32 Crore), SPL Rs 38.38 Crore (Rs Nil), CAPL Rs 22.19 Crore (Rs Nil) and VIPL Rs 27.18 Crore (Rs Nil). Dividend Received from UPL Rs 0.48 Crore (Rs 0.59 Crore). Rent / Lease Rent earned from UPL Rs Nil (Rs 0.41 Crore), BKPL Rs 0.01 Crore (Rs Nil) and RICL Rs Nil (Rs 0.68 Crore). Interest earned from BKPL Rs 2.70 Crore (Rs 3.37 Crore) and RICL Rs 10.82 Crore (Rs 2.98 Crore). Other Income DSTL Rs 4.00 Crore (Rs Nil), NKTL Rs 4.00 Crore (Rs Nil), RePL Rs Nil (Rs 1.75 Crore), SPL Rs Nil (Rs 2.07 Crore), RNRL Rs Nil (Rs 1.95 Crore), THPPL Rs Nil (Rs 1.74 Crore) and SHPPL Rs Nil (Rs 1.74 Crore).
- (iv) Purchase of electricity from RETL Rs 166.37 Crore (Rs 2.36 Crore). Purchase / Services on Revenue account from UPL Rs Nil (Rs 77.23 Crore), REIL Rs Nil (Rs 161.66 Crore), and RNRL Rs 198.56 Crore (Rs 200.08 Crore). Purchase of other items on Capital account from RICL Rs 2.35 Crore (Rs 16.62 Crore) and REIL Rs Nil (Rs 33.16 Crore). Receiving of Services from UPL Rs 19.25 Crore (Rs Nil), RNRL Rs 65.42 Crore (Rs Nil), RCIL Rs Nil (Rs 15.76 Crore), REIL Rs 33.07 Crore (Rs Nil) and RGI Rs 32.57 Crore (Rs Nil). Rent paid to RICL Rs 0.76 Crore (Rs 0.37 Crore). Interest paid to MEGL Rs 3.85 Crore (Rs Nil), SHPPL Rs 10.21 Crore (Rs Nil).
- (v) Salaries, Commission and Other Benefits paid / payable to Shri Anil D. Ambani Rs Nil (Rs 0.11 Crore), Shri Satish Seth Rs Nil (Rs 0.09 Crore), Shri S.C. Gupta Rs 1.12 Crore (Rs 1.13 Crore), Shri Lalit Jalan Rs 1.10 Crore (Rs 1.04 Crore) and Shri J.P. Chalasani Rs Nil (Rs 1.05 Crore). Further, the Company has made payment to Shri Anil D Ambani towards commission for the financial year 2007-08 amounting to Rs 11.00 Crore (which includes Rs 0.97 Crore not provided in the previous year)
- (vi) The Company has given (a) equity support undertakings to power procurers in respect of Sasan ultra mega power project (UMPP), Krishnapatnam UMPP, Talaiya UMPP and MP 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 of Reliance Power Limited for setting up the Rosa 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; the amounts of which currently are not ascertainable.

5. Segment wise Revenue, Results and Capital Employed:

(Note No. 8 of Schedule 16 of Financial Statements)

**Basix of Preparation:** The Company operates in two Business Segments: Electrical Energy and EPC and Contracts. Business segments have been identified as reportable primary segments in accordance with Accounting Standard-17 Segment Reporting, as prescribed under Companies (Accounting Standards), Rules, 2006, taking into account the organisation and internal reporting structure as well as evaluation of risks and returns from these segments. The inter segment pricing is effected at cost. Segment accounting policies are in line with the accounting policies of the Company.

In the case of Electrical Energy, the Company operates a 500 MW Thermal Power Station at Dahanu, a 220 MW combined cycle power plant at Samalkot, a 48 MW combined cycle power plant at Mormugao, a 7.59 MW Windfarm at Chitradurga and also purchases power from third parties and supplies the power through the Company's own distribution grid. The Company supplies power to residential, industrial, commercial and other consumers. EPC and Contracts segment render 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.

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

### Information about Business Segments – Primary:

Rs Crore

Particulars	Electrical Energy	EPC and Contracts	Total 2008-09	Electrical Energy	EPC and Contracts	Total 2007-08
<b>Revenue:</b>						
External Sales	7,369.64	2,498.97	9,868.61	5,007.56	1,444.38	6,451.94
Inter-segment sales	-	-	-	-	-	-
Total Revenue	7,369.64	2,498.97	9,868.61	5,007.56	1,444.38	6,451.94
<b>Result:</b>						
Segment Result	624.24	204.24	828.48	456.24	131.05	587.29
Unallocated Income net of unallocable expenses	-	-	356.64	-	-	357.36
Interest Income (net of interest Expense)	-	-	8.31	-	-	207.05
Profit before taxation	-	-	1,193.43	-	-	1,151.70
Taxes	-	-	54.55	-	-	67.07
Profit after Tax	-	-	1,138.88	-	-	1,084.63
<b>Other Information:</b>						
Segment Assets	6,893.61	3,163.41	10,057.02	5,025.27	1,839.92	6,865.19
Unallocated Corporate Assets	-	-	14,798.31	-	-	13,119.76
Total Assets	-	-	24,855.32	-	-	19,984.95
Segment Liabilities	1,775.83	3,008.35	4,784.18	1,454.81	1,241.81	2,696.62
Unallocated Corporate Liabilities	-	-	8,163.69	-	-	5,601.37
Total Liabilities	-	-	12,947.88	-	-	8,297.99
Capital Expenditure	569.88	13.92	583.80	809.31	9.97	819.28
Depreciation	300.95	5.62	306.56	279.11	3.92	283.03
Non Cash expenses other than depreciation	-	-	-	-	-	-

### 6. Deferred Taxation:

(Note No. 9 of Schedule 16 of Financial Statements)

Rs Crore

Computation of Deferred Tax Asset / Liability	As at March 31, 2009	As at March 31, 2008
(a) Deferred Tax Liability on account of: Depreciation Difference	362.73	300.90
<b>Total</b>	<b>362.73</b>	<b>300.90</b>
(b) Deferred tax asset on account of: (i) Provisions	167.10	51.71
(ii) Disallowance under section 40(a), Income Tax Act, 1961	1.68	0.68
<b>Total</b>	<b>168.78</b>	<b>52.39</b>
<b>Net Deferred Tax Liability</b>	<b>193.95</b>	<b>248.51</b>

The above calculations are based on assessment orders passed and where no assessment order is passed on the basis of return of Income filed.

### 7. (Note No. 10 of Schedule 16 of Financial Statements)

#### (A) Standby Charges:

- In the matter of standby charges, Maharashtra Electricity Regulatory Commission (MERC) had passed an order dated May 31, 2004 as under:
  - The total liability for the financial years 1998-99 to 2003-04 was determined at Rs 515.60 Crore (which had been debited to the Profit and Loss Account up to March 31, 2005).
  - The Tata Power Company Ltd. (TPC) to refund an amount of Rs 321.13 Crore (net of interest of Rs 1.17 Crore) to the Company for the said period plus interest at 10 per cent per annum commencing from April 1, 2004 till the date of payment.
- The Company and TPC filed appeals before the Hon'ble High Court of Bombay. As an interim order, the Hon'ble High Court of Bombay granted stay of payment to be made by TPC, but directed TPC to provide a Bank Guarantee of Rs 313.93 Crore in favour of the Hon'ble High Court of Bombay. Disposing both the petitions, the Hon'ble High Court of Bombay held that the issues should be adjudicated within four months of the order of the Hon'ble High Court of Bombay by the Appellate Tribunal for Electricity (ATE). In the interregnum, the parties to continue to pay in terms of the interim order, subject to adjustments on adjudication

**Notes to Abridged Financial Statements**

- (c) Both TPC and the Company filed Special Leave Petitions in the Supreme Court against the Order of the Hon'ble High Court of Bombay. While disposing of these petitions, the Hon'ble Supreme Court directed TPC to file an appeal before the ATE. TPC thereafter filed an appeal before ATE.
- (d) While disposing of the appeal, ATE has passed an order dated December 20, 2006 as under:
- i) The total liability of standby charges for the financial years 1998-99 to 2003-04 was determined at Rs 500 Crore.
  - ii) TPC to refund Rs 354 Crore (inclusive of interest of Rs 15 Crore upto March 31, 2004) to the Company plus interest at 10% per annum commencing from April 1, 2004 till the date of payment.
- (e) TPC filed an appeal in the Hon'ble Supreme Court being Appeal No. 415 of 2007. 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:**

Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPC has claimed an amount of Rs 323.87 Crore towards the following:

- (a) Difference in the energy charge for energy supplied by TPC at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
- (b) Minimum offtake charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Company, ATE held that the amount in the matter (a) above is payable by the Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) is remanded to MERC for redetermination. The Company has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPC has also filed an appeal against the said order.

The said amount is disclosed under Contingent Liability in Note 2(a)(iv) above.

**8. Scheme of Amalgamation of Reliance Projects Finance Private Limited (RPFPL) with the Company:**

(Note No. 11 of Schedule 16 of Financial Statements)

- (a) Pursuant to the approval of the Board by circular resolution dated March 17, 2008 and the sanction of the Scheme of Amalgamation of RPFPL with the Company by the Hon'ble High Court of Judicature at Bombay on June 20, 2008, the assets and liabilities of the erstwhile RPFPL, a wholly owned subsidiary of the Company, were transferred to and vested in the Company with effect from the appointed date viz. April 1, 2007 in accordance with the Scheme so sanctioned. RPFPL was incorporated as a special purpose vehicle by the Company for the purpose of the proposed restructuring of the Company. RPFPL does not have any commercial operations.

The amalgamation has been accounted for under the "Pooling of Interest Method" as defined in Accounting Standard (AS-14) as prescribed under the Companies (Accounting Standards) Rules, 2006 and as per the terms of the scheme of amalgamation as under

- The accumulated profit and loss account of Rs 71.10 Crore as on April 1, 2008 of RPFPL has been added to the profit brought forward from previous year.
- The assets and liabilities have been taken over at the book value in the books of the Company.
- The investments of the Company in equity shares and preferences shares of RPFPL amounting to Rs 0.21 Crore and Rs 120 Crore respectively stands cancelled.

There were no significant differences in the accounting policies followed between the erstwhile company and the Company as on the appointed date.

- (b) The figures for the previous year do not include figures for the erstwhile RPFPL and accordingly the current year figures are not comparable to those of the previous year.

**9. Regulatory Assets:**

(Note No. 12 of Schedule 16 of Financial Statements)

- (a) During the year, MERC in accordance with the Tariff Regulations, determined the revenue requirement vide its order dated June 4, 2008 for the Company for financial year 2008-2009. As per the order considering revenue requirement, the revenue gap of Rs 356 Crore would be allowed to be recovered from consumers in two equal parts over the next two years viz financial year 2009-2010 and financial year 2010-2011. Considering the above tariff order, the Company has accrued the revenue gap evenly over the period as income in the Profit and Loss Account and has carried forwarded the same as "Regulatory Asset" in the Loans and Advances (Schedule 7(B)).



# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

(b) The Fuel Adjustment charges (FAC) is determined based on the approved formula and the relevant directives as issued by MERC from time to time. The FAC formula takes in to account any change in the actual variable cost of own generation and third party purchases as against the budgeted cost considered by MERC while determining the base tariffs and maximum rate to be charged for recovery of FAC to the consumers at the beginning of the year. In case the difference between the actual cost and budgeted cost is not billed to the consumers during a financial year due to the cap on the rate imposed by MERC, the same is recovered by way of truing up or other mechanism in accordance with the tariff policy and provision of the Electricity Act, 2003 and is carried forwarded as Regulatory Asset as at the period end. Accordingly, the Company has accounted for unrecovered FAC aggregating to Rs 678.45 Crore as revenue and has carried forward the same as regulatory asset (Schedule 7(B)), to be recovered through future tariffs, as the Company has already incurred and accounted for the corresponding cost in Profit and Loss Account.

### 10. (Note No. 13 of Schedule 16 of Financial Statements)

The Committee of Whole-time Directors at its meeting held on February 25, 2009 has, as authorized by the Board of Directors at its meeting held on January 22, 2009 and by the Committee of Independent Directors at its meeting held on January 31, 2009, approved the revised Scheme of Restructuring envisaging transfer of Dahanu thermal power station division, Goa and Samalkot power stations division, power transmission division, power distribution division, toll roads division and real estate divisions of Reliance Infrastructure Limited to respective resulting wholly owned subsidiary companies, pursuant to Sections 391 to 394 of the Companies Act, 1956, subject to requisite consent and approvals of shareholders, lenders, creditors of the Company and of the resulting companies, Stock Exchanges on which the equity shares of the Company are listed, the Bombay High Court and the permission or approval of the Central Government or any other statutory or regulatory authorities, as might be necessary for the implementation of the scheme. The detailed and formal plan for demerger is under finalisation/approval.

### 11. Disclosure under Accounting Standard 15(revised 2005) "Employee Benefits":

(Note No. 14 of Schedule 16 of Financial Statements)

The Company has classified various employee benefits as under:

#### (A) Defined contribution plans

- a. Provident fund
- b. Superannuation fund
- c. State defined contribution plans
  - Employers' Contribution to Employees' State Insurance
  - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trustees of the Reliance Infrastructure Limited Officer's Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account for the year:

**Rs Crore**

Sr. No.	Particulars	2008-09	2007-08
(i)	Contribution to Provident Fund	19.69	17.58
(ii)	Contribution to Employee's Superannuation Fund	5.59	3.84
(iii)	Contribution to Employee's State Insurance Scheme	-	0.01
(iv)	Contribution to Employee's Pension Scheme 1995	4.35	3.69

#### (B) Defined Benefit Plans

- a. Provident Fund \*
- b. Gratuity
- c. Leave Encashment

\* Applicable to certain employees

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. 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. Accordingly the 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 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	
		2008-09	2007-08	2008-09	2007-08
(i)	Discount Rate (Per annum)	7.50%	8.00%	7.50%	8.00%
(ii)	Rate of increase in Compensation levels	6.00%	6.00%	6.00%	6.00%
(iii)	Rate of Return on Plan Assets	7.50%	8.00%	7.50%	8.00%
(iv)	Expected Avg. remaining working lives of employees in no. of Years	18	17	18	17

Notes to Abridged Financial Statements

Rs Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2008-09	2007-08	2008-09	2007-08
<b>(i)</b>	<b>Changes in present value of obligation</b>				
	Opening Balance of Present Value of Obligation	95.72	82.41	83.88	63.69
	Liability on transfer in / (out) of Employees (Net)	1.59	-	0.01	-
		97.31	82.41	83.89	63.69
	Interest Cost	7.66	6.59	6.71	4.78
	Current Service Cost	5.99	5.28	7.14	4.67
	Benefits Paid	(5.31)	(6.64)	(5.32)	(10.16)
	Actuarial (Gain) / Loss	7.79	8.08	2.56	20.90
	Closing Balance of Present Value of Obligation	113.43	95.72	94.98	83.88
<b>(ii)</b>	<b>Changes in Fair Value of plan assets</b>				
	Opening Balance of Present Value of Plan Assets	97.91	73.68	57.66	-
	Planned Assets on transfer in / (out) of employees (Net)	1.59	-	-	-
		99.50	73.68	57.66	-
	Expected return on Plan assets	7.83	5.89	4.61	-
	Contributions	19.02	23.84	20.32	70.16
	Benefits Paid	(5.31)	(6.64)	(5.32)	(10.16)
	Actuarial Gain / (Loss) on Plan assets	(6.92)	1.13	(4.37)	(2.34)
	Closing Balance of Fair Value of Plan Assets	114.41	97.90	72.90	57.66
	Plan assets Pending Transfer	(0.29)	-	-	-
	Closing Balance of Fair Value of Plan Assets net of pending transfer	114.12	97.90	72.90	57.66
<b>(iii)</b>	<b>Percentage of each category of Plan assets to total fair value of Plan assets as at March 31 2009</b>				
	Administered by Reliance Life Insurance Company Limited	100%	100%	100%	100%
<b>(iv)</b>	<b>Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets</b>				
	Closing Balance of Present Value of Obligation	113.43	95.72	94.98	83.88
	Closing Balance of Fair Value of Plan Assets net of pending transfers	114.11	97.90	72.90	57.65
	(Asset) / Liability recognised in the Balance Sheet	(0.68)	(2.18)	22.08	26.23
<b>(v)</b>	<b>Amounts recognised in the Balance Sheet</b>				
	Closing Balance of Present Value of Obligation	113.43	95.72	94.98	83.88
	Closing Balance of Fair Value of Plan Assets net of pending transfers	114.11	97.90	72.90	57.65
	Funded (Asset) / Liability recognised in the Balance Sheet	(0.68)	(2.18)	-	-
	Unfunded Liability recognised in the Balance Sheet		-	22.08	26.23
<b>(vi)</b>	<b>Expenses recognised in the Profit and Loss Account</b>				
	Current Service Cost	5.99	5.28	7.14	4.67
	Interest Cost	7.66	6.59	6.71	4.78
	Expected Return on Plan Assets	(7.83)	(5.89)	(4.61)	-
	Net Actuarial (Gain) / Loss	14.70	6.95	6.93	23.25
	Expenses recognised in the Profit and Loss Account	20.52	12.93	16.17	32.70
<b>(vii)</b>	<b>(a) Experience adjustments</b>				
	On Plan Liabilities	3.56	8.08	(2.48)	24.41
	On Plan Assets	6.92	(1.13)	4.37	2.34
	Total Experience Adjustments	10.48	6.95	1.89	26.75
	<b>(b) Adjustments due to change in assumptions</b>	4.43	-	5.04	(3.51)
<b>(viii)</b>	<b>Expected Employer's Contribution for the next year</b>	19.02	26.22	20.32	25.00

12. (Note No. 15 of Schedule 16 of Financial Statements)

The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.

13. (Note No. 16 of Schedule 16 of Financial Statements)

The 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 53.95 Crore (Rs 54.24 Crore) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

### 14. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(Note No. 17 of Schedule 16 of Financial Statements)

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, 2009. 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.

### 15. (a) Provision for Disputed matters/ Contingencies:

(Note No. 18 of Schedule 16 of Financial Statements)

Rs Crore

Particulars	Direct Taxes (Refer note (a) below)	Other business (Refer note (b) below)	Total
Opening Balance	22.00	220.00	242.00
Add: Provision made	-	320.00	320.00
Less: Provision reversed	2.32	-	2.32
<b>Closing Balance</b>	<b>19.68</b>	<b>540.00</b>	<b>559.68</b>

(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 Company

### 16. Disclosure of Loans and Advances to Subsidiaries, Associates, Joint Ventures and Others (Pursuant to Clause 32 of the Listing Agreement):

(Note No. 19 of Schedule 16 of Financial Statements)

Rs Crore

Sr. No.	Name of the Company	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2009	March 31, 2008	2008-09	2007-08
	<b>Subsidiaries:</b>				
1.	Reliance Power Transmission Limited	<b>341.32</b>	16.76	<b>342.81</b>	16.76
2.	Western Region Transmission (Gujarat) Private Limited*	-	-	<b>0.02</b>	-
3.	Western Region Transmission (Maharashtra) Private Limited*	-	-	<b>0.04</b>	-
4.	BSES Kerala Power Limited	<b>18.30</b>	45.48	<b>57.39</b>	57.39
5.	Noida Global SEZ Private Limited	<b>27.32</b>	14.43	<b>27.32</b>	14.43
6.	Mumbai Metro One Private Limited	<b>0.06</b>	0.05	<b>59.13</b>	3.30
7.	Reliance Infraprojects Limited	-	-	<b>1,340.35</b>	1,340.35
8.	Reliance Infraventures Limited (formerly known as Reliance Power Infrastructure Private Limited)	-	-	<b>1,210.00</b>	1,210.00
9.	Reliance Energy Trading Limited	-	-	<b>42.78</b>	6.00
10.	Parbati Koldam Transmission Company Limited	-	0.09	<b>0.12</b>	0.09
11.	Delhi Airport Metro Express Private Limited (w.e.f. April 1, 2008)	<b>373.90</b>	-	<b>373.90</b>	-
12.	CBD Tower Private Limited (w.e.f. May 21, 2008)	<b>0.02</b>	-	<b>8.66</b>	-
13.	Tulip Realtech Private Limited (w.e.f. January 19, 2009)	-	-	-	-
14.	DS Toll Road Limited (w.e.f. May 23, 2008)	<b>11.05</b>	12.63	<b>11.04</b>	14.22
15.	NK Toll Road Limited w.e.f. (May 23, 2008)	<b>10.58</b>	8.52	<b>10.58</b>	10.11
16.	SU Toll Road Private Limited (w.e.f. May 2, 2008)	-	18.58	<b>0.01</b>	19.21
17.	TD Toll Road Private Limited (w.e.f. May 2, 2008)	-	9.98	<b>0.36</b>	10.56
18.	TK Toll Road Private Limited (w.e.f. May 2, 2008)	<b>0.26</b>	12.33	<b>0.33</b>	12.88
19.	GF Toll Road Private Limited (w.e.f. December 23, 2008)	<b>0.20</b>	-	<b>0.20</b>	-
	<b>Associates:</b>				
1.	Reliance Power Limited	-	1.23	<b>1.23</b>	10.17
2.	Reliance Infrastructure Engineers Private Limited	<b>51.05</b>	49.99	<b>51.05</b>	49.99
3.	Reliance Infrastructure and Consultants Limited	<b>142.75</b>	37.60	<b>142.75</b>	37.60
4.	Urthing Sobla Hydro Power Private Limited	<b>1.18</b>	0.77	<b>1.94</b>	10.19
5.	Rosa Power Supply Company Limited	-	0.99	<b>3.98</b>	1.03
6.	Sasan Power Limited	<b>1.37</b>	2.37	<b>6.15</b>	2.37
7.	Vidarbha Industries Power Limited	<b>0.03</b>	-	<b>1.09</b>	0.03
8.	Maharashtra Energy Generation Limited	-	@	<b>0.03</b>	@
9.	Tato Hydro Power Private Limited	<b>3.67</b>	1.54	<b>4.14</b>	2.49
10.	Siyom Hydro Power Private Limited	<b>0.80</b>	112.95	<b>112.95</b>	112.95

Notes to Abridged Financial Statements

Rs Crore

Sr. No.	Name of the Company	Amount Outstanding as at		Maximum amount Outstanding during the year	
		March 31, 2009	March 31, 2008	2008-09	2007-08
11.	Kalai Power Private Limited	-	@	-	@
12.	Coastal Andhra Power Limited	-	0.41	4.40	0.41
13.	Reliance Coal Resources Private Limited	-	@	0.01	@
<b>Joint ventures:</b>					
1.	Tamilnadu Industries Captive Power Company Limited	0.65	0.65	0.65	0.65
2.	BSES Yamuna Power Limited	-	-	0.24	0.04
3.	BSES Rajdhani Power Limited	-	0.14	0.26	1.20

@ less than Rs 50,000

\* Subsidiary of a subsidiary Company - Reliance Power Transmission Limited

As at the year-end, the Company-

- (a) has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years, and
- (b) has no loans and advances in the nature of loans to firms / companies in which directors are interested.
- (c) the above amounts excludes subordinate debts.

17. Buy-back of Shares:

(Note No. 22 of Schedule 16 of Financial Statements)

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 9,554,995 (951,500) equity shares during the year ended March 31, 2009 through open market transactions for an aggregate amount of Rs 759.28 Crore (Rs122.68 Crore), by utilising the Securities Premium account and the General Reserve to the extent of Rs 749.73 Crore (Rs 121.73 Crore) and Rs 9.55 Crore (Rs 0.95 Crore) respectively. The Capital Redemption Reserve has been created out of General Reserve for Rs 9.55 Crore (Rs 0.95 Crore) being the nominal value of shares bought back in terms of Section 77A of the Companies Act, 1956. Of the above equity shares bought back 100,000 and 300,000 equity shares have been extinguished subsequent to year end on April 3, 2009 and April 10, 2009 respectively.

18. (Note No. 23 of Schedule 16 of Financial Statements)

(a) Interests in Joint Ventures (other than Joint Ventures which are subsidiaries)

Name of Company	Proportion of ownership interest as on	
	March 31, 2009	March 31, 2008
Utility Powertech Limited	19.80 %	19.80 %
BSES Rajdhani Power Limited *	49.00 %	26.02 %
BSES Yamuna Power Limited *	49.00 %	26.09 %
Tamilnadu Industries Captive Power Company Limited	33.70 %	33.70 %

\* increase in stake w.e.f. March 31, 2009

(b) The above joint venture companies are incorporated in India. The Company's share of the assets and liabilities as on March 31, 2009 and income and expenses based on financial statements audited by other independent Chartered Accountants for the year ended on that date are given below:

Rs Crore

Sr. No.	Particulars	March 31, 2009	March 31, 2008
		Audited	Audited
<b>A</b>	<b>Assets</b>		
	Long Term Assets	2,012.70	992.56
	Current Assets	575.93	448.76
	<b>Total</b>	<b>2,588.63</b>	<b>1,441.32</b>
<b>B</b>	<b>Liabilities</b>		
	Long Term Liabilities	1,703.79	838.43
	Current Liabilities and Provisions	403.65	339.45
	<b>Total</b>	<b>2,107.44</b>	<b>1,177.88</b>
<b>C</b>	<b>Contingent Liabilities</b>	46.45	45.47
<b>D</b>	<b>Capital Commitments</b>	212.05	139.31
<b>E</b>	<b>Income</b>	3,099.77	1,509.15
<b>F</b>	<b>Expenses</b>	3,122.52	1,635.69

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.

# Reliance Infrastructure Limited

## Notes to Abridged Financial Statements

### 19. Derivative Instruments:

(Note No. 24 of Schedule 16 of Financial Statements)

(a) The Company has entered into contracts for derivative instruments, which are not intended for trading or speculative purposes. The details of the derivative instruments are as follows:

Sr. No.	Particulars	No. of instruments	Value (As at March 31, 2009)	
			US \$ million	Rs Crore
1.	Currency Swap	15	120.00	550.00
2.	Libor Based Callable Range Accrual	3	250.00	1268.00
3.	Interest Rate Swap	1	25.00	126.80
4.	Forward Contract	5	109.90	557.41

(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, 2009 provided for unrealised loss of 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) Net Foreign Currency exposures that are not covered by derivative instruments or otherwise are US \$ 156.01 million (Rs 791.33 Crore) [US\$ 163.02 million (Rs 654.04 Crore)].

### 20. (Note No. 25 of Schedule 16 of Financial Statements)

Reliance Power Limited (RePL) has issued bonus shares in the ratio of three new equity shares for every five existing equity shares to all the shareholders. Pursuant to the approval of the Board of Directors and shareholders of the Company, the Company along with the other promoters of RePL viz. Anil Dhirubhai Ambani Group comprising Shri Anil D. Ambani, Reliance Innoventures Private Limited and AAA Project Ventures Private Limited (APVPL) who collectively held equity shares representing 89.91% of the pre bonus issue equity share capital of RePL have agreed to waive their respective entitlement for allotment of bonus shares. To protect the Company from any dilution of its current holding of 44.96% of the equity shares of RePL consequent upon waiving its right to bonus shares, APVPL has contributed voluntarily without any obligation to do so and without any specific consideration, by way of gift of 2.57% of its post bonus issue shareholding comprising 61,500,000 shares in RePL to the Company. Accordingly, in the current year there is an increase of 61,500,000 number of equity shares holding in RePL without any increase in the cost of investment.

### 21. Interests in Joint Venture Operations:

(Note No. 26 of Schedule 16 of Financial Statements)

The Company along with M/s. Geopetrol International Inc. and Reliance Natural Resources Limited (the consortium) has been allotted 4 Coal Bed Methane (CBM) blocks from Ministry of Petroleum and Natural Gas (Mo PNG) covering an acreage of 3,266 square kilometers in the States of Madhya Pradesh, Andhra Pradesh and Rajasthan. The consortium has entered into a production sharing agreement with Government of India for exploration and production of these four CBM blocks. The Company is a non-operator and has 45% share in each of the four blocks.

Also the Company along with M/s. Geopetrol International Inc, Naftogaz India Private Limited and Reliance Natural Resources Limited (the consortium) has been allotted oil block from Ministry of Petroleum and Natural Gas (Mo PNG), in the State of Mizoram under the New Exploration Licensing Policy (NELP - VI) round, covering an acreage of 3,619 square kilometers and the consortium has signed an agreement with the Government of India for exploration and production of an Oil and Gas block. The Company is a non-operator and has 70% share in the block.

During the year, the Company has accounted for Rs 4.51 Crore towards its share of expenditure on survey and prospecting activities.

#### Disclosure of the Company's share in Joint Venture operations:

Name of the Field in the Joint Venture	Location (Onshore Blocks)	Participating Interest (%) as at March 31, 2009
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.

### 22. Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

(Note No. 28 of Schedule 16 of Financial Statements)

(a) The Company has entered into cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.



Notes to Abridged Financial Statements

(b) Future minimum lease payments under non-cancellable operating lease are as under: Rs Crore

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	11.11	13.19	11.20	0.18	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 Contract Division".

23. (Note No. 29 of Schedule 16 of Financial Statements)

The cost of electricity purchased is net of cost incurred towards units purchased and banked with other parties and/or units banked by other parties with us, both on loan basis. Such transactions remaining unsettled at the year end, is carried forward under 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.

24. Earnings per Equity Share:

	2008-09 Rs Crore	2007-08 Rs Crore
(i) Profit for Basic and Diluted Earnings per share		
Net profit (for Basic) (a)	1,138.88	1,084.63
Adjustment	-	-
Net profit (for Diluted) (b)	<u>1,138.88</u>	<u>1,084.63</u>
(ii) Weighted average number of Equity shares		
For Basic Earnings per share (c)	230,317,785	231,532,884
Adjustment for conversion / Issue of shares / warrants	4,300,525	5,914,296
For Diluted Earnings per share (d)	<u>234,618,310</u>	<u>237,447,180</u>
(iii) Earnings per share (Weighted Average)		
	Rupees	Rupees
Basic (a/c)	49.45	46.85
Diluted (b/d)	48.54	45.68

25. Key Ratios:

	2008-09	2007-08
(a) Total Income / Total Assets	0.46	0.40
(b) Net Profit before interest and tax / Capital Employed %	8.43	9.44
(c) Return on Net worth %	10.06	9.82
(d) Net Profit / Total Income %	10.39	14.46

Notes:

Total Assets is net of Capital work in progress and Revaluation Reserve.

Capital employed includes Shareholders funds, Debt funds and is net of Revaluation Reserve and Capital work in progress.

Net worth includes Shareholders funds and is net of Revaluation Reserve.

26. (Note No. 30 of Schedule 16 Financial Statements)

Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures. '@'- represents figures less than Rs 50,000 which have been shown at actuals in brackets with @.

As per our attached Report of even date

**For Price Waterhouse**      **For Chaturvedi & Shah**  
Chartered Accountants      Chartered Accountants

**Partha Ghosh**      **C D Lala**  
Partner      Partner  
Membership No. 55913      Membership No. 35671

Place : Mumbai  
Date : April 23, 2009

For and on behalf of the Board

**Anil D Ambani**      Chairman  
**Satish Seth**      Vice Chairman  
**S C Gupta**      Director (Operations)  
**Lalit Jalan**      Whole-time Director

**Ramesh Shenoy**      Company Secretary

Place : Mumbai  
Date : April 23, 2009

**Gen V P Malik**  
**Dr Leena Srivastava** } Directors  
**S L Rao**  
**V R Galkar**

# Reliance Infrastructure Limited

## Abridged Cash Flow Statement for the year ended March 31, 2009

	Year ended March 31, 2009		Year ended March 31, 2008	
	Rs Crore	Rs Crore	Rs Crore	Rs Crore
<b>A. Cash Flow from Operating Activities :</b>				
Profit before Taxation		1,193.43		1,151.70
Adjustments for :				
Depreciation (Net of transfer from Reserves)	244.88		222.94	
Interest and finance charges	330.50		308.76	
(Profit) / Loss on sale / disposal of fixed assets (Net)	(0.98)		(54.92)	
Provision for / (write back of) diminution in value of investments	(45.05)		-	
Provision for doubtful debts, advances, deposits	58.97		7.17	
Provision for leave encashment	(4.15)		(33.80)	
Interest Income	(338.81)		(515.81)	
Dividend Income	(3.50)		(9.76)	
Premium on Redeemable Preference Shares	(368.56)		(34.20)	
Buy Back Expenses	-		4.00	
Unrealised (Gain) / Loss on exchange fluctuation (net)	186.79		(237.67)	
Unrealised (Gain) / Loss on derivative Instruments (net)	170.18		-	
(Profit) / Loss on sale / redemption of investments (net)	(238.64)		(87.85)	
		(8.37)		(431.14)
<b>Operating Profit before Working Capital Changes</b>		<b>1,185.06</b>		<b>720.56</b>
Adjustments for :				
Trade and other receivables	(2,156.95)		(862.72)	
Inventories	(140.39)		(7.60)	
Trade payables	2,186.59		367.70	
		(110.75)		(502.62)
		1,074.31		217.94
Income Taxes paid (net of refund)		(181.67)		13.82
<b>Net Cash from Operating Activities</b>		<b>892.64</b>		<b>231.76</b>
<b>B. Cash Flow from Investing Activities :</b>				
Purchase/acquisition of fixed assets	(583.80)		(819.28)	
Sale of fixed assets	10.13		59.03	
Investments in Subsidiaries/Associates/Joint Ventures	(617.35)		(2,703.78)	
Purchase of investments	(42,472.55)		(42,933.44)	
Advance against Investments in Subsidiaries/Associates	(937.12)		(28.33)	
Sale/redemption of investments	39,616.36		40,580.13	
Inter Corporate Deposits	3,494.59		2,677.27	
Dividend Income	3.50		9.76	
Premium on Redeemable Preference Shares	162.95		-	
Interest Income	330.62		521.68	
<b>Net Cash used in Investing Activities</b>		<b>(992.67)</b>		<b>(2,636.96)</b>
<b>C. Cash Flow from Financing Activities :</b>				
Proceeds from issue of Share warrants	-		783.49	
Buy back of equity Shares (including buy back expenses)	(759.28)		(126.68)	
Proceeds from issue of debentures	850.00		-	
Repayment of secured loans (net of proceeds)	(126.67)		(310.00)	
Proceeds from borrowings [unsecured] (net of repayments)	789.59		500.00	
Realised Gain / (Loss) on derivative instruments (net)	(21.28)		-	
Repayment of deposits	-		(0.01)	
Interest and finance charges	(299.61)		(389.57)	
Dividends paid on equity shares including tax	(169.59)		(140.30)	
<b>Net Cash used in Financing Activities</b>		<b>263.16</b>		<b>316.93</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>163.13</b>		<b>(2,088.27)</b>
Cash and cash equivalents as at the commencement of the year (Opening Balance)		87.65		2,175.92
Cash and cash equivalents of Reliance Project Finance Private Limited transferred on amalgamation (Refer Note 11)		0.23		-
Cash and cash equivalents as at the end of the year (Closing Balance)*		251.01		87.65
<b>Net Increase / (Decrease) as disclosed above</b>		<b>163.13</b>		<b>(2,088.27)</b>

\* Including Cash Collateral of Rs 50.22 Crore (RsNil) as at March 31, 2009.

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year. Compiled from the Audited Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

For and on behalf of the Board

**Anil D Ambani**  
**Satish Seth**  
**S C Gupta**  
**Lalit Jalan**

Chairman  
Vice Chairman  
Director (Operations)  
Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar**

Directors

**Partha Ghosh**  
Partner  
Membership No. 55913  
Place : Mumbai  
Date : April 23, 2009

**C D Lala**  
Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary  
Place : Mumbai  
Date : April 23, 2009



Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies										Rs Crore	
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	Company			The net aggregate amount of the subsidiary companies Profit/(loss) so far as it concerns the members of the Holding Company		
						Not dealt with in the Holding Company's accounts	For the financial year ended 31st March, 2009	For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	Dealt with in Holding Company's accounts	For the financial year ended 31st March, 2009	For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary
1	BSES Kerala Power Limited	31-03-2009	20-11-2006	127,760,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	2.52	10.97	-	-	-	
2	Reliance Power Transmission Limited	31-03-2009	06-10-2006	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(0.08)	(2.53)	-	-	-	
3	Mumbai Metro One Private Limited	31-03-2009	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%	(1.13)	(0.80)	-	-	-	
4	Noida Global SEZ Private Limited	31-03-2009	06-01-2007	5,100 Equity Shares of the face value of Rs 10 each fully paid-up	51%	(0.14)	(0.01)	-	-	-	
5	Reliance Infraprojects Limited	31-03-2009	26-10-2006	502,100,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	79.32	72.90	-	-	-	
6	Delhi Airport Metro Express Private Limited	31-03-2009	01-04-2008	9,500 Equity Shares of the face value of Rs 10 each fully paid-up	95%	-	NA	-	-	NA	
7	Reliance Infraventures Limited (Formerly known as Reliance Power Infrastructure Private Limited)	31-03-2009	26-10-2006	502,110,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	72.55	67.25	-	-	-	
8	Reliance Energy Trading Limited	31-03-2009	31-12-2007	20,550,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	4.64	3.72	-	-	-	
9	Parbati Koldam Transmission Company Limited	31-03-2009	23-11-2007	5,217,000 Equity Shares of the face value of Rs 10 each fully paid-up	74%	0.03	(0.93)	-	-	-	
10	DS Toll Road Limited	31-03-2009	23-05-2008	5,210,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	NA	-	-	NA	
11	NK Toll Road Limited	31-03-2009	23-05-2008	4,477,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	NA	-	-	NA	
12	SU Toll Road Private Limited	31-03-2009	02-05-2008	8,413,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(0.11)	NA	-	-	NA	
13	TD Toll Road Private Limited	31-03-2009	02-05-2008	4,457,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(0.15)	NA	-	-	NA	

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies (continued)

Rs Crore

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			
						Not dealt with in the Holding Company's accounts		Dealt with in Holding Company's accounts	
						For the financial year ended 31st March, 2009	For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary	For the financial year ended 31st March, 2009	For the previous financial years of the subsidiary companies since they became the Holding Company's subsidiary
14	TK Toll Road Private Limited	31-03-2009	02-05-2008	5,742,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(0.06)	NA	-	NA
15	GF Toll Road Private Limited	31-03-2009	23-12-2008	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	(0.15)	NA	-	NA
16	CBD Tower Private Limited	31-03-2009	21-05-2008	163,696,154 Equity Shares of the face value of Rs 10 each fully paid-up	89%	(1.83)	NA	-	NA
17	Tulip Realtech Private Limited	31-03-2009	19-01-2009	10,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	NA	-	NA
18	Reliance Energy Generation Limited	31-03-2009	13-02-2009	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	NA	-	NA
19	Reliance Energy Limited	31-03-2009	31-01-2009	500,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	0.02	NA	-	NA
20	Reliance Property Developers Limited	31-03-2009	31-01-2009	50,000 Equity Shares of the face value of Rs 10 each fully paid-up	100%	-	NA	-	NA
<b>Step-down Subsidiaries:</b>									
21	Western Region Transmission (Maharashtra) Private Limited	31-03-2009	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)	-	-
22	Western Region Transmission (Gujarat) Private Limited	31-03-2009	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)	-	-
23	Reliance Goa and Samalkot Power Limited	31-03-2009	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%	-	NA	-	NA

NA - Not Applicable



# Abridged Consolidated Financial Statements

## Auditors' Report to the Board of Directors of Reliance Infrastructure Limited on the Abridged Consolidated Financial Statements

We have examined the attached abridged consolidated Balance Sheet of Reliance Infrastructure Limited ('the Company') and its subsidiaries (together referred to as the Group) as at March 31, 2009, the abridged consolidated Profit and Loss Account for the year ended on that date annexed thereto and the abridged consolidated Cash Flow Statement for the year ended on that date, together with the notes thereon. These abridged consolidated financial statements have been prepared by the Company, to the extent possible, on the basis of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956.

These abridged consolidated financial statements are based on the consolidated financial statements of the Group for the year ended March 31, 2009, prepared on the basis of separate financial statements of the Company, its subsidiaries, joint ventures and associates, in accordance with the requirements of Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 -

"Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006 and is covered by our report of even date to the Board of Directors of the Company which report is attached herewith.

For **Price Waterhouse**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. 55913

Place : Mumbai  
Date : April 23, 2009

For **Chaturvedi & Shah**  
Chartered Accountants

**C D Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : April 23, 2009

## Auditors' Report to the Board of Directors of Reliance Infrastructure Limited on the Consolidated Financial Statements

- We have audited the attached consolidated Balance Sheet of Reliance Infrastructure Limited ('the Company') and its subsidiaries (together referred to as Group) as at March 31, 2009, the 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 and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- The financial statements of subsidiaries Reliance Energy Trading Limited, Reliance Power Transmission Limited, Western Region Transmission (Maharashtra) Private Limited, Western Region Transmission (Gujarat) Private Limited, Parbati Koldam Transmission Company Limited, SU Toll Road Private Limited, TD Toll Road Private Limited, TK Toll Road Private Limited, Reliance Energy Generation Limited, Reliance Goa and Samalkot Power Limited, whose financial statements reflect Group's share of total assets of Rs 899.15 Crore as at March 31, 2009, Group's share of total revenue of Rs 701.95 Crore and net cash inflows amounting to Rs 5.73 Crore for the year then ended, as considered in the consolidated financial statements, have been audited by one of us.
  - We did not audit the financial statements of subsidiaries and joint ventures Reliance Infraprojects Limited, Reliance Infraventures Limited (formerly known as Reliance Power Infrastructure Private Limited), BSES Kerala Power Limited, Noida Global SEZ Private Limited, Mumbai Metro One Private Limited, DS Toll Road Limited, NK Toll Road Limited, GF Toll Road Private Limited, Tulip Realtch Private Limited, Delhi Airport Metro Express Private Limited, Reliance Energy Limited (formerly known as Reliance Global Limited), Reliance Property Developers Limited, Utility Powertech Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited and Tamil Nadu Industries Captive Power Company Limited, whose financial statements reflect the Group's share of total assets of Rs 6,053.66 Crore as at March 31, 2009 and the Group's share of total revenue of Rs 2,434.68 Crore and net cash inflows amounting to Rs 159.96 Crore for the year ended on that date as considered in the consolidated financial statements, and the associates Reliance Infrastructure Engineers Private Limited and Reliance

Infrastructure and Consultants Limited, whose financial statements reflect the Group's share of net loss upto and for the year ended March 31, 2009 of Rs 4.15 Crore as considered in the consolidated financial statements. These financial statements and other information of the subsidiaries, joint ventures and associates have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of other auditors.

- We have relied on the unaudited financial statements of subsidiary CBD Tower Private Limited whose financial statements reflect the Group's share of total assets of Rs 614.24 Crore as at March 31, 2009 and Group's share of total revenue of Rs Nil and net cash inflow amounting to Rs 0.02 Crore for the period ended on that date, as considered in the consolidated financial statements. These unaudited financial statements as approved by the Board of Directors of the company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited financial statements.
- We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures" as prescribed under the Companies (Accounting Standards) Rules, 2006.
  - Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components and the financial statements approved by the Board of Directors, as explained in paragraph 3(c) above, in our opinion and to the best of our information and according to the explanation given to us, the said consolidated financial statements give, a true and fair view in conformity with the accounting principles generally accepted in India:
    - in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
    - in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
    - 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**  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. 55913

Place : Mumbai  
Date : April 23, 2009

For **Chaturvedi & Shah**  
Chartered Accountants

**C D Lala**  
Partner  
Membership No. 35671

Place : Mumbai  
Date : April 23, 2009

# Reliance Infrastructure Limited

## Abridged Consolidated Balance Sheet as at March 31, 2009

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

	As at March 31, 2009			As at March 31, 2008	
	Share in Joint Venture (included in Consolidated figures) Rs Crore	Consolidated Rs Crore	Consolidated Rs Crore	Share in Joint Venture (included in Consolidated figures) Rs Crore	Consolidated Rs Crore
<b>I. Sources of Funds</b>					
(1) Shareholders' Funds					
(a) Share Capital					
(i) Equity	-	226.07		-	235.62
(ii) Equity Warrants	-	783.49		-	783.49
			1,009.56		
(b) Reserves and Surplus					
(i) Capital Reserves	301.39	5,042.68		171.40	4,743.84
(ii) Securities Premium Account	-	5,224.82		-	5,974.55
(iii) Revaluation Reserve	-	589.74		-	643.69
(iv) Statutory Reserves	14.33	152.02		7.61	130.75
(v) Debenture Redemption Reserve	-	169.51		-	136.16
(vi) Conversion Reserve	-	563.45		-	563.45
(vii) General Reserve	4.78	3,061.60		4.77	2,071.14
(viii) Other Reserves	-	241.03		-	241.03
(ix) Profit and Loss Account	(303.81)	843.19		(167.41)	834.99
			15,888.04		15,339.60
(2) Minority Interest			111.60		51.27
(3) Loan Funds					
(a) Non Convertible Debentures	-	1,475.00		-	625.00
(b) Convertible Debentures	-	159.77		-	-
(c) Secured Loans	1,685.63	2,986.73		830.83	1,414.44
(d) Unsecured Loans	-	5,483.85		-	3,864.18
			10,105.35		5,903.62
(4) Deferred Tax Liability (Asset) (net)	(0.05)		211.34	(0.08)	267.78
			27,325.89		22,581.38
<b>II. Application of Funds</b>					
(1) Fixed Assets					
(a) Net Block	1,742.91	5,469.43		806.13	4,244.37
(b) Capital Work-in-Progress	185.70	3,558.23		128.07	774.20
			9,027.66		5,018.57
(2) Investments					
(a) Government securities [Market Value Rs 47.44 Crore (Rs 39.55 Crore)]	13.42	47.30		7.30	42.02
(b) In Associates					
(i) Quoted [Market Value Rs 11,028.21 Crore (Rs 32,308.80 Crore)]	-	6,181.70		-	6,084.17
(ii) Unquoted	-	10.62		-	21.52
(c) Others					
(i) Quoted [Market Value Rs 5,637.74 Crore (Rs 3,088.66 Crore)]	-	5,561.31		-	2,899.00
(ii) Unquoted	-	4,135.48		-	2,715.03
			15,936.41		11,761.74
(3) Current Assets, Loans and Advances					
(a) Current Assets					
(i) Inventories	104.00	560.64		61.66	409.45
(ii) Sundry Debtors	332.87	1,927.78		282.65	1,650.36
(iii) Cash and Bank Balances	22.64	458.27		12.57	115.39
(iv) Other Current Assets	3.98	1,077.54		1.62	647.17
(b) Loans and Advances	101.37	5,545.31		83.48	6,860.31
		9,569.54			9,682.68
Less: Current Liabilities and Provisions					
(a) Current Liabilities	599.01	5,912.85		427.61	3,096.22
(b) Provisions	14.36	1,294.87		4.90	785.39
		7,207.72			3,881.61
Net Current Assets			2,361.82		5,801.07
			27,325.89		22,581.38

Refer Notes forming part of the Abridged Consolidated Financial Statements

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

For and on behalf of the Board

**Anil D Ambani** Chairman  
**Satish Seth** Vice Chairman  
**S C Gupta** Director (Operations)  
**Lalit Jalan** Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar** } Directors

**Partha Ghosh**  
Partner  
Membership No. 55913  
Place : Mumbai  
Date : April 23, 2009

**C D Lala**  
Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary  
Place : Mumbai  
Date : April 23, 2009

## Abridged Consolidated Profit and Loss Account for the year ended March 31, 2009

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

	2008-09			2007-08	
	Share in Joint Venture (included in Consolidated figures)	Consolidated		Share in Joint Venture (included in Consolidated figures)	Consolidated
	Rs Crore	Rs Crore	Rs Crore	Rs Crore	Rs Crore
<b>Income</b>					
Earnings from sale of Electrical Energy	1,541.96		10,037.64	1,408.79	6,868.98
Income of EPC and Contract Division	47.19		2,540.41	43.24	1,473.95
Dividend	-		20.94	-	36.56
Interest	2.22		371.43	4.78	531.80
Other Income	46.55		1,085.03	25.47	829.61
			<b>14,055.45</b>		<b>9,740.90</b>
<b>Expenditure</b>					
Cost of Electrical Energy purchased (net)	1,279.63		6,216.88	1,253.25	3,945.15
Cost of Fuel	-		1,709.55	-	1,276.13
Cost of Materials and Sub Contract Charges	40.51		2,007.00	36.47	1,230.30
Salaries, Wages and Other Employee Benefits	88.31		627.86	78.64	466.75
Managerial Remuneration	-		3.74	-	14.06
Auditors' Remuneration	0.18		2.15	0.09	1.38
Provisions for Doubtful Debts / Advances / Deposits	21.74		80.71	43.97	51.14
Other Expenses	65.10		1,300.30	61.61	810.38
Interest and Finance Charges	103.37		439.42	86.85	402.06
Depreciation	63.56	398.80		59.53	370.38
Less: Transferred from Revaluation Reserve / APDRP Grant	0.52	54.47		0.52	54.76
Less: Transferred from Service Line Contribution	6.22	13.95		2.35	8.20
			<b>330.38</b>		<b>307.42</b>
			<b>12,717.99</b>		<b>8,504.77</b>
<b>Profit before Taxation, Share in Associates, Minority Interest and Adjustments</b>			<b>1,337.46</b>		<b>1,236.13</b>
Provision for Taxation:					
Current Tax (including Fringe benefit tax and Wealth tax)	4.13		206.79	2.21	172.39
Deferred Tax (net)	0.04		(56.44)	(0.04)	16.74
Tax Adjustments for earlier years (net)	-		(72.03)	-	(93.30)
<b>Profit after Tax but before Share in Associates, Minority Interest and Adjustments</b>			<b>1,259.14</b>		<b>1,140.30</b>
Share of Profit / (Loss) of Associates for the year (net)			93.37		38.60
Minority Interest			0.72		(0.69)
<b>Profit after Tax, Share in Associates and Minority Interest but before Adjustments</b>			<b>1,353.23</b>		<b>1,178.21</b>
Attributable Conversion Cost	-	-		-	563.45
Less: Withdrawn from General Reserve	-	-		-	563.45
<b>Profit after Tax, Share in Associates, Minority Interest and Adjustments,</b>			<b>1,353.23</b>		<b>1,178.21</b>
Balance of Profit brought forward from previous year	(167.41)		834.99	(27.32)	399.55
Add: Acquired on increase of interests in Joint Ventures	(114.32)		(114.32)	-	-
Less: Statutory Reserves and other Appropriations	-		14.55	-	13.32
<b>Amount available for Distribution and Appropriations</b>			<b>2,059.35</b>		<b>1,564.44</b>
<b>Appropriations</b>					
Interim Dividend on Equity Shares	-		-	0.20	0.20
Proposed Final Dividend on Equity Shares	0.13		157.82	0.47	148.20
Dividend on Equity Shares for previous year including Tax on Dividend	-		(1.85)	-	-
Corporate Tax on dividends	0.02		26.82	0.11	25.22
Transfer to Debenture Redemption Reserve	-		33.35	-	53.99
Transfer to General Reserve	0.02		1,000.02	1.84	501.84
Balance carried to Balance Sheet	(303.81)		843.19	(167.41)	834.99
			<b>2,059.35</b>		<b>1,564.44</b>
Earnings per Equity Share (Face Value of Rs 10 per share)			<b>Rupees</b>		<b>Rupees</b>
Basic			<b>58.75</b>		<b>50.89</b>
Diluted			<b>57.68</b>		<b>49.62</b>

Refer Notes forming part of the Abridged Consolidated Financial Statements

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

For and on behalf of the Board  
**Anil D Ambani** Chairman  
**Satish Seth** Vice Chairman  
**S C Gupta** Director (Operations)  
**Lalit Jalan** Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar**

} Directors

**Partha Ghosh**

Partner  
Membership No. 55913

Place : Mumbai

Date : April 23, 2009

**C D Lala**

Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary

Place : Mumbai

Date : April 23, 2009

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated 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. 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 financial statements.

#### (b) 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:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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, 2009.

##### (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, 2009	Proportion (%) of shareholding as on March 31, 2008
<b>Subsidiary Companies:</b>			
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) w.e.f. April 1, 2008	India	95.00	-
Reliance Infraventures Limited (RInvL) [formerly known as Reliance Power Infrastructure Private Limited (RPIPL)]	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) w.e.f. May 23, 2008*	India	100.00	49.00
NK Toll Road Limited (NKTL) w.e.f. May 23, 2008*	India	100.00	49.00
SU Toll Road Private Limited (SUTL) w.e.f. May 2, 2008*	India	100.00	49.00
TD Toll Road Private Limited (TDTL) w.e.f. May 2, 2008*	India	100.00	49.00
TK Toll Road Private Limited (TKTL) w.e.f. May 2, 2008*	India	100.00	49.00



Notes to Abridged Consolidated Financial Statements

Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2009	Proportion (%) of shareholding as on March 31, 2008
GF Toll Road Private Limited (GFTL) w.e.f. December 23, 2008	India	100.00	-
CBD Tower Private Limited (CBDTPL) w.e.f. May 21, 2008	India	89.00	-
Tulip Realtech Private Limited (TRPL) w.e.f. January 19, 2009	India	100.00	-
Reliance Energy Generation Limited (REGL) w.e.f. February 13, 2009	India	100.00	-
Reliance Energy Limited (REL) [formerly known as Reliance Global Limited] w.e.f. January 31, 2009	India	100.00	-
Reliance Property Developers Limited (RPDL) w.e.f. January 31, 2009	India	100.00	-
<b>Step-down Subsidiaries:</b>			
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 (RGSL) w.e.f. March 4, 2009	India	100.00	-
<b>Joint Venture Companies:</b>			
BSES Rajdhani Power Limited (BRPL)	India	49.00	26.02
BSES Yamuna Power Limited (BYPL)	India	49.00	26.09
Tamil Nadu Industries Captive Power Company Limited (TICAPCO)	India	33.70	33.70
Utility Powertech Limited (UPL)	India	19.80	19.80

\* In the previous year and upto the date of acquisition, entity has been consolidated as an associate.

(iii) Investment in Associates:

Name of Company	Country of Incorporation	Proportion (%) of shareholding as on March 31, 2009	Proportion (%) of shareholding as on March 31, 2008
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
Reliance Last Mile Communications Private Limited (RLMCPL)	India	-	49.00
DS Toll Road Limited (DSTL) upto May 23, 2008*	India	-	49.00
NK Toll Road Limited (NKTL) upto May 23, 2008*	India	-	49.00
SU Toll Road Private Limited (SUTL) upto May 2, 2008*	India	-	49.00
TD Toll Road Private Limited (TDTL) upto May 2, 2008*	India	-	49.00
TK Toll Road Private Limited (TKTL) upto May 2, 2008*	India	-	49.00

\* Subsidiary relationship in the current year.

(iv) Break-up of Investments in Associates is as under:

		Rs Crore			
Sr. No.	Particulars	RePL	RIEPL	RICL	USHPPL
a)	Number of Equity Shares (Nos.)	1,077,500,000	5,000	10,291,700	2,000
b)	Percentage holding	44.96%	50.00%	40.17%	20.00%
c)	Cost of Investment	1,720.00	0.01	10.29	(i)
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, 2008	39.39	0.59	3.90	(ii)
g)	Share of profits/ (losses) for the year	97.53	(0.59)	(3.57)	(iii)
h)	Carrying Cost	6,181.70	-	10.62	-

(i) Rs 20,000, (ii) Rs (6,000), (iii) Rs (14,000)

### (c) Revenue Recognition Policy:

#### (i) Electricity Business:

Revenue from Power Supply is accounted for on the basis of billing to consumers and is inclusive of Fuel Adjustment Charges (FAC). 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 past consumption for such period.

Revenue from Power Supply also includes (a) revenue gaps (i.e. shortfall in actual returns over assured returns) as determined by the regulator and (b) FAC for the year pending recovery, determined as per formula set out in electricity regulations for which corresponding costs are incurred during the said year and charged to Profit and Loss Account, both of which will be recovered through future tariff determination in accordance with electricity regulations and are carried forward as regulatory assets at the end of the financial year.

In case of BKPL, revenue from sale of power is also 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, which is engaged in trading of power, revenue from sale of energy 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. Sale and Purchase of energy from trading operations is disclosed as Gross Earnings from Sale of Electrical Energy and Cost of Electrical Energy Purchased respectively, in the Profit and Loss Account.

#### (ii) EPC and Contracts Activity:

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 on the basis of the proportion that progress billings raised upto the reporting date 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 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.

### (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 not covered by the forward contracts are recognised in the Profit and Loss Account. Premium in respect of forward contracts is accounted over the period of the contract.

(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, if any, is recognised in the Profit and Loss Account.

### (e) 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).

### (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 service line contribution 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) Other Activities:

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

Notes to Abridged Consolidated Financial Statements

(iii) 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.

(iv) 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 Activities:

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

**(j) 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.

**(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 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 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.

**(n) Impairment of Assets:**

If the carrying amount of fixed assets 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 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.

**(p) 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.

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

### 2. (a) Contingent Liabilities:

- (i) Counter guarantees given to banks against guarantees issued by the banks on behalf of the Group aggregate to Rs 32.29 Crore (Rs 0.62 Crore) [including share in joint ventures Rs 4.61 Crore (Rs 0.62 Crore)].
- (ii) Corporate guarantees given to Banks and other parties aggregating Rs 3,155.66 Crore (Rs 2,752.24 Crore) in respect of financing facilities granted to other body corporates.
- (iii) Uncalled liability on partly paid shares Rs 45.20 Crore (Rs 10.70 Crore) [including share in joint ventures Rs Nil (Rs 10.70 Crore)].
- (iv) Claims against the Group not acknowledged as debts and under litigation aggregate Rs 711.16 Crore (Rs 408.60 Crore) [including share in joint venture Rs 62.48 Crore (Rs 45.25 Crore)]. These include mainly claims from supplier aggregating Rs 292.98 Crore (Rs 261.93 Crore) disputed by the Parent Company, Income tax claims Rs 343.17 Crore (Rs 90.75 Crore) disputed by the Parent Company and claims from consumers in case of BRPL and BYPL, the Group's share being Rs 59.01 Crore (Rs 43.48 Crore).
- (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 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.
- (vi) In case of BRPL and BYPL:

In December 2003, BRPL and BYPL had announced a Special Voluntary Retirement Scheme (SVRS). The Companies had taken a stand that terminal benefit to SVRS retirees was the responsibility of Delhi Vidyut Board (DVB) Employees Terminal Benefits Fund - 2002 Trust (DVB ETBF - 2002) and the amount was not payable by the companies. The DVB ETBF - 2002 had contended that terminal benefits to the SVRS retirees did not fall in its purview as the employees had not attained superannuation. For resolution of the issue through the process of law, both the Companies had filed a writ petition before the High Court of Delhi. The Hon'ble Court had pronounced its judgement 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 opts 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 64.22 Crore and Rs 45.20 Crore respectively. The interest amounting to Rs 19.18 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 said amount has been paid and shown under Loans and Advances.

### (b) Capital Commitments:

Estimated amount of contracts remaining unexecuted on Capital Account and not provided for Rs 4,815.15 Crore (Rs 802.03 Crore) [including share of joint ventures and associates Rs 212.05 Crore (Rs 139.31 Crore)].

### 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.
- (b) Transfer Schemes:
  - (i) The amount of Consumer Security Deposit (CSD) transferred to the Discoms 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 is 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. They have 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. No stay has been granted by the High Court of Delhi in the matter.
  - (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 Rs1.00 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 both the companies.

**Notes to Abridged Consolidated Financial Statements**

- (c) Debit or credit balances of suppliers and customers (including DPCL) appearing in the financial statements are subject to confirmation / reconciliation.
- (d) 6<sup>th</sup> Pay Commission Recommendations:  
GoNCTD has appointed a wage revision committee for making recommendations with respect to wage revision for ex-DVB employees of BRPL and BYPL in line with 6<sup>th</sup> Pay Commission recommendations applicable to Central Government employees. Pending finalisation / approval of wage revision by GoNCTD, both the Companies have not accounted for the liability with respect to the same, as the amounts are currently not ascertainable. However, as an interim relief, both the Companies have made a payment to ex-DVB employees considering 15 per cent increase on their base pay emoluments as on January 1, 2006.
- (e) In case of both the companies, the revenue requirements have been accounted for only to the extent the same has been determined / approved by the regulator / appellate authority and not disputed by either of the parties.
- (f) De-linking of Debtors relating to pre-privatisation period:

The GoNCTD vide their Order dated May 16, 2008 and May 19, 2008 and DPCL vide their Order dated June 06, 2008, directed BRPL and BYPL to waive off the principal dues and late payment surcharges outstanding with respect to private electricity consumer (except the cases under litigation at any forum and any level) against the sale of electrical energy during pre-privatisation period. The order has been accordingly given effect to in the financial statements, the impact of which, on the best estimates, aggregating to Rs 23.37 Crore in BRPL and Rs 24.52 Crore in BYPL has been credited to Profit and Loss Account. The arrears with respect to litigation matters are being maintained separately as a memorandum ledger and transaction, if any, are also being recorded in the same. Confirmation from DPCL with regard to delinking of DVB arrears is awaited.

**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: **Rs Crore**

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	11.11	13.19	11.20	0.18	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 Contract Division"

**5. 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, 2009)	
			USD million	Rs Crore
1.	Currency Swap	15	120.00	550.00
2.	Labor Based Callable Range Accrual	3	250.00	1,268.00
3.	Interest Rate Swap	1	25.00	126.80
4.	Forward Contract	5	109.90	557.41

- (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, 2009 provided for unrealised loss of 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) Net Foreign Currency exposures of the Parent Company that are not covered by derivative instruments or otherwise are US \$ 156.01 million (Rs 791.33 Crore) [US\$ 163.02 million (Rs 654.04 Crore)].

**6. Notes related to CBDTPL:**

(Note No.7 of schedule 16 of the Consolidated Financial Statements)

- (a) Pursuant to the competitive bidding process done by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for selection of bidder for the development of trade tower and business district, the Parent Company has been selected as a developer. The project envisages development of the land in two modules. The first module involves development of trade tower on 30 acres of the land and the second module involves development of business district on the remaining 50.27 acres of the land. For the purpose of the development of the project, the Company has been incorporated as a special purpose vehicle (SPV) - CBDTPL. Consequently, the Company and APIIC have signed a development agreement dated May 28, 2008 for the same. After development of the project, CBDTPL intends to lease out the developed property to the interested users. Part payments have been made towards purchase of land to APIIC. The sale deed for the same would be executed on payment of the full amount and on complying with the terms and conditions specified in the development agreement. Accordingly the payments made towards the cost of land have been disclosed as Capital Work-in-Progress.

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

(b) CBDTPL has 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. As at the year end, Rs 159.77 Crore of debentures are outstanding and the balance have been converted into equity during the year.

7. (Note No. 8 of Schedule 16 of Consolidated Financial Statements)

In case of UPL, balances under sundry debtors, advances to contractors, creditors, material lying with contractors and material received from clients are subject to confirmations / reconciliations.

8. (Note No.11 of Schedule 16 of the Consolidated Financial Statements)

Managerial remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement) paid / payable to directors of the Parent Company:

**Rs Crore**

Particulars	2008-09	2007-08
<b>Managing / Whole time directors</b>		
(i) Salary	2.13	3.26
(ii) Perquisites	0.01	0.01
(iii) Contribution to Provident Fund	0.07	0.13
(iv) Contribution to Superannuation Fund	0.02	0.03
(v) Commission payable	-	0.24
	2.23	3.67
<b>Non Executive Directors</b>		
(i) Sitting fees	0.14	0.20
(ii) Commission paid / payable	*1.37	10.19
<b>Total</b>	3.74	14.06

\* Includes Rs 0.97 Crore paid as commission to the non executive directors in excess to that provided for in the financial statements for the year 2007-08, in terms of the approval received from Central Government vide letter dated June 16, 2008 and pursuant to the powers conferred on the Board by the Members of the Company through Postal Ballot, results of which were declared on January 8, 2007, for payment of commission to the non- executive directors up to 3 per cent of net profit as computed under Section 198 read with Section 309(4) of the Companies Act, 1956 for the year 2007-08. The overall remuneration paid to the non-executive directors for the year 2007-08 is within the limits approved by shareholders and Central Government.

9. **Related Party Disclosure:**

(Note No. 12 of Schedule 16 of Consolidated Financial Statements)

As per Accounting Standard -18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Group's related parties and transactions are disclosed below:

(A) Parties where control exists: Nil

(B) Other related parties with whom transactions have taken place during the year:

- |                     |   |
|---------------------|---|
| (i) Associates      | <ul style="list-style-type: none"> <li>(a) Reliance Power Limited (RePL)</li> <li>(b) Reliance Infrastructure Engineers Private Limited (RIEPL)</li> <li>(c) Reliance Infrastructure and Consultants Limited (RICL)</li> <li>(d) Urthing Sobla Hydro Power Private Limited (USHPPL) *</li> <li>(e) Rosa Power Supply Company Limited (ROSA) *</li> <li>(f) Sasan Power Limited (SPL) *</li> <li>(g) Vidarbha Industries Power Limited (VIPL) *</li> <li>(h) Maharashtra Energy Generation Limited (MEGL) *</li> <li>(i) Chitranji Power Private Limited [formerly MP Power Generation Private Limited] (MPPGPL) *</li> <li>(j) Tato Hydro Power Private Limited (THPPL) *</li> <li>(k) Siyom Hydro Power Private Limited (SHPPL) *</li> <li>(l) Kalai Power Private Limited (KAPL) *</li> <li>(m) Coastal Andhra Power Limited (CAPL) *</li> <li>(n) Reliance Coal Resources Private Limited (RCRPL) *</li> </ul> |
| (ii) Joint Ventures | <ul style="list-style-type: none"> <li>(a) BSES Rajdhani Power Limited (BRPL)</li> <li>(b) BSES Yamuna Power Limited (BYPL)</li> <li>(c) Tamilnadu Industries Captive Power Company Limited (TICAPCO)</li> <li>(d) Utility Powertech Limited (UPL)</li> </ul>   |

\* Subsidiary of an Associate Company - Reliance Power Limited (RePL)



Notes to Abridged Consolidated Financial Statements

- |   |   |
|---|---|
| (iii) Persons having control over investing party / Major shareholder | Shri Anil D Ambani  |
| (iv) Key Management Personnel   | (a) Shri Anil D Ambani (upto April 24, 2007)<br>(b) Shri Satish Seth (upto April 24, 2007)<br>(c) Shri S C Gupta<br>(d) Shri Lalit Jalan<br>(e) Shri J P Chalsani (upto January 17, 2008)   |
| (v) Enterprises over which person described in (iii) has control      | (a) Reliance Natural Resources Limited (RNRL)<br>(b) Reliance Communications Limited (RCL)<br>(c) Reliance Innoventures Private Limited (REIL)<br>(d) Reliance Communications Infrastructure Limited (RCIL)<br>(e) AAA Projects Venture Private Limited (AAPVPL)<br>(f) Reliance Cementation Private Limited (RCPL)<br>(g) Reliance Land Private Limited (RLPL)<br>(h) Reliance Webstores Limited (RWeb)<br>(i) Reliance Big Entertainment Private Limited (RBig)<br>(j) Reliance General Insurance Company Limited (RGI) |

(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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>(a) Profit and Loss Account Heads:</b>						
<b>(I) Incomes:</b>						
(i) Sale of Electricity	61.82	-	-	-	-	-
(ii) Income / (Sales reversal) of EPC and Contracts Division	88.28	(7.50)	-	-	-	-
(iii) Dividend Received	0.48	0.59	-	-	-	-
(iv) Rent / Lease Rent earned	-	1.09	-	-	-	-
(v) Interest earned	10.82	2.98	-	-	-	-
(vi) Other Income	0.92	10.09	0.74	1.95	-	-
<b>(II) Expenses:</b>						
(i) Purchase of Electricity	28.64	77.00	-	-	-	-
(ii) Purchase of other items on revenue account	3.94	77.23	207.36	361.74	-	-
(iii) Purchase of other items on Capital account	2.35	16.62	-	33.16	-	-
(iv) Receiving of Services	22.25	1.97	133.01	15.76	-	-
(v) Rent paid	0.76	0.37	-	-	-	-
(vi) Interest Paid	14.06	-	-	-	-	-
(vii) Salaries, Commission and Other benefits	-	-	-	-	3.20	13.46
<b>(b) Balance Sheet Heads (Closing Balances):</b>						
(i) Sundry Creditors / other liabilities for rendering services	1,658.37	29.39	67.31	175.61	-	-
(ii) Investment in Equity Shares / Preference Shares	2,012.93	1,887.57	-	-	-	-
(iii) Loans / ICDs Placed (Including accrued interest)	142.75	37.60	-	-	-	-
(iv) Subordinate Debts	-	62.04	-	-	-	-
(v) Advance against Investments	51.05	50.00	-	-	-	-
(vi) Recoverable Expenses	6.30	121.06	1.68	-	-	-
(vii) Sundry debtors	26.35	156.68	-	-	-	-
(viii) Equity Warrants issued and subscribed	-	-	-	783.49	-	-
<b>(c) Contingent Liabilities (Closing balances):</b>						
Guarantees and Collaterals	612.45	1,068.27	6.05	9.18	-	-

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>(d) Transactions during the year:</b>						
(i) Guarantees and Collaterals provided	10.00	814.22	-	-	-	-
(ii) Deposits Given to	106.90	9.91	-	-	-	-
(iii) Deposits Returned by	1.75	8.16	-	-	-	-
(iv) Recoverable Expenses:-						
(a) incurred for related parties	39.25	133.68	9.72	10.73	-	-
(b) incurred by related parties on our behalf	1.36	0.01	-	-	-	-
(v) Investment in Equity Shares / Preference Shares	-	1,625.61	-	-	-	-
(vi) Subordinate Debts	-	50.46	-	-	-	-
(vii) Advance against Investments	1.05	(7.05)	-	-	-	-
(viii) Sale of Investments	@	0.02	-	-	-	-
(ix) Sale of Fixed Assets	0.61	-	0.07	-	-	-
(x) Advances received towards contracts	1,795.00	-	-	-	-	-
(xi) Advances towards contracts refunded	105.00	-	-	-	-	-
(xii) Issue of Equity Warrants	-	-	-	783.49	-	-

@ Rs 12,573

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

### (D) Details of Material Transactions with Related Party:

- (i) Guarantees and Collaterals provided to RePL Rs Nil (Rs 595.00 Crore), SPL Rs Nil (Rs 187.31 Crore), RIEPL Rs 10 Crore (Rs Nil). Deposit given to USHPPL Rs Nil (Rs 5.56 Crore), SHPPL Rs Nil (Rs 2.10 Crore) and RICL Rs 106.10 Crore (Rs 2.25 Crore). Deposit Returned by SHPPL Rs Nil (Rs 2.10 Crore), RICL Rs 0.95 Crore (Rs 0.50 Crore) USHPPL Rs Nil (Rs 5.56 Crore) and RIEPL Rs 0.80 Crore (Rs Nil). Recoverable Expenses incurred for SHPPL Rs 1.79 Crore (Rs 113.51 Crore), REIL Rs 9.46 Crore (Rs 10.56 Crore), Rosa Rs 10.97 Crore (Rs Nil), SPL Rs 7.97 Crore (Rs Nil) and CAPL Rs 8.47 Crore (Rs Nil). Recoverable Expenses incurred by BYPL Rs Nil (Rs 0.01 Crore), BRPL Rs Nil (Rs 0.01 Crore), RCL Rs Nil (Rs 0.01 Crore) and RICL 1.26 Crore (Rs Nil). Investment in Equity Shares of RePL Rs Nil (Rs 1,619.98 Crore). Advance against Investment paid to RIEPL Rs 1.05 Crore (Rs Nil). Advance against Investment received back from VIPL Rs Nil (Rs 7.05 Crore). Sale of Investments to RInfL Rs 9.406 (Rs Nil), RIEPL Rs 3,167 (Rs Nil) and VIPL Rs Nil (Rs 0.02 Crore). Issue of Share Warrants to AAPVPL. Rs Nil (Rs 783.49 Crore). Sale of Fixed Assets to RCPL Rs 0.07 Crore (Rs Nil), RePL Rs 0.38 Crore (Rs Nil), SPL Rs 0.13 Crore (Rs Nil) and CAPL Rs 0.10 Crore (Rs Nil). Advances received towards contract from SPL Rs 700 Crore (Rs Nil), VIPL Rs 200 Crore (Rs Nil) and CAPL Rs 700 Crore (Rs Nil). Advance towards contracts refunded to MEGL Rs 105 Crore (Rs Nil).
- (ii) Sundry Creditors / Other Liabilities for rendering services SPL Rs 665.88 Crore (Rs Nil), VIPL Rs 184.97 Crore (Rs Nil), CAPL Rs 692.11 Crore (Rs Nil), UPL Rs Nil (Rs 28.92 Crore), RNRL Rs Nil (Rs 9.61 Crore) and REIL Rs Nil (Rs 164.69 Crore). Investment in Equity Shares of RePL Rs 1,720.00 Crore (Rs Nil) and BRPL Rs 225.40 Crore (Rs Nil). Deposits given RICL Rs 142.75 Crore (Rs Nil). Advance against Investments RIEPL Rs 51.05 Crore (Rs Nil). Recoverable Expenses RNRL Rs 1.68 Crore (Rs Nil), THPPL Rs 3.67 Crore (Rs Nil), USHPPL Rs 1.18 Crore (Rs Nil) and SHPPL Rs 0.80 Crore (Rs Nil). Sundry Debtors BRPL Rs Nil (Rs 93.79 Crore), BYPL Rs Nil (Rs 62.88 Crore), CAPL Rs 12.92 Crore (Rs Nil) and VIPL Rs 13.24 Crore (Rs Nil).
- (iii) Sale of Electricity to BRPL Rs 61.82 Crore (Rs Nil). Gross Revenue of EPC and Contracts Division / Sales reversal from SPL Rs 38.38 Crore (Rs Nil), VIPL Rs 27.18 Crore (Rs Nil), CAPL Rs 22.19 Crore (Rs Nil), BRPL Rs Nil (Rs 7.17 Crore) and BYPL Rs Nil (Rs 0.32 Crore). Dividend Received from UPL Rs 0.48 Crore (Rs 0.59 Crore). Rent / Lease Rent earned from UPL Rs Nil (Rs 0.41 Crore) and RICL Rs Nil (Rs 0.68 Crore). Interest earned from RICL Rs 10.82 Crore (Rs 2.98 Crore). Other Income RePL Rs Nil (Rs 1.75 Crore), SPL Rs Nil (Rs 2.07 Crore), RNRL Rs 0.74 Crore (Rs 1.95 Crore), THPPL Rs Nil (Rs 1.74 Crore), RICL Rs 0.56 Crore (Rs Nil), RETL 0.36 Crore (Rs Nil) and SHPPL Rs Nil (Rs 1.74 Crore).
- (iv) Purchase of Electricity from BRPL Rs 7.03 Crore (Rs 52.08 Crore) and BYPL Rs 21.61 Crore (Rs 24.91 Crore). Purchase of other items on Revenue account from UPL Rs Nil (Rs 77.23 Crore), REIL Rs Nil (Rs 161.66 Crore) and RNRL Rs 198.56 Crore (Rs 200.08 Crore). Purchase of other items on Capital account from RICL Rs 2.35 Crore (Rs 16.62 Crore), REIL Rs Nil (Rs 33.16 Crore) and UPL Rs Nil (Rs Nil). Receiving of Services from REIL Rs 33.07 Crore (Rs Nil), RGI Rs 32.57 Crore (Rs Nil), RCIL Rs Nil (Rs 15.76 Crore), RNRL Rs 65.42 (Rs Nil), UPL Rs 19.25 Crore (Rs Nil). Rent paid to RICL Rs 0.76 Crore (Rs 0.37 Crore). Interest Paid to MEGL Rs 3.85 Crore (Rs Nil) and SHPPL Rs 10.21 Crore (Rs Nil).

Notes to Abridged Consolidated Financial Statements

- (v) Salaries, Commission and Other Benefits paid / payable to Shri Anil D Ambani Rs Nil (Rs 0.11 Crore), Shri Satish Seth Rs Nil (Rs 0.09 Crore), Shri S.C. Gupta Rs 1.12 Crore (Rs 1.13 Crore), Shri Lalit Jalan Rs 1.10 Crore (Rs 1.04 Crore) and Shri J.P. Chalasani Rs Nil (Rs 1.05 Crore). Further, the Company has made payment to Shri Anil D Ambani towards commission for the financial year 2007-08 amounting to Rs 11.00 Crore (which includes Rs 0.97 Crore not provided in the previous year - Refer Note 11 above).
- (vi) The Company has given (a) equity support undertakings to power procurers in respect of Sasan ultra mega power project (UMPP), Krishnapatnam UMPP, Tilaiya UMPP and MP 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 of Reliance Power Limited for setting up the Rosa 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; the amounts of which currently are not ascertainable.

10. Segment wise Revenue, Results and Capital Employed:

(Note No.13 of Schedule 16 of the Consolidated Financial Statements)

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. Business segments include Electrical Energy, EPC and Contracts and other Operations.

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 and Contracts segment (of Parent company and UPL) render comprehensive value-added services in construction, erection and commissioning. Other operations include businesses with respect to development, operation and maintenance of toll roads, metro rail transit system 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 is no material earnings from outside India. As such there are no reportable geographical segments.

Information about Business Segments - Primary:

Rs Crore

Particulars	Electrical Energy	EPC and Contracts	Other Operations	Total 2008-09	Electrical Energy	EPC and Contracts	Other Operations	Total 2007-08
<b>Revenue:</b>								
External Revenue	10,318.75	2,525.92	-	12,844.67	7,006.49	1,473.80	0.02	8,480.31
Inter-segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	10,318.75	2,525.92	-	12,844.67	7,006.49	1,473.80	0.02	8,480.31
<b>Result:</b>								
Segment Result	721.85	185.50	(2.98)	904.37	420.59	121.83	(0.99)	541.43
Unallocated Income net of unallocable expenses	-	-	-	501.00	-	-	-	564.79
Interest Income (net of interest Expense)	-	-	-	(67.91)	-	-	-	129.91
Profit before taxation	-	-	-	1,337.46	-	-	-	1,236.13
Taxes	-	-	-	78.32	-	-	-	95.83
Profit after Tax	-	-	-	1,259.14	-	-	-	1,140.30
Share in Profit/(Loss) of Associates	-	-	-	93.37	-	-	-	38.60
Minority Interest	-	-	-	0.72	-	-	-	(0.69)
Profit after tax, Share in Associates and Minority Interest	-	-	-	1,353.23	-	-	-	1,178.21

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

Rs Crore

Particulars	Electrical Energy	EPC and Contracts	Other Operations	Total 2008-09	Electrical Energy	EPC and Contracts	Other Operations	Total 2007-08
<b>Other Information:</b>								
Segment Assets	10,297.14	3,186.20	2,683.01	16,166.35	6,874.62	1,858.79	9.19	8,742.60
Unallocated Corporate Assets	-	-	-	18,367.26	-	-	-	17,720.39
Total Assets				34,533.61				26,462.99
Segment Liabilities	4,285.31	3,026.93	1,649.36	8,961.60	2,912.94	1,257.34	4.05	4,174.33
Unallocated Corporate Liabilities	-	-	-	8,674.41	-	-	-	5,929.95
Total Liabilities				17,636.01				10,104.28
Capital Expenditure	1,164.01	1.15	2,398.37	3,563.53	930.81	11.67	53.72	996.20
Depreciation	393.11	5.66	0.03	398.80	366.38	3.97	0.03	370.38

### 11. Deferred Taxation:

(Note No. 14 of Schedule 16 of the Consolidated Financial Statements)

Rs Crore

Computation of Deferred Tax Asset / Liability	As at March 31, 2009	As at March 31, 2008
1. Deferred Tax Liability on account of:		
(i) Depreciation Difference	390.67	340.11
(ii) Others	-	-
<b>Total</b>	<b>390.67</b>	<b>340.11</b>
2. Deferred Tax Asset on account of:		
(i) Unabsorbed Capital Losses	(10.29)	(19.73)
(ii) Provisions	(167.31)	(51.83)
(iii) Disallowances under Section 40(a) of the Income Tax Act, 1961	(1.68)	(0.69)
<b>Total</b>	<b>(179.28)</b>	<b>(72.25)</b>
<b>Net Deferred Tax Liability</b>	<b>211.39</b>	<b>267.86</b>
Add: Share in Joint Venture	(0.05)	(0.08)
<b>Net Deferred Tax Liability including Share in Joint Venture</b>	<b>211.34</b>	<b>267.78</b>

The above calculations are based on assessment orders passed but where no assessment order is passed the same are based on return of income filed.

### 12. (Note No. 15 of Schedule 16 of the Consolidated Financial Statements)

#### (A) Standby Charges (Parent Company):

- (a) In the matter of standby charges, Maharashtra Electricity Regulatory Commission (MERC) had passed an order dated May 31, 2004 as under:
  - i) The total liability for the financial years 1998-99 to 2003-04 was determined at Rs 515.60 Crore (which had been debited to the Profit and Loss Account up to March 31, 2005).
  - ii) The Tata Power Company Ltd. (TPC) to refund an amount of Rs 321.13 Crore (net of interest of Rs 1.17 Crore) to the Parent Company for the said period plus interest at 10 per cent per annum commencing from April 1, 2004 till the date of payment.
- (b) The Parent Company and TPC filed appeals before the Hon'ble High Court of Bombay. As an interim order, the Hon'ble High Court of Bombay granted stay of payment to be made by TPC, but directed TPC to provide a Bank Guarantee of Rs 313.93 Crore in favour of the Hon'ble High Court of Bombay. Disposing both the petitions, the Hon'ble High Court of Bombay held that the issues should be adjudicated within four months of the order of the Hon'ble High Court of Bombay by the Appellate Tribunal for Electricity (ATE). In the interregnum, the parties to continue to pay in terms of the interim order, subject to adjustments on adjudication.
- (c) Both TPC and the Parent Company filed Special Leave Petitions in the Supreme Court against the Order of the Hon'ble High Court of Bombay. While disposing of these petitions, the Hon'ble Supreme Court directed TPC to file an appeal before the ATE. TPC thereafter filed an appeal before ATE.
- (d) While disposing of the appeal, ATE has passed an order dated December 20, 2006 as under:
  - i) The total liability of standby charges for the financial years 1998-99 to 2003-04 was determined at Rs 500 Crore.
  - ii) TPC to refund Rs 354 Crore (inclusive of interest of Rs 15 Crore upto March 31, 2004) to the Parent Company plus interest at 10 per cent per annum commencing from April 1, 2004 till the date of payment.

Notes to Abridged Consolidated Financial Statements

(e) TPC filed an appeal in the Hon'ble Supreme Court being Appeal No. 415 of 2007. 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 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):**

Pursuant to the order passed by the MERC dated December 12, 2007, in case No. 7 of 2002, TPC has claimed an amount of Rs 323.87 Crore towards the following

- (a) Difference in the energy charge for energy supplied by TPC at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24 per cent per annum up to December 31, 2007, and
- (b) Minimum offtake charges for energy for the years 1998-99 to 1999-2000 along with interest at 24 per cent per annum up to December 31, 2007.

In an appeal filed by the Parent Company, ATE held that the amount in the matter (a) above is payable by the Parent Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) is remanded to MERC for redetermination. The Parent Company has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPC has also filed an appeal against the said order.

The said amount is disclosed under Contingent Liability in Note 2(a)(iv) above.

**13. Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits":**

(Note No. 16 of Schedule 16 of Consolidated Financial Statements)

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. These funds are recognised by the Income tax authorities. However in case of employees of erstwhile DVB (presently employees of BRPL and BYPL) in accordance with the stipulation made by GoNCTD, in its notification dated January 16, 2001 the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the DVB -ETBF 2002. With respect to 6<sup>th</sup> pay commission contributions on account of retirement benefits arising from respective revision of emoluments of the employees of erstwhile DVB will be accounted for as and when the same are determined in accordance with the notification of GoNCDT (Refer note 3(d) above).

The Group has recognised the following amounts in the Profit and Loss Account for the year:

**Rs Crore**

Sr. No.	Particulars	2008-2009	2007-2008
(i)	Contribution to Provident Fund	<b>20.89</b>	18.34
(ii)	Contribution to Employees Superannuation Fund	<b>5.79</b>	3.95
(iii)	Contribution to Employees State Insurance Scheme	-	0.01
(iv)	Contribution to Employees Pension Scheme, 1995	<b>8.72</b>	3.75
(v)	Leave Salary Contribution	<b>0.37</b>	0.34
(vi)	Contribution to DVB ETBF 2002	-	4.25

(B) Defined Benefit Plans

- a. Provident Fund \*
- b. Gratuity
- c. Leave Encashment

\* Applicable to certain employees of the Parent Company.

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

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. 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	
		2008-2009	2007-2008	2008-2009	2007-2008
(i)	Discount Rate (Per annum)	7.50%	8.00%	7.50%	8.00%
(ii)	Rate of increase in Compensation levels	6.00%	6.00%	6.00%	6.00%
(iii)	Rate of Return on Plan Assets	7.50%	8.00%	7.50%	8.00%
(iv)	Expected Avg. remaining working lives of employees in no. of Years	18	17	18	17

Rs Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2008-2009	2007-2008	2008-2009	2007-2008
<b>(i)</b>	<b>Changes in present value of obligation</b>				
	Opening Balance of Present Value of Obligation	96.89	83.13	85.13	64.44
	Liability on transfer of Employees (Net)	1.61	-	0.02	-
		<b>98.50</b>	83.13	<b>85.15</b>	64.44
	Interest Cost	7.76	6.65	6.82	4.83
	Current Service Cost	6.62	5.59	7.69	5.03
	Benefits Paid	(5.47)	(6.80)	(5.40)	(10.25)
	Actuarial (Gains) / Loss	7.97	8.32	3.22	21.08
	Closing Balance of Present Value of Obligation	<b>115.38</b>	96.89	<b>97.48</b>	85.13
<b>(ii)</b>	<b>Changes in Fair Value of plan assets</b>				
	Opening Balance of Present Value of Plan Assets	98.50	74.27	57.67	-
	Planned Assets on transfer of employees (Net)	1.61	-	-	-
		<b>100.11</b>	74.27	<b>57.67</b>	-
	Expected return on Plan assets	7.92	5.94	4.61	-
	Contributions	19.92	23.93	20.32	70.19
	Benefits Paid	(5.46)	(6.77)	(5.32)	(10.19)
	Actuarial Gain / (Loss) on Plan assets	(6.89)	1.13	(4.37)	(2.33)
	Closing Balance of Fair Value of Plan Assets	<b>115.87</b>	98.50	<b>72.91</b>	57.67
	Plan assets Pending Transfer	(0.27)	-	-	-
	Closing Balance of Fair Value of Plan Assets net of pending transfer	<b>115.60</b>	98.50	<b>72.91</b>	57.67
<b>(iii)</b>	<b>Percentage of each category of Plan assets to total fair value of Plan assets as at March 31, 2009</b>				
	Administered by Reliance Life Insurance Company Limited / Life Insurance Corporation of India	100%	100%	100%	100%
<b>(iv)</b>	<b>Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets</b>				
	Closing Balance of Present Value of Obligation	115.38	96.89	97.47	85.13
	Closing Balance of Fair Value of Plan Assets net of pending transfers	115.60	98.50	72.91	57.67
	(Asset) / Liability recognised in the Balance Sheet	(0.22)	(1.61)	24.56	27.46



Notes to Abridged Consolidated Financial Statements

Rs Crore

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2008-2009	2007-2008	2008-2009	2007-2008
(v)	<b>Amounts recognised in the Balance Sheet</b>				
	Closing Balance of Present Value of Obligation	115.38	96.89	97.47	85.13
	Closing Balance of Fair Value of Plan Assets net of pending transfers	115.60	98.50	72.91	57.67
	Funded (Asset) / Liability recognised in the Balance Sheet	(0.22)	(1.61)	24.56	27.46
	Unfunded Liability recognised in the Balance Sheet	-	-	-	-
(vi)	<b>Expenses recognised in the Profit and Profit Loss Account</b>				
	Current Service Cost	6.62	5.59	7.69	5.03
	Interest Cost	7.76	6.64	6.82	4.83
	Expected Return on Plan Assets	(7.92)	(5.94)	(4.61)	-
	Net Actuarial (Gain) / Loss	14.87	7.08	7.59	23.38
	Total Expenses recognised in the Profit and Loss Account / Capital work in progress	21.33	13.37	17.49	33.24

14. (Note No.17 of Schedule 16 of Consolidated Financial Statements)

The Parent Company has been legally advised that it is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Parent Company.

15. (Note No. 18 of Schedule 16 of Consolidated Financial Statements)

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 53.95 Crore (Rs 54.24 Crore) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.

16. **Scheme of Amalgamation of Reliance Projects Finance Private Limited (RPFPL) with the Parent Company:**

(Note No. 19 of Schedule 16 of Consolidated Financial Statements)

Pursuant to the approval of the Board of the Parent Company by circular resolution dated March 17, 2008 and the sanction of the Scheme of Amalgamation of RPFPL with the Parent Company by the Hon'ble High Court of Judicature at Bombay on June 20, 2008, the assets and liabilities of the erstwhile RPFPL, a wholly owned subsidiary of the Parent Company, were transferred to and vested in the Parent Company with effect from the appointed date viz. April 1, 2007 in accordance with the Scheme so sanctioned. RPFPL was incorporated as a special purpose vehicle by the Company for the purpose of the proposed restructuring of the Company. RPFPL does not have any commercial operations.

The amalgamation has been accounted for under the "Pooling of Interest Method" as prescribed under Accounting Standard (AS-14) notified under the Companies (Accounting Standards) Rules, 2006 and as per the terms of the Scheme of Amalgamation.

17. **Regulatory Asset:**

(Note No. 20 of Schedule 16 of Consolidated Financial Statements)

(a) During the year, MERC, in accordance with the Tariff Regulations, determined the revenue requirement vide its order dated June 4, 2008 for the Parent Company for financial year 2008-2009. As per the order considering revenue requirement, the revenue gap of Rs 356.00 Crore would be allowed to be recovered from consumers in two equal parts over the next two years viz financial year 2009-2010 and financial year 2010-2011. Considering the above tariff order, the Parent Company has accrued the revenue gap evenly over the period as income in the Profit and Loss Account and has carried forward the same as "Regulatory Asset" in the Loans and Advances (Schedule 7(B)).

(b) The Fuel Adjustment charges (FAC) is determined based on the approved formula and the relevant directives as issued by MERC from time to time. The FAC formula takes in to account any change in the actual variable cost of own generation and third party purchases as against the budgeted cost considered by MERC while determining the base tariffs and maximum rate to be charged for recovery of FAC to the consumers at the beginning of the year. In case the difference between the actual cost and budgeted cost is not billed to the consumers during a financial year due to the cap on the rate imposed by MERC, the same is recovered by way of truing up or other mechanism in accordance with the tariff policy and provision of the Electricity Act, 2003 and is carried forward as Regulatory Asset as at the period end. Accordingly, the Parent Company has accounted for unrecovered FAC aggregating to Rs 678.45 Crore as revenue and has carried forward the same as regulatory asset (Schedule 7(B)), to be recovered through future tariffs, as the Parent Company has already incurred and accounted for the corresponding cost in Profit and Loss account.

# Reliance Infrastructure Limited

## Notes to Abridged Consolidated Financial Statements

### 18. (Note No. 21 of Schedule 16 of Consolidated Financial Statements)

The Committee of Whole-time Directors at its meeting held on February 25, 2009 has, as authorized by the Board of Directors at its meeting held on January 22, 2009 and by the Committee of Independent Directors at its meeting held on January 31, 2009, approved the revised Scheme of Restructuring envisaging transfer of Dahanu thermal power station division, Goa and Samalkot power stations division, power transmission division, power distribution division, toll roads division and real estate divisions of Reliance Infrastructure Limited to respective resulting wholly owned subsidiary companies, pursuant to Sections 391 to 394 of the Companies Act, 1956, subject to requisite consent and approvals of shareholders, lenders, creditors of the Company and of the resulting companies, Stock Exchanges on which the equity shares of the Company are listed, the Bombay High Court and the permission or approval of the Central Government or any other statutory or regulatory authorities, as might be necessary for the implementation of the Scheme. The detailed and formal plan for demerger is under finalisation / approval.

### 19. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

(Note No. 22 of Schedule 16 of Consolidated Financial Statements)

There are no Micro, Small and Medium scale business enterprises to whom dues are outstanding for more than 45 days as at March 31, 2009 except in case of UPL, BKPL, BRPL and BYPL, for which the details are as follows.

#### (a) BRPL and BYPL

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	3.44	-	0.05	0.05	-
BYPL	3.86	-	-	-	-

(b) In case of UPL and BKPL, both the companies have initiated the process of identification of Micro, Small and Medium Scale Enterprises. In view of large number of suppliers and non receipt of critical inputs and response from several such potential parties, the liability of interest, if any, can not be reliably estimated and accordingly related disclosure has not been made.

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.

### 20. Provision for Disputed matters / Contingencies (Parent Company and Share of Joint Ventures):

(Note No. 23 of Schedule 16 of Consolidated Financial Statements)

Rs Crore

Particulars	Direct Taxes (Refer note (a) below)	Other Business (Refer note (b) below)	Provision for Legal Claims (Share of JV's) (Refer note (c) below)	Total
Opening Balance	22.00	220.00	2.82	244.82
Add: Provision made	-	320.00	0.91	320.91
Less: Provision reversed	2.32	-	-	2.32
<b>Closing Balance</b>	<b>19.68</b>	<b>540.00</b>	<b>3.73</b>	<b>563.41</b>

(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 company; and

(c) consumer claims logged against BRPL and BYPL.

Notes to Abridged Consolidated Financial Statements

21. Buy-back of Shares:

(Note No.24 of Schedule 16 of the Consolidated Financial Statements)

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 per cent 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 9,554,995 (951,500) equity shares during the year ended March 31, 2009 through open market transactions for an aggregate amount of Rs 759.28 Crore (Rs122.68 Crore), by utilising the Securities Premium account and the General Reserve to the extent of Rs 749.73 Crore (Rs 121.73 Crore) and Rs 9.55 Crore (Rs 0.95 Crore) respectively. The Capital Redemption Reserve has been created out of General Reserve for Rs 9.55 Crore (Rs 0.95 Crore) being the nominal value of shares bought back in terms of Section 77A of the Companies Act, 1956. Of the above equity shares bought back 100,000 and 300,000 equity shares have been extinguished subsequent to year end on April 3, 2009 and April 10, 2009 respectively.

22. (Note No.25 of Schedule 16 of Consolidated Financial Statements)

Reliance Power Limited (RePL) has issued bonus shares in the ratio of three new equity shares for every five existing equity shares to all the shareholders of the Parent Company. Pursuant to the approval of the Board of Directors and shareholders of the Parent Company, the Parent Company along with the other promoters of RePL viz. Anil Dhirubhai Ambani Group comprising Shri Anil D Ambani, Reliance Innoventures Private Limited and AAA Project Ventures Private Limited (APVPL) who collectively held equity shares representing 89.91 per cent of the pre bonus issue equity share capital of RePL have agreed to waive their respective entitlement for allotment of bonus shares. To protect the Parent Company from any dilution of its current holding of 44.96 per cent of the equity shares of RePL consequent upon waiving its right to bonus shares, APVPL has contributed voluntarily without any obligation to do so and without any specific consideration, by way of gift of 2.57 per cent of its post bonus issue shareholding comprising 61,500,000 shares in RePL to the Parent Company. Accordingly, in the current year there is an increase of 61,500,000 number of equity shares holding in RePL without any increase in the cost of investment.

23. (Note No. 28 of Schedule 16 of Consolidated Financial Statements)

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 except in case of CBD Tower Private Limited which has been consolidated considering unaudited financial statements. 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 (Unquoted)					
1.	BKPL	127.76	42.41	316.15	145.98	-	-	632.36	1.14	(1.39)	2.52	-
2.	RInFL	502.10	152.21	24.35	-	69.96	560.00	88.66	88.66	9.34	79.32	-
3.	PKTCL	7.05	(1.22)	22.85	17.02	-	-	0.11	0.08	0.03	0.04	-
4.	RInVL	502.11	139.80	21.98	-	619.93	-	82.15	82.15	9.60	72.55	-
5.	RETL	20.55	12.75	90.06	68.76	12.00	-	868.46	6.64	2.00	4.64	-
6.	RPTL	341.37	(2.62)	338.95	0.36	0.14	0.02	0.03	(0.08)	-	(0.08)	-
7.	NGSPL	27.33	(0.29)	27.63	0.59	-	-	-	(0.28)	-	(0.28)	-
8.	MMOPL	263.45	90.58	470.06	243.31	127.28	-	-	(1.64)	-	(1.64)	-
9.	DAMEPL	373.91	-	384.43	10.52	-	-	-	-	-	-	-
10.	CBDTPL	183.95	(2.06)	614.24	432.35	-	-	-	(2.06)	-	(2.06)	-
11.	TRPL	0.01	-	0.01	-	-	-	-	-	-	-	-
12.	REGL	0.05	(0.01)	0.05	0.01	-	-	-	-	-	-	-
13.	REL	0.50	0.04	0.03	-	0.26	0.25	0.02	0.02	-	0.02	-
14.	RPDL	0.05	-	0.05	-	-	-	-	-	-	-	-
15.	DSTL	5.21	19.40	422.19	397.58	-	-	-	-	-	-	-
16.	NKTL	4.48	15.72	346.34	326.14	-	-	-	-	-	-	-
17.	SUTL	8.41	(0.29)	204.18	196.06	-	-	0.03	(0.11)	-	(0.11)	-
18.	TDTL	4.46	(0.24)	112.68	112.96	4.50	-	-	(0.15)	-	(0.15)	-
19.	TKTL	5.74	(0.18)	116.62	111.06	-	-	0.08	(0.06)	-	(0.06)	-
20.	GFTL	0.21	(0.15)	0.07	0.01	-	-	-	(0.15)	-	(0.15)	-
21.	WRTM	12.17	(1.81)	10.62	0.26	-	-	-	-	-	-	-
22.	WRTG	5.76	(0.99)	4.91	0.14	-	-	-	-	-	-	-
23.	RGSL	0.05	-	0.05	-	-	-	-	-	-	-	-

@ 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

## Notes to Abridged Consolidated Financial Statements

### 24. Earnings per Equity Share:

	<u>2008-09</u>	<u>2007-08</u>
	<b>Rs Crore</b>	Rs Crore
(i) Profit for Basic and Diluted Earning per share (a)	<b>1,353.23</b>	1,178.21
(ii) Weighted Average number of Equity Shares		
For Basic Earnings per share (b)	<b>230,317,785</b>	231,532,884
Add: Adjustment for conversion / Issue of shares / Warrants	<b>4,300,525</b>	5,914,296
For Diluted Earnings per share (c)	<b>234,618,310</b>	237,447,180
(iii) Earnings per share (Weighted Average)	<b>Rupees</b>	Rupees
Basic (a/b)	<b>58.75</b>	50.89
Diluted (a/c)	<b>57.68</b>	49.62

### 25. Key Ratios:

	<u>2008-09</u>	<u>2007-08</u>
(a) Total Income / Total Assets	<b>0.46</b>	0.39
(b) Net Profit before interest and tax / Capital Employed %	<b>7.77</b>	7.86
(c) Return on Net worth %	<b>8.30</b>	7.50
(d) Net Profit / Total Income %	<b>9.63</b>	12.10

#### Notes:

Total Assets is net of Capital work in progress and Revaluation Rserve.

Capital employed includes Share holders funds, Debt funds and is net of Revaluation Reserve and Capital work in progress.

Net worth includes Share holders funds and is net of Revaluation Reserve.

### 26. (Note No. 29 of Schedule 16 of Consolidated Financial Statements)

Figures for the previous year have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate Previous Year's figures. '@'- represent figures less than Rs 50,000 which are shown at actuals with @.

As per our attached Report of even date

**For Price Waterhouse**      **For Chaturvedi & Shah**  
Chartered Accountants      Chartered Accountants

**Partha Ghosh**      **C D Lala**  
Partner      Partner  
Membership No. 55913      Membership No. 35671  
Place : Mumbai  
Date : April 23, 2009

For and on behalf of the Board

**Anil D Ambani**      Chairman  
**Satish Seth**      Vice Chairman  
**S C Gupta**      Director (Operations)  
**Lalit Jalan**      Whole-time Director

**Ramesh Shenoy**      Company Secretary  
Place : Mumbai  
Date : April 23, 2009

**Gen V P Malik**  
**Dr Leena Srivastava** } Directors  
**S L Rao**  
**V R Galkar**

## Abridged Consolidated Cash Flow Statement for the year ended March 31, 2009

	Year ended March 31, 2009 Rs Crore	Year ended March 31, 2008 Rs Crore
<b>A. Cash Flow from Operating Activities :</b>		
Profit before Taxation	1,337.46	1,236.13
Adjustments for :		
Depreciation (Net of transfer from Reserves)	330.38	307.42
Interest and finance charges	439.42	402.06
(Profit) / Loss on sale / disposal of fixed assets (net)	5.17	(54.12)
Provision for / (write back of) diminution in value of investments	(45.05)	-
Provision for doubtful debts, advances, deposits	80.71	51.13
Provision for leave encashment	(3.14)	(33.36)
Interest Income	(371.51)	(531.97)
Dividend Income	(20.94)	(36.56)
Premium on Redeemable Preference Shares	(412.24)	(34.20)
Buy Back Expenses	-	4.00
Unrealised (Gain) / Loss on exchange fluctuation (net)	186.79	(237.67)
Unrealised (Gain) / Loss on derivative Instruments (net)	170.18	-
(Profit) / Loss on sale / redemption of investments (net)	(319.08)	(275.25)
	<b>40.69</b>	<b>(438.52)</b>
<b>Operating Profit before Working Capital Changes</b>	<b>1,378.15</b>	<b>797.61</b>
Adjustments for :		
Trade and other receivables	(2,312.43)	(1,094.95)
Inventories	(95.71)	(33.05)
Trade payables	2,155.10	554.38
	<b>1,125.11</b>	<b>223.99</b>
Income Taxes paid (net of refund)	(207.21)	(15.29)
<b>Net Cash from Operating Activities</b>	<b>917.90</b>	<b>208.70</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase / acquisition of fixed assets	(2,504.28)	(977.54)
Sale of fixed assets	9.51	58.24
Purchase of investments	(43,767.19)	(43,357.33)
Acquisition of Subsidiaries	(12.92)	(16.71)
Purchase of Interest in Joint Ventures / Associates	(132.28)	(1,625.64)
Advance against Investments in Associates	-	(28.33)
Sale / redemption of investments	40,436.46	43,160.22
Inter Corporate Deposits	3,707.94	(549.71)
Dividend Income	20.94	36.56
Premium on Redeemable Preference Shares	162.95	-
Interest Income	362.09	551.73
	<b>(1,716.78)</b>	<b>(2,748.51)</b>
<b>Net Cash used in Investing Activities</b>		
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from issue of Share warrants	-	783.49
Proceeds of Share Capital from Minority shareholders (including share application money)	60.33	51.94
Buy back of Equity Shares (including buy back expenses)	(759.28)	(126.68)
Proceeds from issue of debentures	850.00	-
Proceeds / (Repayments) of secured loans (net)	590.79	(162.74)
Proceeds / (Repayments) of unsecured loans (net)	874.72	500.20
Proceeds from Grants / Capital Contribution	110.90	-
Realised Gain / (Loss) on derivative instruments (net)	(21.28)	-
Interest and finance charges	(408.54)	(482.88)
Dividends paid on equity shares including tax	(170.14)	(140.97)
	<b>1,127.50</b>	<b>422.36</b>
<b>Net Cash used in Financing Activities</b>		
<b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>	<b>328.62</b>	<b>(2,117.45)</b>
Cash and cash equivalents as at the commencement of the year (Opening Balance)	102.82	2,188.59
Add: Share in Joint Ventures	12.57	37.74
	<b>115.39</b>	<b>2,226.33</b>
Add: Share on increase of shareholding in Joint Ventures	9.78	-
Add: Cash taken over on acquisition of Subsidiaries	4.48	6.51
	<b>129.65</b>	<b>2,232.84</b>
Cash and cash equivalents as at the end of the year (Closing Balance) *	435.63	102.82
Add: Share in Joint Ventures	22.64	12.57
	<b>458.27</b>	<b>115.39</b>
<b>Net (Decrease) / Increase as disclosed above</b>	<b>328.62</b>	<b>(2,117.45)</b>

\* Including Cash Collateral of Rs 50.22 Crore (Rs Nil) as at March 31, 2009

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

Compiled from the Audited Consolidated Financial Statements of the Company referred to in our Report dated April 23, 2009

As per our attached Report of even date

**For Price Waterhouse**  
Chartered Accountants

**For Chaturvedi & Shah**  
Chartered Accountants

**Anil D Ambani** Chairman  
**Satish Seth** Vice Chairman  
**S C Gupta** Director (Operations)  
**Lalit Jalan** Whole-time Director

**Gen V P Malik**  
**Dr Leena Srivastava**  
**S L Rao**  
**V R Galkar**

} Directors

**Partha Ghosh**  
Partner  
Membership No. 55913  
Place : Mumbai  
Date : April 23, 2009

**C D Lala**  
Partner  
Membership No. 35671

**Ramesh Shenoy** Company Secretary  
Place : Mumbai  
Date : April 23, 2009

# Reliance Infrastructure Limited

## Glossary

ABT	Availability Based Tariff	DTPS	Dahanu Thermal Power Station
AMR	Automated Remote Metering	DTTC	Dahanu Technical Training Centre
APDRP	Accelerated Power Development and Reform Programme	DVC	Damodar Valley Corporation
APFC	Automatic power factor correction	EBIDTA	Earnings before Interest, Depreciation, Tax and Appropriation
ARR	Annual Revenue Requirement	ECS	Electronic Clearing Service
AT&C	Aggregate Technical & Commercial losses	EHV	Extra High Voltage
ATE	Appellate Tribunal for Electricity	EOT	Electrically operated crane
Bank Rate	The rate of interest fixed by Reserve Bank of India for inter banking lending	EPC	Engineering, Procurement, Construction
BEST	Brihanmumbai Electric Supply & Transport Undertaking	ESG/SAP	Employee Services Group / Systems, Applications & Products in Data Processing (EPC)
BOO	Build Own and Operate	ESS	Employee Self Service
BOT	Build, Own and Transfer	FCCB	Foreign Currency Convertible Bonds
BOOT	Build-Own-Operate-Transfer basis	FGD	Flue Gas Desulphurisation Plant
BPL	Below poverty line	FIIs	Foreign Institutional Investors
BRPL	BSES Rajdhani Power Limited	GAAP	Generally Accepted Accounting Principles
BST	Bulk Supply Tariff	GDP	Gross Domestic Product
BTG	Boiler Turbine Generator	GDR	Global Depository Receipt
BVQI	Bureau Veritas Quality International	GI	Gas Insulated
BYPL	BSES Yamuna Power Limited	GIS	Geographical Information System
CBM	Coal bed methane	GOI	Government of India
CCPS	Combined Cycle Power Station	GPA	Gross Per Annum
CDSL	Central Depository Services (India) Limited	Grid AMR	Grid automatic meter reading
CEA	Central Electricity Authority	GSM	Global system for mobile communication
CERC	Central Electricity Regulatory Commission	GRIDCO	Grid Corporation of Orissa Limited
CFL	Compact fluorescent light	Gt	Gas Turbine
CGRF	Consumer Grievance Redressal Forum	GWhr	Giga Watt Hours (million kilowatt hours)
CHD	Consumer Help Desk	HPBFP	High Pressure Boiler Feed Pump
Ckt	Circuit	HEP	Hydro Electric Project
COC	Cycle of Concentration	HPGCL	Haryana Power Generation Company Limited
Crore	10,000,000	HT	High tension
CSI	Customer Satisfaction Indices	HVDS	High voltage distribution system
CSR	Corporate social responsibility	HVPNL	Haryana Vidyut Prasaran Nigam Limited
CTC	Cost to the Company	HVSR	High Voltage Series Reactor
CW	Cooling Water	IP	Internet Protocol
DAMEPL	Delhi Airport Metro Express Private Limited	IPP	Independent Power Producers
DCS	Distributed Control System	IPTC	Independent Private Transmission Company
DERC	Delhi Electricity Regulatory Commission	ISMS	Information Security Management System
DMRC	Delhi Metro Rail Corporation	ISP	Internet service provider
DMS	Distribution management system	ISU/CCS	Industry solution utility – customer care solution
DNV	Det Norske Veritas	IVRS	Interactive voice response system
DP	Depository Participant	Kcal	Kilo calories
DP	Differential Pressure	KM	Kilometers
DRUM	Distribution Reforms upgrades and Management	KSEB	Kerala State Electricity Board
DT	Distribution Transformer	KV	Kilovolt
DTEPA	Dahanu Taluka Environment Protection Authority	KVA	Kilovolt ampere
		KW	Kilowatt (=1,000 watts)



## Glossary

KWH	A Kilowatt hour	PMS	Performance Management System
Lakh	100,000	PPA	Power Purchase Agreement
Lfet	Low Frequency Electromagnetic Testing	PPP	Public Private Partnership
LP	Low Pressure	RGGVY	Rajeev Gandhi Gram Vidhyotikaran Yojna
LPBFP	Low Pressure Feed Pump	REC	Rural Electrification Corporation Limited
LPSC	Late payment surcharge	RIPE	Role Identification & Potential Evaluation
LT	Low tension	REMI	Reliance Energy Management Institute
LVD	Large video display	RFC	Released For Construction
LVDS	Low voltage distribution system	RPTL	Reliance Power Transmission Limited
MCA	Model Concession Agreement	RST	Retail Supply Tariff
MCB	Miniature circuit breakers	RTA	Registrar and Transfer Agent
MCW	Main Cooling Water	RTC	Rail Transportation Clearance
MEDA	Maharashtra Energy Development Agency	SCADA	Supervisory Control and Data Acquisition System
MERC	Maharashtra Electricity Regulatory Commission	SAC	Service Air Compressor
MMOPL	Mumbai Metro One Private Limited	SEB	State electricity board
MMRDA	Mumbai Metropolitan Region Development Authority	SEBI	Securities and Exchange Board of India
MMSCMD	Metric Million Standard Cubic Meters per day	SEC	Shanghai Electric Corporation
MoEF	Ministry of Environment & Forests	SEEPZ	Santa Cruz Electronics Export Processing Zone
MoP	Ministry of Power	SERC	State Electricity Regulatory Commission
MPCB	Maharashtra Pollution Control Board	SEZ	Special economic zone
MRTS	Mass Road Transit System	SMS	Short Message Service
MSEDCL	Maharashtra State Electricity Distribution Company Limited	ST	Steam Turbine
MU	Millions Units	STG	Steam turbine generator
MVA	A megavolt ampere	STU	State Transmission Unit
MVAR	Mega Volt Ampere Reactive	TERI	The Energy and Resources Institute
MYT	Multi Year Tariff	TFT	Thin Film Transistor
MW	A megawatt	Tonnes	Metric Tonnes
NDMC	New Delhi Municipal Corporation	UMPPs	Ultra mega power projects
NDT	Non destructive testing	Unit	One kwh; that is, the energy contained in a current of one thousand amperes flowing under an electromotive force of one volt during one hour
NELP	New exploration licensing policy	UPERC	Uttar Pradesh Electricity Regulatory Commission
NHAI	National Highways Authority of India	UPPCL	Uttar Pradesh Power Corporation Limited
NRI	Non-resident Indian	UPRE	Uttar Pradesh Rural Electrification
NSDL	National Securities Depository Limited	USAID	United States Agency for International Development
O/H	Overhauling	V	Volts
OHSAS	Occupational Health and Safety Assessment Series	VAM	Vapour Absorption Machine
PAT	Profit after Tax	VFD	Variable Frequency Drive
PCC	Plain Cement Concrete	VGf	Viability Gap Funding
PFC	Power Finance Corporation Limited	VTTc	Versova Technical Training Institute
PGCIL	Power Grid Corporation of India Limited	WREB	Western Regional Electricity Board
PLA	Plant Load Availability		
PLF	Plant Load Factor		

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## Reliance Infrastructure Limited

### Shareholder Satisfaction Survey 2009

We have been constantly endeavouring to extend the best possible services to our shareowners and we seek your feedback on the same. Kindly, therefore, return this response form duly filled to our R & T agents, Karvy Computershare Private Limited.  
It is indeed our privilege to have you as our shareowner and to continue to receive your trust and confidence.

To,  
Karvy Computershare Private Limited  
Unit : Reliance Infrastructure Limited  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur  
Hyderabad 500 081

Reg : **Shareholder Satisfaction Survey-2009-Response Form**

Name of Sole/First holder : \_\_\_\_\_

Folio No.

STD Code

DP ID

Telephone No.

Client ID                 e-mail \_\_\_\_\_

Kindly rate our services in following areas

	Excellent	Good	Needs Improvement
1. Responses to queries/complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Your overall rating of our investor service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Presentation of information on Company's website www.rinfra.com	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Quality and contents of Annual Report 2008-09	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Do you have any grievance which has not been addressed so far : <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please furnish details in brief			

\_\_\_\_\_

\_\_\_\_\_

6. Your suggestions and comments for improvement in our services

\_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

Signature of member

## Business Reply Inland Letter Card

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INDIA

To,  
Kavy Computershare Private Limited  
Unit: Reliance Infrastructure Limited  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur  
Hyderabad 500 081

Fold

**Reliance Infrastructure Limited**

Registered Office: Reliance Energy Centre, Santa Cruz (E), Mumbai 400 055

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 **80th Annual General Meeting** of Reliance Infrastructure Limited held on Tuesday, July 21, 2009, at 2:00 p.m. or soon thereafter as the AGM of Reliance Capital Limited convened for the same day shall be over at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020.

Signature of the shareholder or proxy

\*Applicable for investors holding shares in electronic form.

TEAR HERE.....

**Reliance Infrastructure Limited****PROXY FORM**

Registered Office: Reliance Energy Centre, Santa Cruz (E), Mumbai 400 055

DP. Id*	
---------	--

Regd. Folio No.	
-----------------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

I/We ..... of  
..... being a member/members of Reliance Infrastructure Limited hereby ap-  
point ..... of  
..... or failing him  
..... of ..... as my/

our proxy to vote for me/us and on my/our behalf at the **80th Annual General Meeting** of Reliance Infrastructure Limited held on Tuesday, July 21, 2009, at 2:00 p.m. or soon thereafter as the AGM of Reliance Capital Limited convened for the same day shall be over at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 or at any adjournment thereof.

Signed this ..... day of ..... 2009.

\* Applicable for investors holding shares in electronic form.

Affix Re. 1 revenue stamp
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- 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.



**Book Post**

**To,**

If undelivered please return to :

**Karvy Computershare Private Limited  
(Unit: Reliance Infrastructure Limited)**

Plot No. 17-24, Vittal Rao Nagar

Madhapur

Hyderabad 500 081

India