



"Reliance Infrastructure Post Results Conference Call"

February 14, 2011



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Moderator: Ladies and Gentlemen, good day and welcome to the Q3 FY'11 post results conference call of Reliance Infrastructure Limited hosted by Motilal Oswal Securities Limited. As a reminder for the duration of this conference all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. At this time, I would like to hand the conference over to Mr. Sathyam Agarwal of Motilal Oswal. Thank you and over to you, Sir.

Sathyam Agarwal: Thank you Marina. Good evening everyone, we have with us Mr. Jalan, CEO and Director, Reliance Infrastructure and other members from the senior management team including Mr. R. R. Mehta, Head Mumbai Distribution Business, Mr. K.P. Maheshwari, Head Metro Business, Mr. Sudhir Hoshing, Head Road Business and other members of the senior management team of the company. We would first start with a brief update from the management and then move on to the question and answer session. Over to you, Sir.

Lalit Jalan: Thank you and good evening friends. I am very happy to report the Q3 numbers. I trust that all the consolidated number together with our media release and also the buyback are with you. The total operating of the company is at 3744 Crores, which is an increase of 14% for the quarter. The net profit for the company is at 405 Crores compared to 368 Crores, which is an increase of 10% and these numbers do not include any regulatory assets for Mumbai, which was 55 Crores for similar period last quarter, so if you exclude the 55 Crores then the increase in profit for the quarter will be more like 20% plus. The cash profit is at 537 Crores versus 476 Crores, it is an increase of 13%, the cash earnings per share is at Rs. 21.95 compared to 21.11 and the earnings per share is 15.55 for the quarter versus 16.33 Q3 last year. I would like to briefly dwell upon some of the key highlights for the quarter before we start going businesses to business.

As I had mentioned in my previous conference call with all of you that we are in the midst of executing several infrastructure projects and these projects would start becoming operational in every quarter as we go forward. During Q3 we had the Pune-Satara 6-laning project, which became revenue operational from October. We have the first 100% transmission project, which is 100% owned by private sector becoming operational in this quarter and this is part of the WRSS line, which comprise of nine lines and the first line became operational last quarter and I am proud to say that from the section 164 clearance without which we cannot start construction, the line was commissioned in 15 months. The entire project would be commissioned by June, which will be around 22 months from getting clearances. In Delhi Metro we have received all the statutory approvals, the line is ready for commercial operations once the necessary security forces are deployed and here again I would like to bring to the notice of all the analysts that the concession agreement for the Delhi Metro was signed by us in July 2008. From July 2008 to November 2010 between us and DMRC we have been able to complete this project of 23 kms, which is 16 kms underground and 7 kms over-ground in a period of 27 months, which in our view is one of the fastest executions of a large infrastructure project of this type in this country. During this quarter, we also had the tariff stay removed by MERC owing to which we are no longer accruing regulatory assets and we are being able to recover our cost effective tariff. Also on the financial side by the end of December 22 out of 25 projects have already achieved financial closure totaling to 30,500 Crores and the other three projects have also been appraised, the lead arranger has



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sanctioned his portion of debt and these are under syndication. We expect that over the next 30 days all the projects of Reliance Infrastructure would be financially closed. This in the current environment that we see is also a big achievement. Early in Q4, the promoters exercised the 22.6 million warrants issued to them at a price of Rs. 929, which enhanced the net worth of the company. Also on today's board meeting the board has announced buyback of equity shares and I will share the key highlights with you. The board has announced share buyback of up to 1000 Crores. The buyback will be open for a period of one year and would be done through transparent open market purchases. The buy-back would be done up to a maximum ceiling price of Rs. 725. This buyback price represents a 17% premium to the current market price and a 47% premium to the low price of 493, which happens last week. The current proposal represents more than 100% of the aggregate amount of 923 Crores that has been invested by the company in three previous buy-backs. In the three previous buy-backs we bought 1.13 Crore shares. If you see the RInfra stake in RPower itself accounts for more than 75% of the current market price. The RInfra stock in spite of being India's largest infrastructure company and well financed is currently selling at 32% discount to the consolidated book value of Rs. 903, which reflects a significant and a unique value opportunity. You are also aware that during last week we were subjected to illegal bear-hammering by cartel (indiscernible) 9:09 we have got details of emails, sms sent by them to millions of unsuspecting investors, we have collected all that, the trading patterns, their names, and we have made a formal complaint through the Securities & Exchange Board of India and they have started investigation into this matter. On an overall basis, we are country's largest infrastructure company on an ownership basis we are developing 25 projects with a total outlay of 40,000 Crores, which does not include our distribution projects and these include, which you are aware 11 road projects of 970 kms up to Rs. 120 billion, three metro projects of 160 billion, five transmission projects of 66 billion, sea link of 50 billion, and five airport project worth 5 billion. We expect that by the first quarter of next year we will have 12 revenue generating projects worth about Rs. 200 billion and these would be freight roads, Delhi Metro, two transmission projects, and the seas link. With this I will hand over to Mr. Mehta who heads our Distribution Business.

R. R. Mehta:

Good evening everybody. Nice talking to you. I will walk you through quickly on Mumbai Distribution Business the relevant highlights. Mumbai Distribution Business is one of the most efficient businesses from its efficiency in operations as well as on the last parameter (ph) we are below 11% as compared to the country level of about 35%. We continue to add consumers because of the strength of our network and we have added almost about 70,000 customers during this period up to September. There are few consumers who went over because of the tariff but came back to us because of the services, so there has been a reverse migration to some extent. Our efficiency has gone up and we have been able to reduce about 50% of the downtime for the consumers, so we are again adding another milestone in reaching to the efficiency level. MERC had stayed the tariff last year but after going through the due process of diligence the tariff stay has been removed, so we are no more contributing to any regulatory as Mr. Jalan, we are neutral to our expense recovery. There is an important issue, which is pending with the regulator, which is cross subsidy, as you know that we are still away from cost reserve model and we are still having cross subsidizing of the low-end consumers by the high-end consumers and therefore it is essential that that balance continue to be maintained in order so that the low-end consumers are protected for various reasons. We have already filed our petition for adoption of tariff of our long-term and medium-term power purchase so that would bring little more stability to our operation as



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far as the price of power is concerned and the hearing is scheduled for 17th and we should have some outcome from the regulator. One of the issue, which is talked about is the distribution license, which with reference to the date of August 15, 2011. The license is perpetual and we have had legal opinions on that, that the license is perpetual therefore we expect that the renewal of license should or rather the continuation of license should take place, which would be 25 years from 2003. There is no provision; recently MERC has come out with expression of interest asking people who are interested for distributing electricity in this area while there is a provision for parallel license there is no provision in the electricity act going through an expression of interest for replacement of a license. There is a petition, which is going to come up on 15th and we will be taking up our views forward with them. We have in addition to our existing business of distribution in Mumbai and Delhi has taken up some consultancy assignments and implementation of SCADA projects and as implementation advisors to Karnataka in implementing their APDRP sanctioned amounts. We have been recognized for a number of services including IT including network management system implementation and all that so there are number of awards, India Power Award 2010 PC Quest, best IT implementation award 2010, Energy Award 2010 (ph) for Network Management etc. On the Delhi distribution front, Delhi distribution area we continue to earn incentive for faster loss reduction than what the trajectory was defined. We were very successful in implementing the electrification of the Common Wealth Games and there was no interruption in the supply of power there. We have filed in for Delhi a petition for recovery of fuel price changes, which is prevalent in Mumbai so it is nothing new, it is only that it has to be processed in Delhi and implemented by the regulators, so it is under consideration of the regulator. Delhi discom has been awarded the best distribution utility in the urban area, so that is as far as the distribution business is concerned. I will hand over back to Mr. Jalan for taking it forward.

Lalit Jalan:

I will now hand over to Mr. Sudhir Hoshing who will take up over the road business

Sudhir Hoshing:

Good evening, I am Sudhir looking after the road business. By now we all know that we are the largest concessionaire as per NHAI as far as the road business is concerned. We are developing three 6-laning projects, which are on the very prime locations such as Delhi to Agra, Pune to Satara, Hosur to Krishnagiri, which is in Bangalore to Chennai region, which makes us also the largest developer in terms of 6-laning projects. Totally we are developing around 11 road projects of around 970 kms with an investment of Rs. 120 billion. We have already three road projects, which are revenue generating and we are expecting another five projects to start generating revenue in the near future and one more, so totally six projects would be generating revenue say in year 2011 and we will have only two projects, which will be under construction and the rest of the projects will be generating revenue and rest of all my projects are in progress, it is going on very smoothly and all of them are expected to do completed in time. We in the recent years have developed ourselves engineering and management capabilities (ph), our EPC capabilities we have also increased our design capabilities, we have our own design capability for designing highways, we have our own traffic analyst team who work from the head quarters, around 80-85 people work in head quarters, and around 6500-7000 people work at site, it is a very big work for us and we have also developed our enterprise toll management system by which we can see the toll being collected at head quarters, which also has the accident reporting, the weather reporting, the pollution all those things can be seen online at our head quarters. We are going to start construction of two more projects i.e., Kandla-Mundra and Delhi-Agra and our capability at head quarters has



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increased, we have lot of EPC construction people, who have joined us from various organizations international and national and we now have a very good team, which is working and our construction capability has increased to a very good level. I hand over to Mr. Maheshwari.

K. P. Maheshwari:

Thank you Sudhir. My name is K. P. Maheshwari and I look after the metro projects in the group. To take you quickly through the three metro projects, which we are developing and that makes us in terms of the number of projects being developed the largest private sector player in the country in the metro sector. First is the Delhi Airport Express project. We are very happy to announce to all of you that we are on the verge of starting the commercial operations for the Delhi Airport Express Line project. The project has been complete in all respect for quite sometime but being the first project there were few issues, which has been holding us back. We have got all statutory clearances including the safety clearance from the Commissioner of Metro Rail, Safety. We could have started immediately thereafter but the government of India decided in its wisdom that the security for the Airport Express line will be provided through CIFS (ph) and for the last 15-20 days we have been in very active discussions with the ministry and the CIFS to ensure immediate deployment of CIFS. We expect that we will start our commercial operations in the next eight to ten days' time. Recently on February 5, 2011 the chief minister of Delhi undertook a visit of the Airport Express line including a ride on the train and you would have read in the Delhi newspapers that she has praised it in a fulsome manner and in her own words it is the modern and a beautifully done metro. The important thing to note share is that as you move from the construction phase to the operation phase is that as Mr. Lalit Jalan said we have completed the entire project from the date of concession agreement signing in about 27 months' time. We could have completed in the sense that we could have started in 27 months' time (ph) had it not been for some of these factors, which have prevented us from opening the project. On the business side we expect that the traffic will be quite good and also on the retail side we have some retail space in our stations in New Delhi and Shivaji. We have closed a number of deals at very attractive prices.

Coming on to Line One project in Mumbai, which was the first project, which we got this is going on at a full fledged pace, work is going on, on all fronts and we expect civil work, which is completed to an extent of about 75% and we expect we would be able to complete all our civil construction by July of this year and in order to do that we have accelerated on all fronts, massive resources have been deployed and more than 5000 people are working on the civil works alone. We have received our first train quite some time back and the second train is under testing and commissioning in China. We expect all 16 trains to be received in Mumbai by October-November of this year and our target is that by end of this year i.e., by December 2011 we would complete the project and commission it. This would be before the scheduled timeframe given to us in the concession agreement, which is March 2012 and not taking into account the extension in time, which we are entitled because of the delay in receiving the ROW from our client, which is MMRDA. Our O&M preparedness with a view to start the commissioning by the end of this year we have started our O&M preparedness in a full-fledged manner, Veolia, which is our French partner, this would be in-charge of O&M for the first five years. They have started recruitment in a big manner of all the drivers and station controllers and we expect that we would be in a good position in the next six to seven months from O&M point of view. Our Mumbai Metro Line Two project, which is the Charkop-Bandra-Mankhurd project. This project was awarded to us last year. We have signed the concession agreement. We had a time of nine months in which we



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had to achieve the financial close and we have tied up the entire debt within the scheduled nine months' time of more than 7000 Crore debt has been tied up. We have complied with all our conditions and we are just waiting for the government to comply with a couple of its conditions and in the meanwhile all our design and engineering work is going on in a full-fledged manner, all surveys and everything have been completed by our major consultant and we expect that in other 4-5 months we would start construction and just to sign out with a note that metro is a big booming industry in the country. There are large number of states, which are planning for metro projects and we would continue to evaluate all of them and depending on the attractiveness of project we would decide to concentrate in that. Thank you.

Lalit Jalan:

Two of my colleagues Mr. Alok Roy who looks at the transmission business and Mr. S. C. Gupta who is the Director and looks after the EPC business have got stuck into the proverbial Mumbai traffic and have not been able to reach, so I will give you an update on their businesses also.

In the transmission business we are developing five projects totaling to Rs.66 billion. As I had mentioned in my opening remarks the WRSS project, which was the first 100% privately owned project awarded by Government of India has become operational and going to the very late receipt of section 164 clearance CERC has extended a completion date by eight months up to August 2011 and we have almost 3000 people working on the various sites. The construction of the Parbati Koldam business has also started. All the sub-projects of construction have been awarded and we expect the Koldam-Ludhiana line to be ready by December 2012. The Parbati Koldam line could get little delayed owing to the late start up of the hydro station at Parbati, which they now want should be ready by first quarter of 2015 calendar year. In the Mumbai transmission work is going on at several sites and we expect three large, 220 KV substations to be commissioned in the current financial year and this will start earning revenue from next year. The two ultra mega transmission projects the detailed designing, route mapping everything is all done and we expect construction to start shortly on those two projects also.

Briefly on the EPC business this is one of the rising stars of the business. We have current order book of 23,500 Crores, which will be executed over the next three to four years. Our teams are currently working on six power and six road projects. We have more than 25,000 people working on several sites. On the Sasan project work is going on at rapid level. The inspection has been completed for the third tier of boiler structure at SCC China (ph). The unit 3 TG raft has been completed. More than 20,000 metric tonnes of prefabricated steel structure has been achieved at site and more than 3000 people are working at the site. On the Butibori project, the trial operation has been successfully completed for unit 1 HPGCL commercial operation of the unit and the unit 2 achieved its full load. The major projects which are in the pipeline are the Krishnapatnam project, which we are looking at, the Samalkot project, and Chitrangi project. We have also built capabilities to take on the metro projects for our infra business. On the sea-link, we would be developing the first sea-link on the project owing to value designing. We have been able to reduce the price of the project by Rs.500 Crores and now the project would be completed at Rs.45.5 billion. We have signed the concession agreement of 40 years for tolling rights. All the detailed designing everything is all done. We have tied up for O&M with world class company Briza of Portugal (ph). We have got the project appraisal done and the debt has been approved by the lead arranger. We expect financial closure very shortly. Apparently more than 50,000 vehicles are already plying on the sea-link and we have worked together a very exciting forward plan for the vehicles as



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we take on the sea-link sometime during the end of March this year. To sum up, the company has a very sound financial status, it has a very well funded balance sheet, our net worth on a consolidated basis is 32,100 Crores and we are at net debt zero. Our book value per share is at Rs.903. The promoter had invested 2090 Crores liquid shares in January 2011 and the shareholding of the promoter since the conversion is now up to 48%. We have each vertical as mentioned by my colleagues has dedicated team of professionals. We have more than 40,000 people working at the various infrastructure sites and if I look at my portfolio we have a very diversified portfolio with the right mix of return and growth. We have stable and assured returns from our distribution portfolio. We have high growth with very low capital needs from our EPC business and we have high growth and higher return businesses in the entire infrastructure segment namely roads, metros, transmission, and airport. With this I will be happy to take questions. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from Ashish Shah from IDFC, please go ahead.

Ashish Shah: Sir, a couple of questions here; #1 I was looking at the generation data for your three plants, Dahanu, Samalkot, and Goa; they together add up to about 1422 million units whereas if I look at the difference of your unit sold minus units bought that is about 1081 now there could be some amount of axillary that could have gone there, but I was unable to reconcile the 24% difference?

Lalit Jalan: Where are you looking at this data from?

Ashish Shah: Sir, I am referring to your press release, which gives the generation data unit wise for all your plants on page #4 of your press release?

Lalit Jalan: The generation is there and where is the sales?

Ashish Shah: What I am doing is from your total unit sold I am subtracting the units, which have been bought, purchased units, even adjusting for some amount of axillary consumption the difference is about 24%?

Lalit Jalan: There are two things. We are also buying a lot of energy from outside for our Mumbai distribution business so when you look at the sales the sales of Dahanu plant is 100% to our distribution business, which also buys lot of units from outside from TATA as well as short-term markets, so the sales will be significantly more than the total units generated by our three units.

Ashish Shah: Sure sir, I got that point. What I am doing is from your sales I am subtracting the units, which you have purchased and that difference is about 1081 units whereas the total units generated...

Amit Jain: All these nitty-gritty numbers you can just call me after this concall and then we can clarify because I do not think we should spend time on these nitty-gritty numbers.

Ashish Shah: Okay sir. One more thing, Worli-Haji Ali sea-link that you mentioned now you have been able to bring down the cost, so will your grant that you get will also remain the same or it will come down?

Lalit Jalan: The grant has no relationship to the project cost, had my project cost gone up the grant would have gone up,



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the grant had been frozen at a peak value of 1600 Crores and we have to bid a grant below that. The concession agreement does not talk about project cost. I am comparing it to the project cost that we initially thought we would be spending on the project and since then we have done huge amount of value engineering with our design consultants Systra of France as well as our own design team whereby they have been able to reduce substantial part of the cost.

- Ashish Shah:** Are we still on track for our EPC revenue guidance of 4500 Crores?
- Lalit Jalan:** We are at 2400 Crores at the end of Q3. If you would see that we did a run rate of more than a 1000 Crores in Q3 and we are on target to cross more than 4000 Crores, attempt will be to get 4500 Crores for the full year.
- Moderator:** Thank you. The next question is from Parag Gupta from Morgan Stanley, please go ahead.
- Parag Gupta:** Good evening Mr. Jalan just a couple of questions. Firstly, could you help us with what is the regulated equity in the Mumbai license area and in the Delhi distribution business?
- Lalit Jalan:** The Mumbai is 1800 Crores and Delhi at the end of fiscal year 2011 would be around 2500 Crores.
- Parag Gupta:** Secondly, we saw a sharp fall in other income number in second quarter and I believe that large part of the reason was because you have invested your money in FMPs where you accrue for your income on the sea basis (ph). Is that going to be the case going forward or have we changed the way we are investing our liquid assets?
- Lalit Jalan:** That could be the same and also you would see that as we deploy the funds into our projects the total funds available for liquid investments would also be going down, so as you move forward you will find the topline from operations and EBIT and EBITDA from operations increasing and the other income gradually coming down.
- Moderator:** Thank you. The next question is from Sumit Kishore from JP Morgan, please go ahead.
- Sumit Kishore:** Sir, I have a couple of questions. The first question is on the electrical system EBIT; if I subtract the standalone number from the consolidated electrical system EBIT the number is Rs.2.6 billion, which is up almost 108% YOY. This could mean that the Delhi distribution EBIT for the quarter was very robust or was it a one-off there number?
- Lalit Jalan:** No, it is not a one-off, it is the improvement in the Delhi and the Mumbai EBIT.
- Sumit Kishore:** Okay, but I suppose Mumbai would come in the standalone numbers, so could you give me the Delhi EBIT number for the quarter and the corresponding number for last year?
- Lalit Jalan:** Amit could give it to you at the end of the call.
- Sumit Kishore:** Okay sir, I will just follow up with him. Sir, in Sasan particularly given the healthy growth in the EPC business has Sasan crossed certain threshold limit and what is the percentage completion if you were to put it in terms of the construction of this project from EPC standpoint?



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- Lalit Jalan:** We do not give project by project turnover of the EPC, but yes it has crossed the threshold of 10%.
- Moderator:** Thank you. The next question is from Vaibhav Jain from Religare Capital, please go ahead.
- Vaibhav Jain:** Sir, I just wanted to understand what kind of EPC revenues would you see in FY'12 based on your current order backlog?
- Lalit Jalan:** As we mentioned our order book is 23,500 Crores to be done over three to four years, if you assume more new projects you can work on your own numbers, it will be substantially more than current year.
- Vaibhav Jain:** Sir, I just wanted to get numbers on regulatory assets in Mumbai and Delhi based on what I read from your press release regulatory assets in Bombay remain at the same level, they are not going down, right?
- Lalit Jalan:** No, they are not going down.
- Vaibhav Jain:** Sir, exact numbers if you can give?
- Lalit Jalan:** Amit can give it to you post the call.
- Vaibhav Jain:** Sure sir. Just one last question on the WRSS project; what kind of revenues and profitability do we see in this project?
- Lalit Jalan:** We have built a total revenue of 245 Crores in the initial year and these projects will have EBITDA more than 90% so that is the kind of revenue and EBITDA that you can expect and it is a 25-year concession.
- Moderator:** Thank you. The next question is from Sumeet Agarwal from Metlife, please go ahead.
- Sumeet Agarwal:** My question is on the power purchases that you do for the Mumbai business; if I look at your power cost it has remained more or less at Rs.6.5 per unit vis-à-vis the market rates have come up and I am comparing for the last six to eight quarters; any specific reason why is your power purchase cost so high?
- Lalit Jalan:** No, I do not think that should be right.
- Sumeet Agarwal:** No, if I look at your release it says that the cost of power purchase is 717 Crores for a power purchase of 1.1 billion units for this quarter, which translate into Rs.6.45 and if I look at the previous numbers also it is almost at Rs.6 - Rs.6.5 levels only, am I looking at the right number or...
- Lalit Jalan:** You are comparing different quarters in the same year?
- Sumeet Agarwal:** If I just want to give you the numbers for the first quarter FY'10 it was 6.4, second quarter FY'10 it was 6.2, third quarter FY'10 it was 6.55 and this quarter we are talking of 6.45?
- Lalit Jalan:** Can we sit down with you and reconcile these numbers at the end of the call.
- Sumeet Agarwal:** Yes, definitely that would be fine. Also just wanted to check with you in terms of what is happening on the airport as well as cement business?



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- Lalit Jalan:** On the airport business we have seen very good traction. You know, when we took over the airports we had no passengers and no flights and in little more than a year we have now 96 commercial flights per month and we have almost 6,000 passengers flying monthly and that is only due to the airport team's relentless drive to get airlines to fly to Nanded, Latur and all those places and the preparation of the master plan is in the final stages that is for the growth of the airport for the next because we have the concession for 95 years and we expect that we will be doing EBITDA break-even in the very first year of operations.
- Sumeet Agarwal:** What would be the profitability and what is the CapEx that you have to do for this five Brown-Field Airports and are the returns guaranteed here or is it a commercial risk that you take?
- Lalit Jalan:** It is a commercial risk because here we have both aero revenues and non-aero revenues. The non-aero revenues will come from about 250 acres of real estate that we have at the five airports.
- Sumeet Agarwal:** This total 250 acres is put together, all?
- Lalit Jalan:** Yes, between the five airports and there is no revenue sharing with the government, so the entire revenues will flow down to us but the real estate operations and all that would kick in say from two years from now, so for the next two years we will be predominately working on the aero revenues and on the aero revenues on these five Brown-Field Airports we expect EBITDA break-even in year #1 itself.
- Sumeet Agarwal:** What about the CapEx that we are talking about?
- Lalit Jalan:** See, these airport were already made, the runways are already there, the terminal buildings are there, so it is not a large capital expenditure we expect over the next few years to spend between 100 to 200 Crores of capital expenditure for the total.
- Sumeet Agarwal:** What about cement business?
- Lalit Jalan:** As we mentioned that we expect all the clearances in the land acquisition stage, we have received stage 1 environment clearance and we are ready with floating the bids for the vendors. One of the projects of Madhya Pradesh has achieved financial closure and we expect that we will start construction in the next financial year and to have the project ready in the next 24 to 30 months.
- Sumeet Agarwal:** So, probably the cement operations will start only in FY'14, FY'15?
- Lalit Jalan:** In FY'13.
- Moderator:** Thank you. The next question is from Pankaj Sharma from UBS, please go ahead.
- Pankaj Sharma:** Sir, two questions from my side; one is if you have it readily available what has been the CapEx in the infrastructure projects put together and what has been equity investment till now, if you do not have it probably I can it later, and secondly the next question is on what is the likely arrangement for power procurement post March 31, 2011 in Mumbai distribution?
- Lalit Jalan:** I think on the details on the capital expenditure up-to-date and the equity and everything Amit will share with



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you post the call and on the power purchase we have already tied up enough power that we need both for the medium-term i.e., the next three to four years and also for the long-term, which is 25 years from that date and the petitions have been filed with MERC for adoption of tariff and these petitions are coming up for hearing this week, so we are fully equipped to supply all the needs of Mumbai without any power from TATAs.

- Moderator:** Thank you. The next question is from Anuj Upadhyay from Brics Securities, please go ahead.
- Anuj Upadhyay:** My question relates to your metro line projects, the first one; what sort of traffic estimates do we think for the Ghatkopar-Versova line?
- K.P. Maheshwari:** We expect that from the first year onwards we will have upward of about 5,75,000 to 6,00,000 passengers per day.
- Anuj Upadhyay:** Growth unit, Sir?
- K.P. Maheshwari:** The growth is going to be quite good, it is difficult to forecast the growth but what we have estimated is that this traffic will more than double in the next 15 years' time.
- Anuj Upadhyay:** What is on the revenue front, I mean if we look at the average revenue, which we are expecting probably say on an annual basis?
- K.P. Maheshwari:** If we take the average tariff at about let us say Rs.11 and we have 6 lakh passengers that is about Rs.66 lakh a day and multiplied by 365; on fare revenues alone we expect about 220 to 230 Crores in the first year.
- Anuj Upadhyay:** On EBITDA level what is the operating cost you are looking at?
- K.P. Maheshwari:** Primarily operating cost will be towards the electricity charges and the salaries and wages and we expect that EBITDA level will be around 60%.
- Anuj Upadhyay:** Electricity and this one will be provided by our own company or it would be from the SEBs?
- K.P. Maheshwari:** We will look for the most competitive price and we do not foresee any problem in that.
- Moderator:** Thank you. Ladies and Gentlemen, that was the last question. I would now like to hand the conference over to Mr. Lalit Jalan for closing comments.
- Lalit Jalan:** Thank you friends and thank you for being available late evening on Monday I know it has been a busy day for all of you with many, many results being declared today. Thank you once again. If there are more questions all my business heads, myself and Amit Jain whom all of you know would be happy to answer as many other questions and as many more detailed questions that you have. We seek your support and we will be transparent in answering all the questions that you may have. Thank you so much.
- Moderator:** Thank you. On behalf of Motilal Oswal Securities Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.