



"Reliance Infrastructure Limited"

August 16, 2012



ANALYST: MR. RAHUL ARORA

MANAGEMENT: MR. LALIT JALAN

Moderator: Ladies and gentlemen good day and welcome to the Q1 FY'13 earnings conference call of Reliance Infrastructure Limited hosted by Nirmal Bang Equities. As a reminder all participants' 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 the conference please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Rahul Arora of Nirmal Bang. Thank you and over to you Sir.

Rahul Arora: Thank you. Ladies and gentlemen on behalf of Nirmal Bang Institutional Equities and Reliance Infrastructure management thank you so much for joining in for the Q1 FY'13 results conference call. The management will be represented by Mr. Lalit Jalan and the other senior members of the company. I would like to thank them for taking time out. I will hand it over to Mr. Lalit Jalan.

Lalit Jalan: Good morning and thank you all of you for joining us on this conference call for Reliance Infrastructure Q1FY13 results. I am very happy to report that me together with our management team we are able to present a very satisfactory set of numbers for the first quarter. I will maybe spend 10 minutes going through the key highlights of the Company for the Q1 and then we will spend most of the time in taking your questions.

The results and the media release investor release is all with you. The operating income of the company has increased by 4% to Rs 5,383 Crores. The net profit of Rs 412 Crores, which is a growth of 2%, but this is despite a one-time gain of Rs 227 Crores in the equivalent quarter last year, so if we remove that one-off number in the last year then the growth looks very substantial in the net profit.

EBITDA for the quarter is at Rs 931 Crores. We continue to be a sector best funded balance sheet. We are very conservatively financed. Our network at the end of the quarter is at Rs 24,650 crores, which gives us a book value per share of Rs.937 and our debt equity is at 0.74 to 1, which gives us ample room to grow and take part in the infra opportunities.

Coming to the various business highlights on the distribution side as you are aware that we are India's largest private sector distribution company having a market share of almost 50% in the private sector distribution business. We supply 24/7 reliable electricity power to two-thirds of consumers of Mumbai and two out of three consumers in Delhi. In Mumbai, we have been able to add 22000 consumers during the quarter and with this our total consumers are exceeding 28 lakhs. Our distributed energy is at 2580 million units compared to 2485, which is a growth of almost 4%. The regulatory process for tariff is underway and we expect the tariff to be announced sometime during Q3 of this year for FY'13.

Coming to Delhi, which has been something from non-cost effective tariff for the last several years the regulator has duly followed the guidelines given by honorable Appellate Tribunal for

Electricity and he has come about with a tariff order with an increase of 21%. The tariff order has become effective from July 1 and as we speak the collections against the new tariff is going on. This tariff as we see is cost reflective, so it covers all our costs as well as our business desired returns. In addition there are two unique things in the tariff orders; one is the complete pass through in tariff, which means the fixed and variable costs for power for the quarter which once the regulator has refused. It will be recovered by us in the subsequent quarters. As you know that power purchase is more than 80% of distribution company's cost so if this cost is covered during the year the regulatory assets recovery will be if at all very minimal.

Secondly, he has reduced, I think, uniquely and I think it is the first regulator in the country to introduce a regulatory surcharge of 8% so this is besides the increase tariff and this money that we collect will go towards paying the old regulatory assets, which we have accumulated over the years. Further he has brought in the time of the tariff for the Delhi consumers and it has been introduced for all the large commercial and industrial consumers with consumption of bonus III (ph) and its kilowatts and I think this will help in flattening the load curve as this will help in reducing the peak demand and it is positive for the city and for the consumers.

We have added 34,000 new consumers during the quarter and our distributed energy sales have gone up by 7% to 3,500 million units. The total number of consumers that we serve in Delhi is more than 29 lakhs.

Coming to the transmission business we continue to work on the Mumbai transmission that is the additional 2EHV substations to bring power from outside the island to Mumbai. We have already charged 7EHV stations in the city of Mumbai over the last year and all the stations are working at a very high availability of 99.7% return, which gives us regulatory returns of more than 16%.

Coming to the western region project, our sixth line of Solapur-Kolhapur of 220 km have become operational in the Q1 quarter. With this six of the nine lines are operational. The balance three lines will become operational during this calendar year and in terms all will be operational. On the other line that we are doing in joint venture with POWERGRID one of the two lines that is Parbati Koldam will be operational in this financial year. The other line is expected to be operational by June of next year.

On the generation side, we have existing five generating station, generating 940 MW of power. Dahanu continues to be the flagship power plants for the country running at more than 100% PLF for the last seven years. As we have mentioned in all our past concalls all generations will be through our promoted company Reliance Power, which is continuing with its strategy of increasing power generation across all coal, gas, renewables, hydro and they will give details of their growth plans. We own 38% of Reliance Power.

Power trading is one of our verticals, where we are one of the top five power traders in the

country. We traded 1,155 million units in the first quarter. In our EPC business, which is our second large vertical our revenues for the quarter are at Rs 1,766 Crores this when we compared to the same quarter last year it is flattish. Margins are marginally better. We are working on 13 different markets namely 7 power projects and six road projects. Our order book is at Rs 15,560 Crores.

Coming to the Infra business on the road side, as we mentioned in our previous concall our focus is two-fold, one is capacity execution and two is look for profitable opportunities both in the primary market as well as in the statutory market. So let me dwell on both those issues. We are happy to report that two additional roads in our portfolio have achieved COD and these are the Gurgaon-Faridabad toll road connecting Faridabad to Gurgaon as people coming on that highway through that Delhi Airport setting their travel times of two hours to less than 30 minutes. That has become operational and earning revenue for us.

In South Salem-Ulundurpet Road 136 km that has become operational. 7 of our toll roads are revenue operational. We expect three more roads to be revenue operational during this financial year. With this 10 out of 11 projects in our portfolio will be generating reverse cash flow for the company and the last project, which will be the Kandla-Mundra project will be operational in the next financial year.

On the opportunity side we have shortlisted Rs 40,000 Crores worth of project, these are captive for bidding during the financial year and we will be focusing on those projects. We continue to be very selective both in terms of risks of the project as well as the returns that we desire from them and in keeping with our philosophy and the crazy bidding intensity, which has been in the market for the last couple of years we have not been able to win a project over the last two years but we are willing to wait for this bidding height to reduce for normal returns to come back to the market before we take part and hopefully we will start winning projects all over again.

In the secondary market we have looked at more than 10 different opportunities from different promoters. Due diligence is going on, on some of them. Unfortunately, we have not been able to achieve closure on any of those and we will keep you updated when there are immense of projects in the road sector, which are highly distressed and many, many promoters and their bankers want them to exit the project and our teams are working and spending fair amount of time to look at the opportunities.

Coming to our Metro business our Mumbai Metro one line, which is the East-West Connectivity Versova to Ghatkopar 95% of the civil work is completed and the two major structures mainly the Western Expressway Cable Stayed Metro Bridge that is almost complete and the Andheri Bridge, which crosses the train lines at the Andheri Junction, which is extremely busy function where we barely get on an average one of the time per day to work is two-third complete, two out of the three stands is complete. We expect to run trial operations

by the end of this calendar year and we expect the line to be commercially opened to the commuters of Mumbai by the end of this financial year. The rest all systems of electrification, track laying and everything is all progressing to our satisfaction and this has been clearly the most difficult ROW based project we have worked in extremely difficult profitability conditions and our teams have worked to much more agencies for their approvals and we will be able to achieve COD within due date of September 2013.

Coming to the Airport line in Delhi, that line does fortunately, which we were running successfully for the first year, it has become an icon for the city of Delhi. It was the first airport line 120 km per hour fastest rail systems in the country. It got lot of defects with its civil structures and these are in the critical structures of bearings and we brought this to the light of DMRC, which was responsible for constructing the entire civil structure for the metro and it was then brought to the notice of the concerned governmental department that is MoUD, Urban Development Ministry as well as Government of Delhi. We engaged an expert body to give us advice on the state of bearings and the civil structure and they advised that based on the current status it is unsafe to operate and given the advice received from the expert body we have taken a closure of the line in the interest of the safety of all the consumers of Delhi. These structures are now being inspected under the supervision of railways supported by us and DMRC together with international consulting agency and the inspection report, which is now available and documented they are found that 92% of the bearings have been found defected and many of these bearings would have unique solution, so right now the solution methodology is being worked out between all the parties and once that is finalized the rectification work of all the bearings and civil structures would start. Once these are complete we will go in for recertification from CMRS and only after the line is fully safe to run at a design speed of 120 km/hour that is when we will restart. At this stage it is very difficult for me to give you a target, but we hope that we should be in a position to start this line by the end of this calendar year.

On the sealink, which is very widely covered in multiple media, we have decided to part ways with MSRDC and our board has cleared and also the MSRDC board has cleared. We had appointed a conciliator, a retired high court judge who after looking at all the concerns and issues had said very clearly that given the current condition both the parties should part ways without cost to each other and the same thing was sent to Attorney General for his advice and the Honorable Attorney General of India reiterated the findings of the retired high court judge and based on those two advises now the tribunal has got to cabinet committee on infrastructure in the state government and the effects that closure of this would happen. We were extremely interested to continue with the project and to complete the project in Mumbai and as and when the project is rebid with the new terms and if those terms are acceptable to us we would be interested in taking part in that opportunity.

Cement business, which is one of the new business verticals on, which we have been working for the last two years. Now our construction for the first 5 million tonne unit at Madhya

Pradesh is already underway and this is Maihar and we expect that the unit will achieve COD by the middle of next financial year. We are at the closing stages of getting all approvals for 5 million tonnes per annum Maharashtra plant. The Infra businesses our turnover for the first quarter is at Rs 98 Crores versus Rs 66 Crores, which is a growth of almost 50%

So if I sum up the entire thing, if I look at all my businesses, by the end of this financial year we will have one road left and one transmission line left for, which will not be giving us reverse cash flow. All our projects, which are under construction where even construction is not even started, like the Mumbai Metro 2 or the transmission line they are financially closed, but we are waiting for certain clarifications from the regulators or the government as the case may be. We continue to be and so our Infra businesses, which was a new vertical, which we started in 2006 almost 90% of the projects will be become revenue operational. Distribution business the major risk of licensing, tariff, cross subsidy are all behind us. Our EPC businesses are focusing steadily. We should not look at last year as the baseline number, last year with a speculator number where we did more than 300% growth in EPC, we would like to consolidate at that level, so we are very positive as the opportunities of the Infra space continued to be very, very huge and we will be in a good position to address those opportunities. With this thank you and we will open it up to questions.

Moderator: Thank you very much Sir. The first question is from the line of Vivek Sharma from ICICI Securities. Please go ahead.

Prakash: Congratulations on a good set of numbers. I have two questions primarily, one with regard to the Infrastructure business. The turnover increase during QOQ is about Rs 6 Crores, where there is a sharp jump in the profitability would like to know, which are the parts where you have had major cost saving or in the base quarter you had one of cost and how have you accounted for the Delhi Airport Expressway during this quarter?

Lalit Jalan: If you look at the infra business some of our projects are running now into second year of operation and as you know all the infra businesses as they move forward the numbers would only improve, that is point 1. Point #2, Delhi Metro does not reflect since it is no longer majority owned subsidiary of Reliance Infra, does not appear in these numbers, so that also reflected in the numbers back.

Prakash: Basically you are suggesting last quarter Delhi Metro was in the Reliance Infra was holding a subsidiary it was a subsidiary and hence it was consolidated. This quarter it is not consolidated at all?

Lalit Jalan: It is there in as a minority interests. It will be there as line #11, share of profit in associates.

Prakash: What is the stake in the Delhi Airport Expressway now?

Lalit Jalan: As per the construction agreement and given the fact that the line is under closure, we have

reduced it to 30% for the time being, the rest of the stake is held by associate companies and as a line starts we will relook at increasing our stakes again.

Prakash: So how did this transaction happen, you transferred the shares to at a particular price and it will be bought back at its particular price?

Lalit Jalan: Yes at book value.

Prakash: Both the transaction will happen at a book value, so basically when we are looking at the result the entire Delhi Metro thing has coming to the associate and that is the reason we are seeing some drop in the share of profits in associate despite improved profitability at Reliance Power, so we should look at it in that way and the same reason your finance cost is quarter-on-quarter is down for the same reason right? The interest cost during this quarter Q1 what is last year?

Lalit Jalan: That is part of the reason.

Prakash: Will it be possible to get Delhi Airport number for the quarter?

Lalit Jalan: The line likewise is closed.

Prakash: For the full quarter you did not have any operation you are saying?

Lalit Jalan: For last quarter we had a very small part of operation, but because of safety we had already got the line running at 20 km/hour and so we were losing on lighter shift and everything, so if you look at the actual operation in Q1, it is not going to be substantial.

Prakash: How much stake have you transferred to the associate ?, I have heard you had 65% stake is transferred, 5% is hold by the minority shareholder out of the group?

Lalit Jalan: That is right.

Prakash: That is all from my side. All the best Sir.

Moderator: Thank you. The next question is from the line of Dhawal Patel from B&K Securities. Please go ahead.

Dhawal Patel: Sir I have two questions, firstly on the sealink now the project would not takeoff how much is the amount that we have invested in the sealink project and secondly does our construction agreement have a clause wherein we will be eligible for some kind of compensation?

Lalit Jalan: What has been decided between us and MSRDC at the advice of the conciliators is that we will part ways at low cost to each other and no claims and counterclaims on each other and so the bank guarantee that we had given to them would be returned, whatever cost, which have been incurred by MSRDC or by us would remain to be there in our balance sheet.

Dhawal Patel: Okay so how much cost that we incur for the design and the initial status?

Lalit Jalan: It is less than Rs 100 Crores.

Dhawal Patel: Secondly Sir, after the hike in Delhi distribution in absolute terms what is the estimated amount that we will recover towards regulated assets?

Lalit Jalan: Since the tariff will be applicable only for nine months, we expect the regulatory asset recovery to be in the tune of Rs 500 Crores.

Dhawal Patel: Sure Sir. Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Ashish Shah from IDFC Securities. Please go ahead.

Ashish Shah: Good afternoon Sir. Just a couple of questions, one on the Delhi Metro Express, so now that we have transferred almost 65% of the stake, but then what happens to the debt servicing or any related contingent liabilities that may have any guarantees that we might have given for the project or to lenders, so what happens to that Sir?

Lalit Jalan: We are committed to the project so while the SPV is taking care of all the issues, but should the SPV need any help, we are obviously have to provide.

Ashish Shah: So that support will continue?

Lalit Jalan: Also when the line does close on to the fault of the concessioners we have made our claims for all the losses.

Ashish Shah: Any estimate we have of the cost it might take to rectify the faults and whether DMRC has at least agreed to bear the whole cost and there is any liability on us?

Lalit Jalan: The detailed cost at the time that will be required to repair it is still not been fully estimated; however, it is clear that the DMRC will be bearing the complete cost for the bearing it to normalcy, whether they will pay for it or the contractor will pay for it, it is between them and the contractors.

Ashish Shah: But it is very clear that we did not have?

Lalit Jalan: Because the contract is benefited as part of the government records.

Ashish Shah: Sir on the numbers now, this time the other income seems to be like a very big number, so there is any profit on sales or anything, which is included there, which may not be recurring?

Lalit Jalan: No, no there is nothing.

Ashish Shah: Thank you very much.

Moderator: Thank you. The next question is from the line of Nitin Arora from Nirmal Bang. Please go

ahead.

Nitin Arora: Sir thank you for taking my question. My question on the first side, Sir on the standalone business depreciation cost has been increased significantly by 64%, so can you tell us like what lead to that side on the depreciation?

Lalit Jalan: The depreciation rate has been revised by the regulator in the new regulation, so we are now going with new rates.

Nitin Arora: What would be that Sir, the new rate by the regulator?

Lalit Jalan: A percent and a half.

Nitin Arora: Sir my followup question even if you look at the tax provision, the effective tax rate for this quarter on a consolidated basis, it has inched a lower at 21% so any explanation on that?

Lalit Jalan: These are part of the tax planning that the group does.

Nitin Arora: Sir just last question on infrastructure you have turned EBIT positive for this quarter, so any specific projects that lead to the growth of the Infra portfolio especially on the EBIT level?

Lalit Jalan: As I said there are two things, one is some projects have gone into the second and third year of operation, so the revenues go up, so automatically the EBITs will go up and two more number of projects are in the infra sub-segment and we expect that this sub-segment will continue to show QOQ and YOY growth in the years to come.

Nitin Arora: Can you share with us the Delhi unit's number the amount of electricity sold on the Delhi and the cost of purchase there?

Lalit Jalan: I think the total unit sold in Delhi in quarter 1 is about 3,500 million units.

Nitin Arora: What was the cost of purchase?

Lalit Jalan: Cost of purchase in Delhi at the generation end is about Rs.5.

Nitin Arora: Thank you for taking my question. I will come back in the queue Sir.

Moderator: Thank you. The next question is from the line of Rakesh Vyas from HDFC Mutual Fund. Please go ahead.

Rakesh Vyas: Hello Sir good morning. Sir I just wanted to understand this sealink, you mentioned the cost in the balance sheet would be around Rs 100 Crores?

Lalit Jalan: Debts and assets.

Rakesh Vyas: So this cost will be non-recoverable, is it Sir?

- Lalit Jalan:** Non-recoverable at present as per the agreement and similarly any cost incurred by MSRDC for the project is not to be claimed on us; however, as the project comes up for rebid for EPC or for BOT or whatever the other quantum that they come out with, most of the cost has been incurred on the detailed drawings, designs and everything, those will also come handy.
- Rakesh Vyas:** But I am just trying to understand, if some other party brings that revised bid and they choose not to go ahead with the designs, which we have formulated then this remains as a cost which has to be written off?
- Lalit Jalan:** Surely.
- Rakesh Vyas:** In view of this did we earn any revenue from the operations at sealink at all?
- Lalit Jalan:** No, no we have not taken over the sealink at all. We have done the detailed planning till that time the toll revenue was with MSRDC, so only when we pay the money and takeover the sealink that the toll rights and everything comes over to us.
- Rakesh Vyas:** Just one clarification on the infrastructure, this time around the infrastructure only contains the road projects in the reported number side?
- Lalit Jalan:** Yes.
- Rakesh Vyas:** Where would we account for the transmission business in the electrical business?
- Lalit Jalan:** In the electrical activity.
- Rakesh Vyas:** Thank you so much Sir. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Satyam Thakur from Morgan Stanley. Please go ahead.
- Satyam Thakur:** Good morning Sir. Sir the EPC revenue in this quarter was down QOQ, so what is the current guidance for the full year EPC revenue and what kind of margin level can we expect?
- Lalit Jalan:** The EPC as I said last year was a spectacular year where we did almost like growth in topline and it is difficult to grow at that kind of growth level. We expect to consolidate this year at around Rs 9000 to Rs 10000 Crores and margins are expected that we have given in the past, which is around 8%-10%
- Satyam Thakur:** Thank you.
- Moderator:** Thank you. The next question is from the line of Deepika Mundra from JP Morgan. Please go ahead.
- Deepika Mundra:** Thank you for taking my question. My first question is on your EPC order book, could you please tell us as to what percentage of that is from Reliance Power and which projects are

those?

Lalit Jalan: I did not have an exact breakup now, but in Reliance Power the projects that we have are the Sasan project, the Samalkot projects and the Butibori project it is about 50% order book from there and balance 50% is external and R-Infra.

Deepika Mundra: Second question is on your capital employed in the electricity business, Sir if I see your standalone capital employed it is flat quarter-on-quarter whereas consolidated has gone up quite sharply so I presume that is for Delhi distribution, any particular reason why the capital employed in Delhi has more doubled on a quarter-on-quarter basis?

Lalit Jalan: I think you are reading the numbers wrong, so maybe we can discuss this offline. Delhi numbers have not doubled; also the electrical business will also include transmission assets where there is substantial amount of capital expenditure going on both in Mumbai transmission, Parbati Koldam as well as Western Region Strengthening.

Deepika Mundra: So that could probably explain the increase in consolidated electricity?

Lalit Jalan: You might have to just relook at the numbers.

Deepika Mundra: Okay, I will take it offline with Amit thank you.

Moderator: Thank you. The next question is from the line of Ashish Shah from IDFC Securities. Please go ahead.

Ashish Shah: Sir just one more question from my side, on the EPC business our revenues are almost flat year-on-year and eventually will come down; however on the capital employed side, the capital employed in the EPC and contract business is going up, so year-on-year it is almost double and even sequentially it has gone up by almost may be Rs 1,000 odd Crores, any particular reason why that is happening and when will it come down?

Lalit Jalan: No reasons, one is some special equipment like cranes and all that that we are buying for at least of construction and two is also may be some receivables and some advances that we gave to contractors.

Ashish Shah: You are saying it is primarily got to do with the equipments and the receivables, would you expect this to sort of start trending down now this year or it will remain at this level?

Lalit Jalan: I think it should remain flat and start trending down.

Ashish Shah: Okay Sir. Thank you.

Moderator: Thank you. The next question is from the line of Nitin Arora from Nirmal Bang. Please go ahead.

- Nitin Arora:** I just wanted to understand on the Delhi distribution business post this tariff hike the cost becomes the cost reflective and what is the regulated asset there as well as the debt part on the Delhi distribution business?
- Lalit Jalan:** The new tariff makes the tariff cost reflective, which means current cost together with other overheads as normal ROE returns, which should appear from the normal tax and the regulatory assets recovery will help towards regulatory assets accrued so far and all regulatory assets accrued attract into a said SBI PLR.
- Nitin Arora:** Just wanted to understand from that perspective like post the tariff hikes there will be no built of new regulatory assets. I mean if it becomes cost reflective?
- Lalit Jalan:** That is our strong assumption.
- Nitin Arora:** Sir, what are the regulated assets on the Delhi Distribution, our Infra part and total debt on our part?
- Lalit Jalan:** The amount, which is already approved by the regulator is at Rs 5,500 Crores and the amount left to be approved, which is Rs 4,000 crores will get approved in due course by the end of this year and another Rs 4,000 Crores are amount, which have been approved by Appellate, which the regulator has decided to challenge and we expect that that portion should also linked in our sales.
- Nitin Arora:** Sir, if you look at the infrastructure portfolio we are commissioning it at a very fast pace, from the last almost one and a half years, I just want to get a sense on what is the peak debt as a company you see we can stabilize at that levels once all these project will start getting commissioned off?
- Lalit Jalan:** It is just the moving part. If we do not increase or take new projects from now on then the debts may stabilize around this level or little more than where we are but if we take this kind of bigger projects on a continuous basis then it is a way of new debt taken and old debt paid of, so it will be a mix of some of those two.
- Nitin Arora:** Sir, last thing on the EPC order book I just wanted to get sense in the last quarter you said that you are looking at some of the projects outside you can say R-Power order book is there anything that you can share with us what are the kind of projects and second on the secondary market especially on the road side are we also looking on the standard assets on the power business also because other competitors are looking at it, so just want to get a sense on that?
- Lalit Jalan:** On the power side, assets are looked by our colleagues from Reliance Power, so all future generation is in the portfolio of Reliance Power. We do look at opportunities outside the group mainly Delhi, but nothing has materialized so far.
- Nitin Arora:** Fair enough. Thank you so much for the answers.

Moderator: Thank you. The next question is from the line of Venkatesh B from Citigroup. Please go ahead.

Venkatesh B: I had few questions. Firstly last year you had phenomenal EPC business revenue of almost Rs 116 billion, now what kind of revenues do you foresee this year?

Lalit Jalan: I said in the beginning that we expect around Rs 90 to Rs 100 billion this year.

Venkatesh B: Now the second question is your stake in the Delhi Distribution Companies is 49% or 51% Sir?

Lalit Jalan: It is 49% and 2% is held by our associates.

Venkatesh B: Next is again on the balance sheet now we once again have seen that investments into your related parties have gone up again, if you see there are investments totaling to around almost like Rs 29 billion in Sonata Investments and Reliance Infra Project International and also something like around Rs 25 billion has been invested into debentures of Reliance Utility Engineers, so I was wondering what do each of these entities do in terms of you know that they are capable to give you such 8% to 10% kind of interest on whatever you are investing. Like for example what is Reliance Utility Engineers do?

Lalit Jalan: Reliance Utility is an EPC contractor

Venkatesh B: It is not related to Reliance Infrastructure, Reliance Utility Engineers?

Lalit Jalan: No, also Sonata is a registered NBFC.

Venkatesh B: Just one last question what are the plans now because I think on the Mumbai side, I think, you have regulatory assets of almost Rs 24 billion and on the Delhi side you have regulatory assets of Rs 47 billion if you could throw some light on to the recovery, if you have got approvals over what time period and how it will be recovered?

Lalit Jalan: Delhi they have already announced the startup of the recovery this year and we expect Mumbai to be starting when they come out with a tariff in the second half of the year. The Appellate authority, which is the guiding authority as well as the forum of regulators that all the regulators are members they are very clear they have stressed strongly on two things; one that there should not be any creation of regulatory assets. Point number two, in case if there is a compelling reason or if there is old regulatory assets it should be recovered together with all interest in maximum four year time.

Venkatesh B: Thank you, very much and all the very best.

Moderator: Thank you. Ladies and gentlemen due to time constraints no further questions can be taken. I would now like to hand over the floor back to Mr. Rahul Arora for closing comments.

Rahul Arora: Ladies and gentlemen thank you so much for taking part in this call, so also to the management



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on Reliance Infrastructure for their Q1 FY'13 earnings. On behalf of Nirmal Bang Institutional Equities thank you so much for being part of the call.

Moderator:

Thank you. On behalf of Nirmal Bang Equities that concludes this conference. Thank you for joining us. You may now disconnect your lines.