

RELIANCE



Reliance Infrastructure Ltd.

Investor Presentation



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1 Family RELIANCE

YOUNG GROUP – A DECADE OLD

ASSETS CREATED ORGANICALLY IN INDIA

7 Million Shareholders; **Amongst largest in the world**

250 Million Customers; **1 out of 5 Indians Every Single Day**

100,000 Young, trained & motivated manpower

357,000 Assets worth ~₹ 3.6 lakh crore

90,000 Net Worth more than ₹ 90,000 crore

77,000 Revenues of over ₹ 77,000 crore

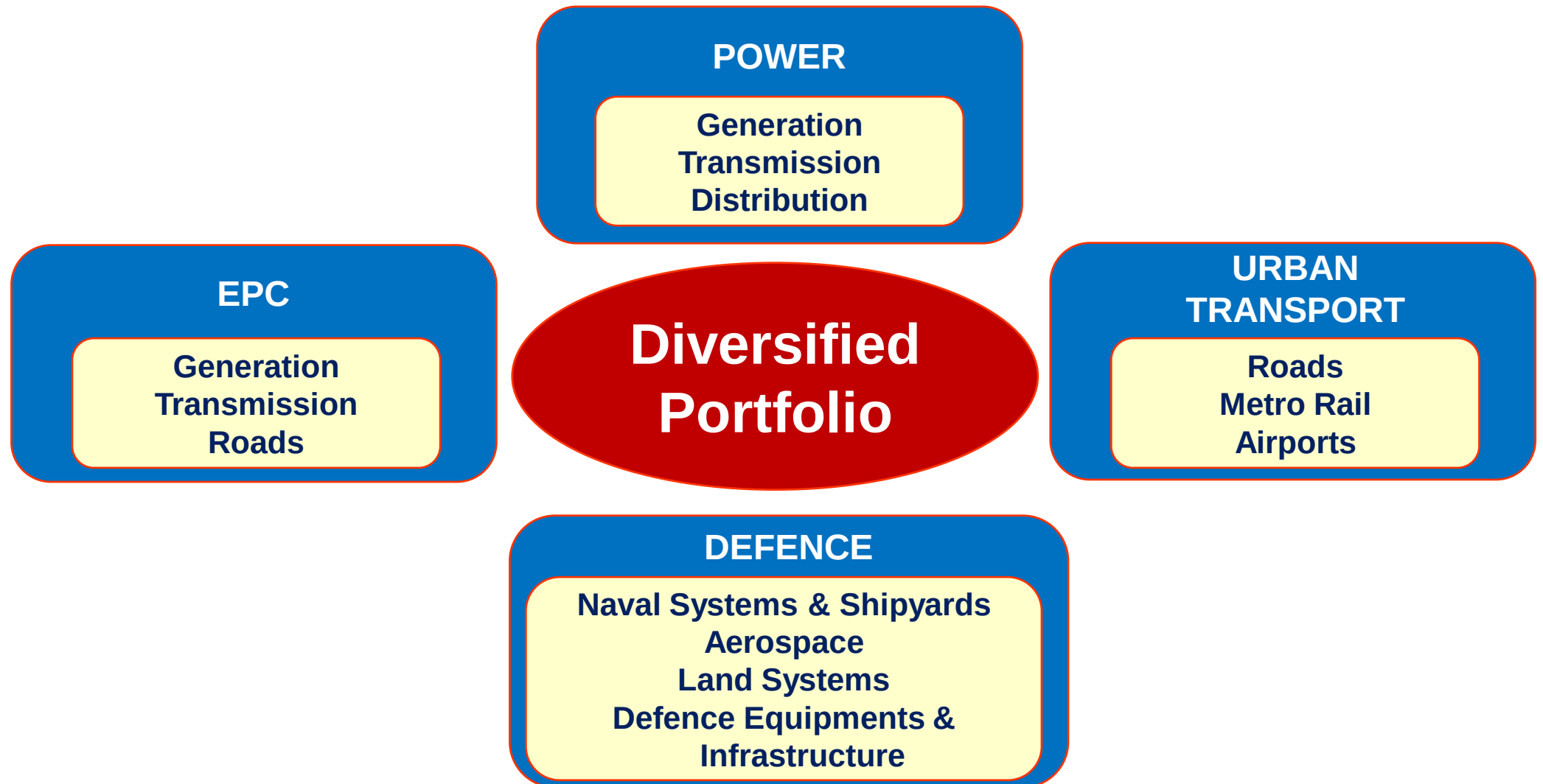
23,500 EBITDA of ~₹ 23,500 crore

Reliance Group – Key Businesses

Infrastructure	Power	Communication	Financial Services	Defence
Power Sector: ▪ Distribution ▪ Transmission ▪ Generation Transportation: ▪ Road ▪ Metro Rail ▪ Airport EPC Services Defence	Power Generation: ▪ Thermal • Coal • Gas ▪ Renewable • Hydro • Solar • Wind Resources: ▪ Coal Mining ▪ Coal Bed methane	Indian Operations: ▪ Pan India Voice & Data ▪ Broadband Services ▪ Telecom Infrastructure ▪ Internet Data Center ▪ Optic Fiber Cable ▪ Direct-To-Home Global Operations: ▪ Subsea Cable ▪ IP data and Cloud X ▪ Ethernet Data ▪ Managed Network ▪ Carrier Voice	Core business: ▪ Asset Management ▪ Life Insurance ▪ General Insurance ▪ Health Insurance ▪ Home Finance ▪ Commercial Finance ▪ Broking & Distribution ▪ Asset Reconstruction	▪ Naval Systems & Shipyards ▪ Aerospace ▪ Land Systems ▪ Defence Equipments ▪ Defence Infrastructure

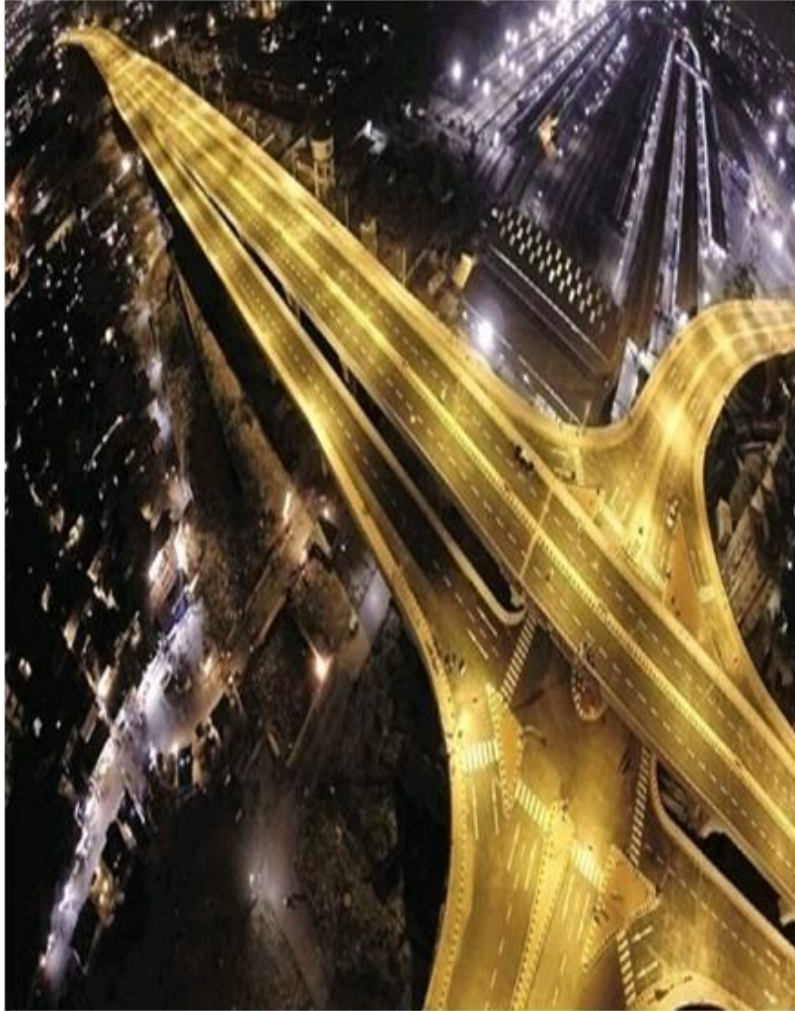
Reliance has played a key role in nation building with strong presence in core sectors

Business Overview



Presence across all key infrastructure sectors

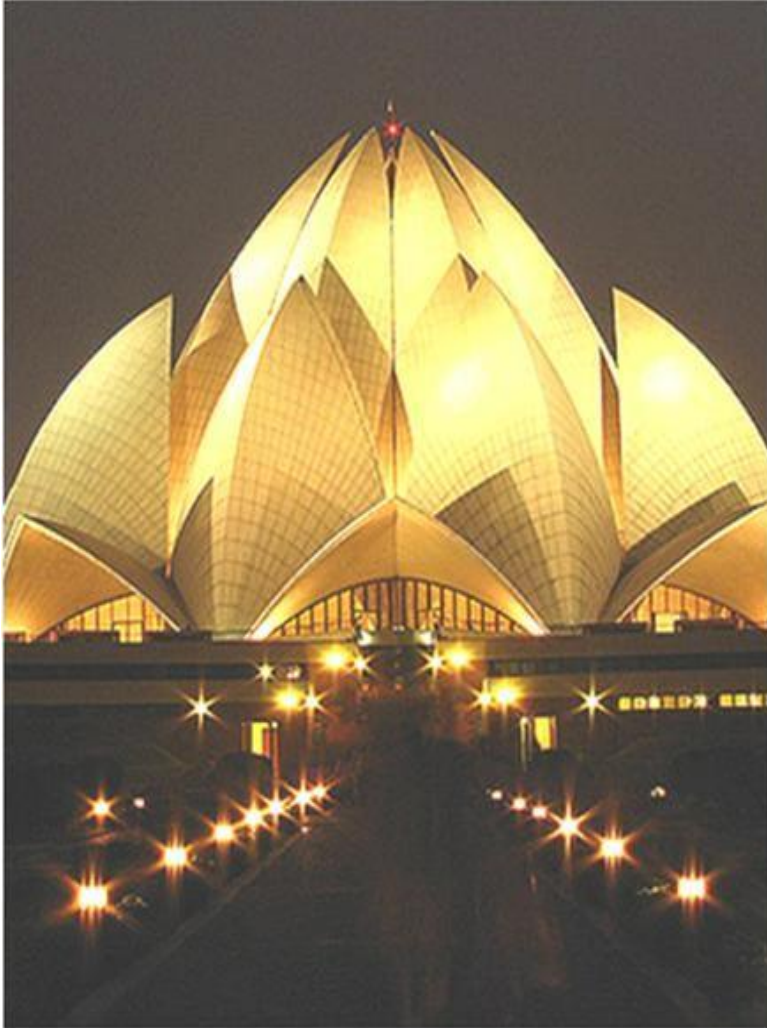
Mumbai Power Business



- 9 decade old distribution franchisee with license valid till August 2036
- Stable business with assured post tax RoE of 16% approved by MERC
- Serving 30 lakh households with power reliability of 100%
- AT&C loss levels of 8.9% as compared to India average of ~22%
- Signed definitive agreement with Adani Transmission for 100% sale of Mumbai power business
 - Total deal value is ₹ 13,251 crore
 - In addition, ₹ 5,000 crore of Regulatory Assets is under approval and net working capital of ₹ 550 crore which will flow to RInfra
 - Entire proceeds will be utilised for debt reduction
- Recovery of past arrears on smooth track - Recovered ₹3,621 crore, out of total recovery of ₹ 5,550 crore post MERC order in September 2013

Amongst the most efficient power distribution utility in the country

Delhi Distribution



- JV with Government of Delhi - Licensed area covers ~2/3rd of Delhi
- Serving over 40 lakh households with 100% power reliability
- Over ₹ 6,000 crore spent on network upgradation and modernisation
- Loss levels reduced from ~57% to ~10% since privatisation in 2002
 - ₹ 77,000 crore savings to Delhi Government since privatisation
- Stable business with assured post tax RoE of 16%
- Provides 24x7 reliable and quality power - Outage reduced from 5 hrs/day to <3 min
- Substantial debt reduction: ₹ 5,000 crore in last 3 years

Well poised to generate stable cash flows from operational performance

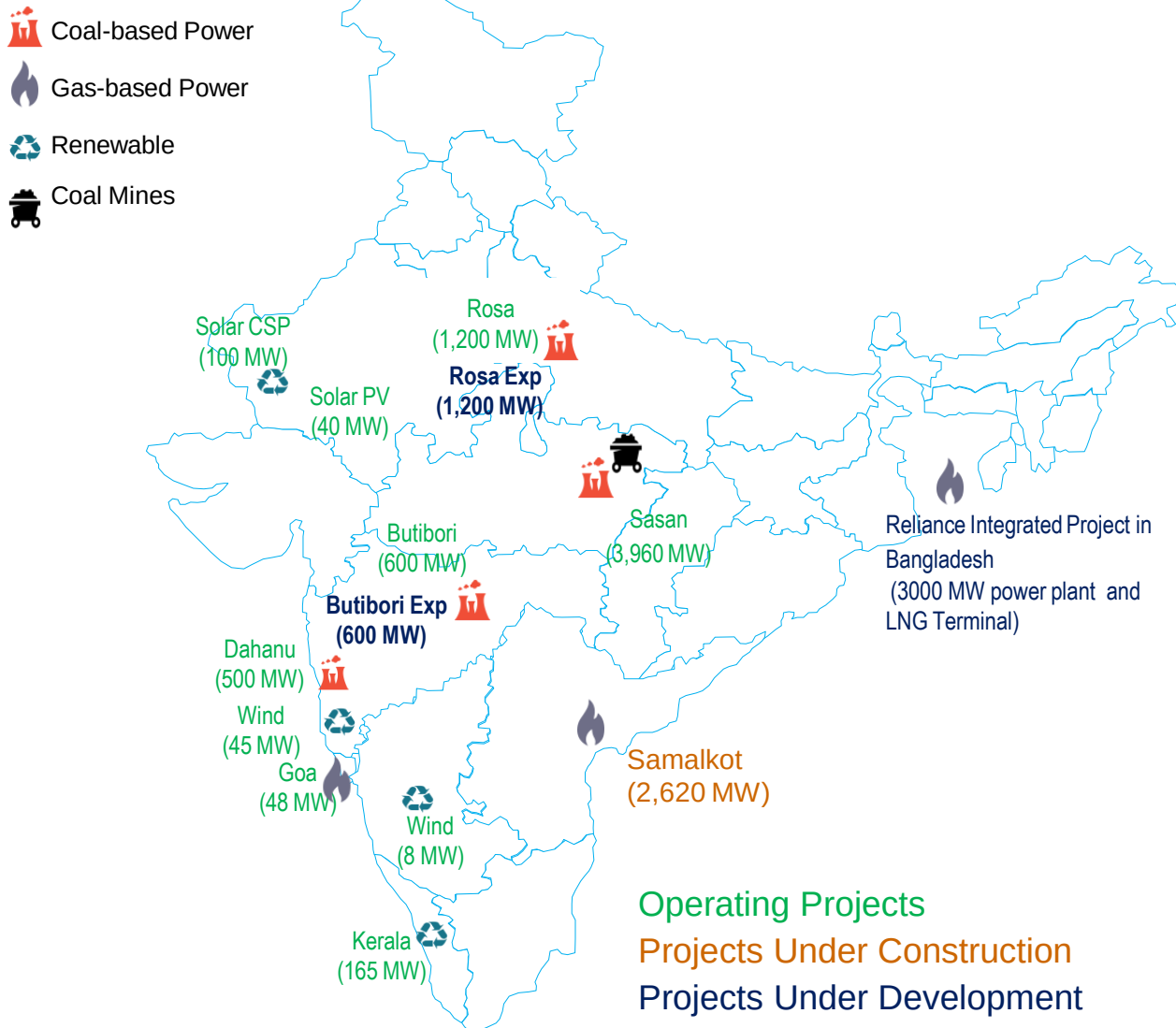
Power Transmission



- All transmission projects are revenue operational
 - Parbati Koldam project in Himachal Pradesh
 - 8 Extra High Voltage sub-stations in Mumbai
- Completed 100% sale of WRSSS project to Adani Transmission Ltd. for ₹ 1,000 crore - Entire proceeds utilised for debt reduction
- Term sheet signed for sale of Parbati Koldam project with Adani Transmission Limited
- System availability of 99.8% - Ensuring incentives

All projects are revenue operational

Power Generation



- **Operational Capacity : 6,885 MW**
 - RInfra : 940 MW
 - RPower (43.2%) : 5,945 MW
- RPower has well diversified portfolio by fuel type, offtake and location
- Largest integrated private sector power generation and coal resources in India
- Commissioned Sasan UMPP (4,000 MW) - World's largest integrated power plant and coal mine resource

All future power generation capacity addition will be through RPower

EPC Business



- Started EPC business in 1966
- Amongst the largest EPC player in India having executed projects worth ~₹ 50,000 crore
- Executed projects across power generation, transmission and roads construction for Reliance group and third parties
- Executed complex projects within cost & record time :
 - Sasan UMPP - World's largest integrated power plant & coal mine executed by the team
- Strong team of competent and experienced employees
- Strategic alliance with international majors :
 - Dogus (Turkey), Rizzani de Eccher (Italy), NMDC (UAE), Louis Berger (USA), DAR Consult (UK), etc

Well positioned to capitalise on the EPC opportunities

EPC Business – Scaling Order book

(₹ crore)

Sr. No.	Sector	Future opportunities	
		FY18	FY19
A	Transportation Infrastructure	120,000	134,000
B	Power Infrastructure	34,000	51,000
C	Civil Infrastructure	25,000	35,000
D	Water Infrastructure	21,000	-
	Total	200,000	220,000

- Order book of ₹ 5,635 crore as on September 30, 2017 excluding recently won 2 projects in Bangladesh worth ₹ 5,000 crore
 - 750 MW LNG based combined cycle power plant
 - 500 MMSCFD floating storage regasification unit based LNG terminal
- Targeting opportunities worth ₹ 2 lakh crore p.a. across Power, Transport, Civil, Water infrastructure, etc
 - Plans to participate in bids worth ₹ 1 lakh crore in next 1 year
 - Submitted bids worth ₹ 20,000 crore in H1 FY18
- Will participate in bids worth ₹ 50,000 crore for marquee projects like Mumbai Nagpur Expressway, Versova Bandra Sea Link, etc

Poised to build an order book of ₹ 50,000 crore in next 2 years

Roads Business

- Amongst the largest NHAI concessionaires - All 11 road projects worth Rs 11,500 crore are revenue operational
- Diversified, urban focused road portfolio with long concession life (18-30 years)
- All toll plazas are equipped with Electronic Toll Collection and Weigh in motion device for commuters convenience, safety & road maintenance
- Rlnfra InvIT fund files DRHP with SEBI for 7 road projects i.e. Namakkal Karur, Dindigul Samayanallore, Trichy Dindigul, Trichy Karur, Salem Ulundurpet, Jaipur Reengus and Gurgaon Faridabad Toll Road
 - Proposed issue size is ₹ 2,500 crore with option to retain over subscription upto 25% of the issue size
 - InvIT fund to have Right of First Offer for other 4 road assets i.e. Kandla Mundra, Pune Satara, Hosur Krishnagiri and Delhi Agra Toll Road



11 Projects | 7 States | 4,370 lane kms | ₹ 11,500 crore

Mumbai Metro



- Fastest completed infrastructure project in Mumbai:
 - Asia's tallest cable stayed bridge constructed
 - 183 m long steel bridge over busiest railway line
 - Over 33 crore passengers served till date - **Amongst fastest in the world**
 - Reduction in travel time from 90 mins to 21 mins
- World class operational efficiency:
 - Train Availability : 100%
 - Train Punctuality : 99.9%
 - Safe Operations with Nil accidents
- Positive EBITDA within 6 months of operations
- 35 years concession period - Immense value to stakeholders

Received “Best Metro of the Year 2016” by Indian Merchants Chamber

Defence Business – Opportunities (15 years)

Air Force	Navy	Army	Integrated Security
• Combat Aircraft • Helicopters • Medium Transport Aircraft • UAVs • Aerostats • Composites	• LPDs • Submarines • Missile Vessels Destroyer • Missile Boats • Aircraft Carrier • Fast Attack Crafts • Corvettes / Frigates	• Ammunition • AD Gun • CIWS • MGS • Small Arms • Combat Vehicles	• Border Management (BSF, Navy) • Airfields (AF, Navy) • Defence Infrastructure • Coastal Security • Commercial Establishments
₹ 5,20,000 crore	₹ 3,50,000 crore	₹ 6,00,000 crore	₹ 30,000 crore

₹ 15 lakh crore over 15 years - ₹ 1 Lakh crore annually

Reliance Defence – Journey So Far...



- Acquired Pipavav Defence (30.7% stake) now renamed as Reliance Naval & Engineering Ltd - Largest acquisition in defence sector in India
 - Total Assets of ₹ 10,000 crore
 - Capable to cater to all types of Warships & Submarines
- Holds 35 industrial licenses covering full spectrum of defence platforms i.e. Naval, Aviation & Land Systems
- Equity investment in defence is ~ ₹ 500 crore over next three years
- Key Strategic Partnerships in place for Transfer of Technology in line with “Make in India” and “Skill India”
 - JV with Dassault Aviation - Key offset partner for 36 Rafale Aircrafts
 - JV with Thales for Electronic Warfare, Radars & Under Water Systems
 - Daher Aerospace (France) for Aerospace components & Composites
 - Strategic Partnership with STRATA (UAE) for Composites
 - Strategic Partnership with Genesys (USA) for Avionics and Systems

Exploring opportunities across Navy, Aerospace & Land systems

Dassault Reliance Aerospace Ltd



- Key offset partner with Dassault Aviation for 36 Rafael Aircraft worth ₹ 30,000 crore - Largest offset contract in India
- Scope includes performance based logistics for 50 years – Maintenance, Repair, Overhaul and Upgrades
- Life Cycle opportunity estimated at ~ ₹ 1 lakh crore over 50 years
- Dassault has a long history with the IAF - Mirage 2000, a Frontline fighter aircraft
- Project to be executed at MIHAN SEZ, Nagpur which has fully functional international airport.
- Scope for 'Make In India' for future IAF and Navy orders.
- Requirement for additional 600 Fighter Aircraft over next 20 years valued at ~ ₹ 3.6 lakh crore

Ground breaking at Mihan completed – Largest FDI in defence sector in India

Reliance Naval & Engineering Ltd (RNaval)



- Shipyard Capacity - Unique Strengths :
 - One of the largest dry-docks in the world
 - 2 Goliath Cranes with lifting capacity of 1,200 tons
 - Fabrication Capacity - 144,000 mtpa
 - Life-time support for frigates, aircraft carriers & sub-marines of the Indian Navy
- Only private sector shipyard in India :
 - With MSRA* for ships of the U.S. Navy's 7th Fleet - Opportunities worth ₹ 15,000 crore in next 5 - 7 years
 - To have launched warships for the Indian Navy
 - Has delivered Panamax Ice class vessel
- Signed contract for 14 FPV for Indian Coast Guard
- RNaval exits from CDR - Maturity period of debt extended to 18 years

*MSRA - Master Ship Repair Agreement

Largest Dry Dock in the country

Unlocking Value through Asset Monetisation

Transmission

- Completed 100% sale of WRSSS transmission project for ₹ 1,000 crore
- Term Sheet signed with Adani Transmission for Parbati Koldam project
- Sale proceeds to be utilised for debt reduction

Mumbai Power

- Signed definitive binding agreement with Adani Transmission Ltd for 100% sale of Mumbai Power business for deal value of ₹ 13,251 crore.
- In addition, Regulatory Assets under approval of ₹ 5,000 crore and Net working capital of ₹ 550 crore to flow directly to RInfra

Roads

- RInfra InvIT fund files DRHP with SEBI for 7 road projects with issue size of ₹ 2,500 crore
- InvIT fund to have Right of First Offer for other 4 road assets

Cement

- Sold to Birla Corporation Ltd in August 2016 for Enterprise Value of ₹ 4,800 crore
- Entire sale proceeds used to repay debt

Strong focus on unlocking value through asset monetisation to help in debt reduction

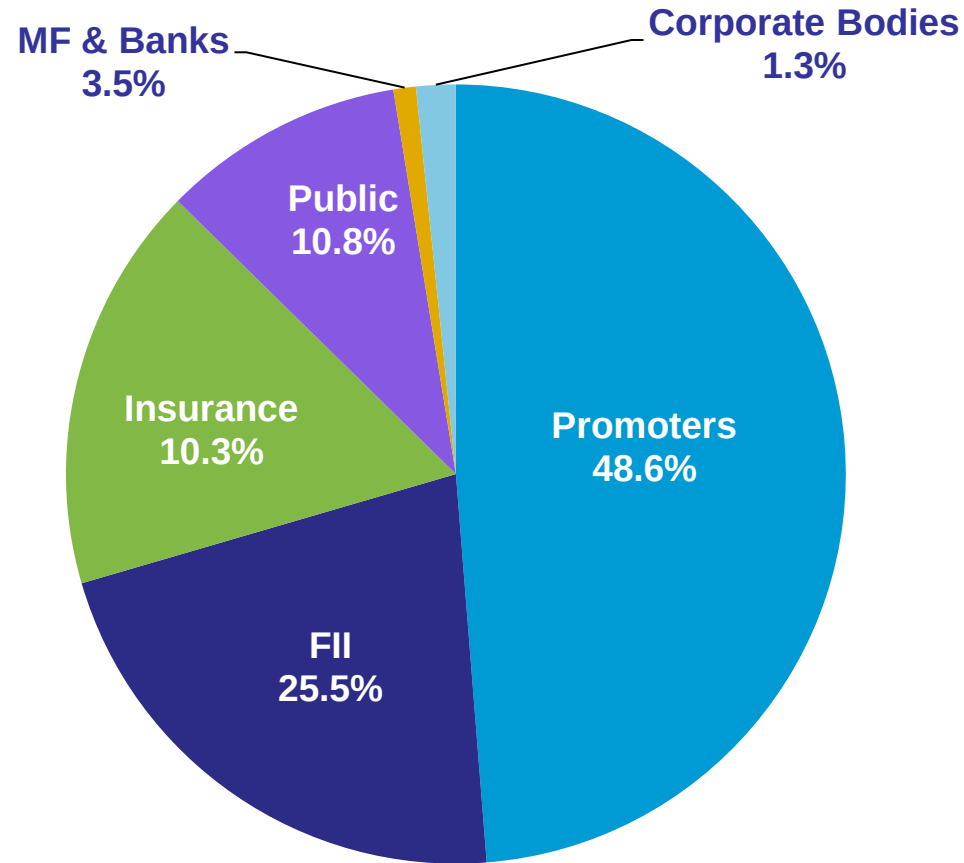
Release of trapped cash through Arbitration

- **Delhi Airport Metro Express Line:**
 - RInfra wins major arbitration award of Delhi Airport Metro Express project against DMRC
 - 3 members Arbitration Tribunal constituted by DMRC has given the award unanimously against DMRC
 - Total arbitration award including interest is ~₹ 4,700 crore; proceeds to be utilised for debt reduction
 - Even if DMRC challenges, as per recent CCEA* guidelines, RInfra to receive ~₹ 3,500 crore immediately after furnishing bank guarantee
- **Roads:** RInfra has also won arbitration awards for 2 road projects (NK and DS) worth ₹ 170 crore in FY17
- Arbitration claims hearing is in process for Mumbai Metro, EPC & other road projects
- CCEA in its guidelines dated September 05, 2016 has approved payment of 75% of the arbitral award to concessionaire against margin free bank guarantee in cases where the award is challenged

*CCEA – Cabinet Committee on Economic Affairs

Arbitration proceeds to further deleverage Balance Sheet

Shareholding Pattern (September 30, 2017)



Largest shareowner family in the sector : 1.1 million shareowners

Standalone		(₹ crore)
Particulars	FY16	FY17
Total Revenues	12,293	11,760
EBITDA	4,403	4,998
Profit After Tax	994	1,288
Networth	19,299	20,995
Gross Debt	20,343	16,321
Financial Ratios		
Debt/EBITDA	4.6	3.3
Debt/Equity	1.1	0.8

Consolidated		(₹ crore)
Particulars	FY16	FY17
Total Revenues	28,462	28,222
EBITDA	7,435	8,274
Profit After Tax	760	1,425
Networth	21,652	23,348
Gross Debt	35,593	29,165
Financial Ratios		
Debt/EBITDA	4.8	3.5
Debt/Equity	1.6	1.2

- **EBITDA Margin - 29.3%** Improved by ~320 bps
- **D/E improved to 1.2x from 1.6x** - Lowest amongst infrastructure peers
- Capex cycle completed & reverse cash flow started

Improved profitability due to strong operational efficiency

Way Forward

To become debt free via asset monetisation and arbitration claims
(Largest debt reduction activity undertaken)

Focus on high growth & capital light businesses - EPC and Defence

Defence opportunities worth ₹ 15 lakh crore over next 15 years

Targeting EPC orderbook of ₹ 50,000 crore in next 2 years

Transformation to asset light model by deleveraging balance sheet

Thank You
