

Chairman's Statement
91st Annual General Meeting - June 23, 2020

My dear fellow shareholders,

Welcome to this 91st AGM of our company.

- Every year I have had the privilege and pleasure of greeting you in person at our AGMs, but this year because of the Covid pandemic we are conducting this AGM online.
- I trust all of you, and your families are well and strictly following the new mantras of social distancing and personal hygiene to fight and defeat this virus.
- At the outset, let me – with the greatest humility – join 1.4 billion grateful Indians in saluting the extraordinary courage, heroism and valour of our men in uniform in the face of Chinese actions, and in paying my respectful tributes to the memories of those who made the ultimate sacrifice while defending the integrity of our borders and the honour of our motherland – Bharat Mata.
- A soldier of the Indian army is regarded the world over as representing the finest in the military traditions of discipline, daring and devotion to duty.
- The events of the last few days in the Galwan Valley in Ladakh have demonstrated yet again why that name and reputation is so well earned and so thoroughly deserved.
- At this critical juncture of our national life, we are blessed to have at the helm a statesman, visionary and world leader of exceptional stature, our most beloved **Prime Minister, Shri Narendrabhai Modi**.
- Let our enemies know, just as clearly as we patriotic Indians do, that under his command, we shall overcome every adversity and triumph over every challenge – no matter the odds. That is my firm belief and conviction.
- I request all of you to join me for a minute of silence to honour the spirit of our bravehearts, led by Colonel Santosh Babu, who laid down their lives in the defence of our country.

- Over the last few months, the world has witnessed the outbreak of what is by far the biggest public health emergency of the last 100 years.
- It is ironic that while the so-called developed world, with seemingly limitless resources and medical infrastructure, has struggled to cope and save lives, a developing country such as India has managed to keep the infection in check, and the fatality rate amongst the lowest in the world.
- There is only one explanation for this stark contrast between relative victory and abject defeat: The Quality of leadership.
- By imposing a stringent nationwide lockdown at a very, very early stage of the outbreak, **Prime Minister Narendra Modi** showed the kind of far-sightedness of thought, purpose and action that can make all the difference at the time of a mega crisis such as this.
- While the lockdown has no doubt exacted a huge economic cost in terms of jobs, livelihood and loss of business, the far-reaching stimulus, relief and reforms packages announced by the government has helped mitigate the immediate distress, and will go a long way in kickstarting the economy and powering a rapid recovery.
- At the same time, it is sobering to remember that while businesses can and do recover from adversities and setbacks however grave, human lives once lost cannot be brought back.
- The fact that we are conducting this AGM online is itself a stark reminder of this grim reality and the way the pandemic has changed and will continue to redefine our lives at home and at the workplace for times to come.
- As our **Prime Minister** has stressed repeatedly, we have to come together unitedly as a nation to defeat this pandemic.
- At this point, I would like to acknowledge the tireless efforts of my wife Tina and her team of dedicated doctors and health workers both at the Kokilaben Dhirubhai Ambani Hospital in Mumbai led by Dr. Santosh Shetty and his team and at the Reliance Hospital in Navi Mumbai led by CEO Bipin Chevale to provide relief and medical support to thousands of Covid patients.
- Both hospitals, I am proud to say, have been at the forefront in working shoulder to shoulder with the Government.

- Indeed, as the pandemic erupted and gained momentum in Maharashtra, and the Government started reaching out for support to the private sector, we were amongst the first hospitals to be granted recognition as a Covid-testing facility by the Indian Council of Medical Research (ICMR).
- We were also amongst the pioneers in committing a large number of Critical Care Beds. As of today, between the two hospitals, we have handled more than 1,000 Covid-positive patients which is amongst the largest number in the private sector and tested over 5,000 critical patients in our lab.
- Our focus on critical care has meant that we have dealt with some of the most critical COVID cases – patients with significant co-morbidities.
- Our medical teams have ensured excellent outcomes and full recovery in most such cases. There was extensive media coverage for one such case -- an 83-year-old cancer survivor who contracted the virus early on in the outbreak, spent 10 days in the ICU and recovered fully, spreading much-needed cheer and positivity while giving hope to many others.
- This important humanitarian mission would not have been possible for but for the tremendous commitment and dedication demonstrated by Tina and her team of healthcare personnel in partnership with the Government.
- My heartfelt appreciation to her and her dedicated battalion of Doctors, Nurses and Hospital Staff who have worked 24/7 to serve our beloved Mumbai.
- Before I proceed further, I would like to take this opportunity to clarify certain matters of legal proceedings that may have caused concern to some of you.
- You might have seen various reports about proceedings initiated against me by the Chinese banks in London based on a personal guarantee that was claimed to have been given by me and the State Bank of India in Mumbai.
- As regards this claim of the Chinese Banks, I must emphasize that the loan in respect of which the proceedings have been initiated was not for any personal borrowing but for a corporate loan which was availed by our telecom company, Reliance Communications, in the normal course of business eight years ago in 2012 from a consortium of 3 Chinese Banks – CDB, ICBC and C-EXIM -- for global refinancing.

- The guarantee on the basis of which the claim was made was admitted not signed by me. In actual fact, I had only signed a power of attorney limited to executing a non-binding letter of comfort to the Chinese Banks. My defence however has been shut out by the UK courts on my inability to personally deposit a sum of \$ 100 million.
- As per the UK Court's Order, the final amount owed under the alleged guarantee will be assessed based on the outcome of the RCOM insolvency resolution process. In addition, I will avail of all available legal remedies in India to protect my interest.
- As regards the proceedings filed by SBI, I would like to emphasize that this also does not relate to any personal borrowing but arises out of a guarantee given for a loan which was availed by Reliance Communications and Reliance Infratel, way back in 2016 to repay the debts of Chinese and certain other Indian Banks.
- I am defending myself against these claims and firmly believe that upon the resolution of RCOM and RITL's debt as per their Resolution Plans filed before NCLT, a significant proportion, if not the whole, of the said debts will stand discharged and all these matters satisfactorily resolved.
- I wish to reassure you, my dear fellow shareowners, that none of these potential liabilities if any will have the slightest bearing whatsoever on the operations of your company, Reliance Infrastructure Ltd, or its bright future prospects.
- Let me also reassure you that my sole desire was to assist the RCom Group and not to make any personal gains. It was also to demonstrate my unflinching commitment to the best interests of all stakeholders.

Current State of the Business

- Let me say a few words on each of our businesses: **Power distribution, Engineering and Construction, Transportation and Defence.**

Power distribution

- As you are aware, our Delhi Power Distribution business known as BSES Rajadhani and BSES Yamuna are an Essential service provider in National Capital.
- BSES once again stepped up to its responsibility and successfully delivered uninterrupted power to almost 44 lakh households in Delhi. The great job done by the team of 17,000 people, who worked 24/7 through the ongoing COVID 19 pandemic, an unprecedented heat wave and even earthquakes, with peak demand hitting 4,864 MW.

- In FY20, BSES Companies revenue was over Rs 17,000 crore with EBITDA of over Rs 3,400 crore and assets of Rs.9440 crores. BSES companies have managed the AT&C losses most efficiently and brought down from peak of 63% to 8% now. It is among the Top 3 Companies in India and perhaps among the Top 10 in the World for its operational efficiency.

Engineering and Construction

- I am pleased to share that our 8-key E&C projects are fully operational.
- All the projects were restored immediately at end of the 1st lockdown, 20th April 2020 and a workforce of 5000 were back at the sites, while adhering to global best practices in safety and health.
- I will provide brief update on each of our key projects:
- Work is progressing at prestigious project of **Versova-Bandra Sea Link Project** in Mumbai to be built at a cost of Rs.7000 crore by 2025.
- On the **Mumbai Metro Line # 7**, the team worked tirelessly to complete pre-monsoon works and ensured that project remains on track.
- Our 4 Road construction projects namely, Jharkhand Road, Vikravandi Road in Tamil Nadu, Mumbai-Nagpur Expressway and Kashedi-Ghat Road in Maharashtra are running on schedule upto 80% of workforce.
- The Company is successfully working under the aegis of the Nuclear Power Corporation of India on the strategically critical 2,400 MW **Kudankulam Nuclear Power Project** in Tamil Nadu. This project is the single largest nuclear power station in India and will be landmark for the National Energy Security of our country.
- The project at **UPPUR** 1600 MW Thermal plant in Tamil Nadu is awaiting the land acquisition to be completed, the Power plant construction will be built in 36 months.
- With Rs 111 lakh crore investment planned over 5-years as per Task Force on National Infrastructure Pipeline (NIP) report in April 2020, I have no doubt your Company will emerge amongst the Top 3 E&C mega projects and Specialty project in India.

Transportation

Highways

- The Company owns a diversified portfolio of 10-road projects connecting global quadrilateral of over 900 kms with total investments of over Rs 10,000 crore
- This includes marquee projects such as 180-km 6-lane Delhi Agra Toll Road and 140-km 6-lane Pune-Satara Road.
- The traffic and related toll collection is back upto 75% of pre-COVID levels on most of the toll-roads and we expect that 100% to be achieved in terms of revenue of pre Covid period as all economic activities start in next few weeks.

Metro

- Most of you are already familiar with Reliance Mumbai Metro Line 1 connecting Versova-Andheri-Ghatkopar.
- Every day nearly 5 lakh Mumbaikars depend on our safe, eco- friendly, easy-on-the-pocket, reliable Metro service.
- We have unmatched benchmarks of 100% train availability and 99.9% on time performance.
- The metro remains shut like all other Metros pan India as a health precaution and our team is ready to restart at 48 hours notice.

Defence

- Our presence in the Defence business whereby we have JV with Dassault Aviation of France and Thales of France - both are operational with factories located in Mihan in Maharashtra.
- In FY20, Reliance Defence successfully delivered Dornier aircraft upgrade program. 25 of the upgrade kits have been supplied and remaining 15 will be delivered during current fiscal.
- Our factories at Mihan have started production on 20th April 2020 post the 1st lockdown and operations have been running smoothly.

- We continue to pursue new Defence opportunities in Army, Navy and Air Force domain with the market size of around Rs.3 lacs crore under the programme of Atma Nirbhar announced by **Prime Minister Modi**. We are confident to play a larger role in enhancing India's National Security.

CLOSING

- Finally, my dear shareowners, I would like to reiterate that we will become a debt-free Company during this financial year through the various monetization initiatives underway.
- Dear Share owners, you will be pleased to learn that my colleagues at the Company have agreed upto 50% cut in compensation and I personally have decided to forego my commission and remuneration for the year. During lock-down of Covid 19, Company has made timely payment to all its employees.
- The Company has Assets of over Rs 65,000 crore, Networth of over Rs 11,000 crore and Cashflow of over Rs 5,000 crore.
- In addition, we have Rs 60,000 crore of receivables stuck in Regulatory and Arbitration matters which are pending for as many as 5-10 years.
- I am confident that the true value of the business will be recognized in the markets soon.
- I am confident of the future prospects of your Company and would like to announce that the Promoters plan to increase its shareholding in the Company over time, in line with the applicable Regulatory guidelines.

I look forward to seeing you in person hopefully at next year's AGM.

Thank You and Jai Hind