

Limited Review Report on Standalone Unaudited Financial Results of Reliance Infrastructure Limited for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

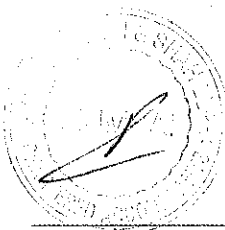
To Board of Directors of Reliance Infrastructure Limited

1. We were engaged to review the accompanying statement of standalone unaudited financial results of Reliance Infrastructure Limited ('the Company') for the quarter ended June 30, 2021 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on August 10, 2021, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India.
3. Our responsibility is to express a conclusion on the Statement based on our review. However, because of the matters described in paragraph 4 below, we were not able to obtain sufficient appropriate evidence to provide a basis of our conclusion on this Statement.
4. We refer to Note 9 to the Statement regarding the Company's exposure in an EPC Company as on June 30, 2021 aggregating to Rs. 6,474.33Crore (net of provision of Rs. 3,972.17 Crore). Further, the Company has also provided corporate guarantees aggregating to Rs. 1,775 Crore on behalf of the aforesaid EPC Company towards borrowings of the EPC Company.

According to the Management of the Company, these amounts have been funded mainly for general corporate purposes and towards funding of working capital requirements of the party which has been engaged in providing Engineering, Procurement and Construction (EPC) services primarily to the Company and its subsidiaries and its associates and the EPC Company will be able to meet its obligation.

As referred to in the above note, the Company has further provided Corporate Guarantees of Rs. 4,895.87 Crore in favour of certain companies towards their borrowings. According to the Management of the Company these amounts have been given for general corporate purposes.

We were unable to evaluate about the relationship, recoverability and possible obligation towards the Corporate Guarantees given. Accordingly, we are unable to determine the consequential implications arising therefrom in the standalone unaudited financial results of the Company.

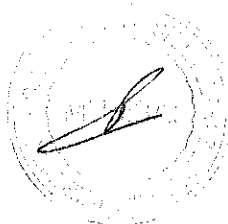


5. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
6. The Statement includes the financial information of the following joint operations

Sr. No.	Name of the Joint Operations
1.	Rinfra & Construction Association Interbudmntazh JT Stock Co. Ukaraine (Jv)
2.	Rinfra – Astaldi Joint Venture
3.	Rinfra – Astaldi JV
4.	Coal Bed Methane
5.	MZ – ONN- 2004/ 2

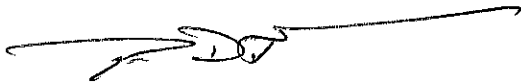
7. Based on the review conducted and procedures performed as stated in paragraph 5 above and based on the consideration of the review reports of other auditors referred to in paragraph 13 below, because of the substantive nature and significance of the matter described in paragraph 4 above, we have not been able to obtain sufficient appropriate evidence to provide our basis of our conclusion as to whether the accompanying Statement of unaudited financial results prepared in accordance with applicable Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. We draw attention to Note 5 to the Statement, wherein the Company has outstanding obligations to lenders and the Company is also a guarantor for its subsidiaries and associates whose loans have also fallen due which indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note the accounts of the Company have been prepared as a Going Concern. Our conclusion on the Statement is not modified in respect of this matter.

9. We draw attention to Note 8 to the Statement which describes the impairment assessment performed by the Company in respect of its net receivables of Rs. 2,435.04 Crore from Reliance Power Limited and its Subsidiaries ("RPower Group") as at June 30, 2021 in accordance with Ind AS 36 "Impairment of assets" / Ind AS 109 "Financial Instruments". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used in determination of value in use/fair value by independent valuation experts / management as more fully described in the aforesaid note. Based on management's assessment and independent valuation reports, no impairment is considered necessary on the receivables. Our Conclusion on the Statement is not modified in respect of above matter.
10. We draw attention to Note 7(b) to the Statement regarding KM Toll Road Private Limited (KMTR), a subsidiary of the Company, has terminated the Concession Agreement with National Highways Authority of India (NHAI) for Kandla Mundra Road Project (Project) on May 7, 2019, on account of Material Breach and Event of Default under the provisions of the Concession Agreement by NHAI. The Company is confident of recovering its entire investment of Rs. 544.94Crore in KMTR, as at June 30, 2021 and no impairment has been considered necessary against the above investment for the reasons stated in the aforesaid note. Our Conclusion on the Statement is not modified in respect of above matter.
11. We draw attention to Note 7(a) to the standalone financial results which describes the impairment assessment performed by the Company in respect of its net Investments and loans of Rs. 3,482.31 Crore in ten subsidiaries i.e. Toll Road SPV's Companies (including KMTR as stated in paragraph 10 above) in accordance with Ind AS 36 "Impairment of assets" / Ind AS 109 "Financial Instruments". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used by the management as more fully described in the aforesaid note. Based on management's assessment no impairment is considered necessary on the investments and loans.
12. We draw attention to Note 2 to the Statement, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company. Our conclusion on the Statement is not modified in respect of this matter.
13. i) We did not review the financial information of 3 joint operations included in the Statement, whose financial information reflect total revenues of Rs. 65.59 Crore, total net profit/(loss) after tax of Rs.0.76 Crore and total comprehensive income / (loss) of Rs.0.76 Crore for the quarter ended June 30, 2021 respectively as considered in this Statement. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far it relates to amounts and disclosures included in respect of these joint operations, is solely based on the reports of the other auditors and the procedures performed by us as stated in paragraph 5 above.



ii) The unaudited financial results includes financial information of 2 Joint Operations which have not been reviewed by their auditors, whose financial information reflect , total revenues of Rs. Nil, total net loss after tax of Rs. Nil and total comprehensive loss of Rs. Nil for the quarter ended June 30, 2021, as considered in the unaudited financial results. These unaudited financial information have been furnished to us by the management and our conclusion on the Statement in so far it relates to the amounts and disclosures is based solely on such unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these financial information are not material.

For **Chaturvedi & Shah LLP**
Chartered Accountants
FirmRegistrationNo:101720W/W100355



Parag D. Mehta
Partner
Membership No:113904
UDIN: 21113904AAAACN9377



Date: August 10, 2021
Place: Mumbai

RELIANCE**RELIANCE INFRASTRUCTURE LIMITED**Registered Office: Reliance Center, Ground Floor, 19, Walchand Hiranchand Marg, Ballard Estate, Mumbai 400 001
website:www.rinfra.com CIN : L75100MH1929PLC001530**Statement of unaudited Standalone Financial Results for the quarter ended June 30, 2021**

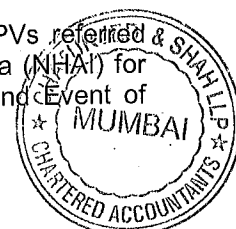
Sr. No.	Particulars	Quarter ended			Rs Crore
		30-Jun-21	31-Mar-21	30-Jun-20	Year ended
		Unaudited	refer note 12	Unaudited	31-Mar-21 Audited
1	Income from Operations	276.80	776.87	176.25	1,689.15
2	Other Income (net)	257.56	368.45	281.37	833.02
	Total Income	534.36	1,145.32	457.62	2,522.17
3	Expenses				
	(a) Construction Materials Consumed and Sub-contracting Charges	225.66	689.08	79.60	1,384.13
	(b) Employee Benefits Expense	18.85	16.23	23.99	78.33
	(c) Finance Costs	158.78	381.61	271.20	1,193.23
	(d) Depreciation and Amortisation Expense	9.42	14.46	15.36	59.24
	(e) Other Expenses	37.63	55.26	111.71	272.32
	Total Expenses	450.34	1,156.64	501.86	2,987.25
4	Profit/(loss) before Exceptional Items and Tax (1+2-3)	84.02	(11.32)	(44.24)	(465.08)
5	Exceptional Items (Net)	-	121.59	-	353.56
6	Profit/(Loss) before tax (4+5)	84.02	110.27	(44.24)	(111.52)
7	Tax Expenses				
	- Current Tax	0.66	0.65	0.67	1.44
	- Deferred Tax (net)	-	(18.35)	(12.78)	(93.88)
	- Tax adjustment for earlier years (net)	1.23	-	-	-
8	Net Profit/(Loss) after tax for the period/year (6-7)	82.13	127.97	(32.13)	(19.08)
9	Other Comprehensive Income				
	Items that will not be reclassified to Profit and Loss				
	Remeasurement of net defined benefit plans - (gain)/loss	-	1.28	-	(0.21)
	Income Tax relating to the above	-	-	-	-
		-	(1.28)	-	0.21
10	Total Comprehensive Income/(Loss) (8+9)	82.13	126.69	(32.13)	(18.87)
11	Paid-up Equity Share Capital (Face value of ₹ 10 per share)				263.03
12	Other Equity				10,112.55
13	Earnings Per Share (* not annualised) (Face value of ₹ 10 per share)				
	(a) Basic and Diluted Earnings per Share (in Rs)	3.12*	4.87*	(1.22)*	(0.73)
	(b) Basic and Diluted Earnings per Share (in Rs)-before effect of withdrawal of scheme- refer note 12	3.12*	5.33*	(1.44)*	(2.69)
	(c) Basic and Diluted Earnings per Share (in Rs)-after effect of withdrawal of scheme- refer note 12	3.12*	4.87*	(1.22)*	(0.73)



Notes:

1. The Standalone Financial Results of Reliance Infrastructure Limited ("the Company") have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
2. COVID 19 has impacted businesses across the globe and India causing significant disturbance and slowdown of economic activities. The Company's operations during the quarter were impacted due to COVID 19 and it has considered all possible impact of COVID 19 in preparation of the financial result, including assessment of the recoverability of financial and non financial assets based on the various internal and external information and assumptions relating to economic forecasts up to the date of approval of these financial results. The aforesaid assessment is based on projections and estimations which are dependent on future development including government policies. Any changes due to the changes in situations / circumstances will be taken into consideration, if necessary, as and when it crystallizes.
3. Consequent to approval from its shareholders, Reliance Power Limited (Reliance Power), on July 15, 2021, has allotted 59.50 crore equity shares and 73 crore warrants convertible into equivalent number of equity shares of Reliance Power to the Company by conversion of debt. Post allotment the holding Pursuant to the allotment of equity shares, the aggregate holding of the Company in Reliance Power has increased to 22.40% and may further increase up to 36.11% on conversion of warrants.
4. Consequent to approval from members, the Company has on July 19, 2021, allotted 8.88 crore warrants, at a price of Rs. 62 per warrant, convertible into equivalent number of equity shares of the Company to a promoter group company and an institutional investor through preferential allotment.
5. The Company has outstanding obligations payable to lenders and in respect of loan arrangements of certain entities including subsidiaries/associates where the Company is also a guarantor where certain amounts have also fallen due. The Company has repaid substantial debt during last 12 months and is confident of meeting balance obligations by way of time bound monetisation of its assets and receipt of various claims and accordingly, notwithstanding the dependence on these material uncertain events, the Company continues to prepare the Standalone Financial Results on a going concern basis.
6. The dispute between Delhi Airport Metro Express Private Limited (DAMEPL), a subsidiary of the Company and Delhi Metro Rail Corporation Limited (DMRC) arising out of the termination by DAMEPL of the Concession Agreement for Delhi Airport Metro Express Line Project (Project) was referred to arbitral tribunal, which vide its award dated May 11, 2017, granted arbitration award for a sum of Rs 4,662.59 Crore on the date of the Award in favour of DAMEPL being inter alia in consideration of DAMEPL transferring the ownership of the Project to DMRC who has taken over the same. The Award was upheld by a Single Judge of Hon'ble Delhi High Court vide Judgment dated March 06, 2018. However, the said Judgment dated March 06, 2018 was set aside by the Division Bench of Hon'ble Delhi High Court vide Judgement dated January 15, 2019. DAMEPL has filed Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the said Judgement dated January 15, 2019 of Division Bench of Hon'ble Delhi High. Hon'ble Supreme Court of India, while hearing the Interlocutory Application filed by DAMEPL seeking interim relief, had directed vide its Order dated April 22, 2019 that DAMEPL's accounts shall not be declared as NPA till further orders and further directed listing of the SLP for hearing on July 23, 2019. The Hon'ble Supreme Court has concluded the hearing and reserved the order. Based on the facts of the case, applicable law and as legally advised, DAMEPL has a fair chance of succeeding in the Hon'ble Supreme Court. In view of the above, DAMEPL has continued to prepare its financial statements on going concern basis.
7. With respect to Company's ten subsidiaries engaged in road projects:
 - a. The Company has net recoverable amounts aggregating to Rs. 3,482.31 Crore from its ten subsidiaries (road SPVs) as at June 30, 2021. Management has recently performed an impairment assessment of these recoverable by considering inter alia arbitral claims filed by SPVs aggregating Rs. 6,373 Cr and projected future cash flows from the respective projects. As legally advised on arbitration matters, Company is confident of recovering its entire investment in road SPVs. The determination of the recoverable value of investments involves significant management judgement and estimates on the various assumptions including time that may be required to get the award and its subsequent settlement by the customers, etc. Accordingly, based on the assessment and as advised by the experts, impairment of said recoverable is not considered.

KM Toll Road Private Limited (KMTR), a subsidiary of the Company and part of road SPVs referred above, has terminated the Concession Agreement with National Highways Authority of India (NHAI) for Andhra Pradesh Andhra Pradesh Road Project (Project) on May 7, 2019, on account of Material Breach and



Default under the provisions of the Concession Agreement by NHAI. The operations of the Project have been taken over by NHAI. In terms of the provisions of the Concession Agreement, NHAI is liable to pay KMTR a termination payment estimated at Rs 1,205.47 Crore as the termination has arisen owing to NHAI Event of Default. KMTR has also raised further claims of Rs 1,092.74 Crore. KMTR has invoked dispute resolution process under clause 44 of the Concession Agreement. Subsequently, vide letter dated August 21, 2020, NHAI advised its Programme Director for release of termination payment to KMTR and accordingly Rs 181.21 Crore was released during the year towards termination payment, which has been utilised for debt servicing.

As a part of the dispute resolution, KMTR has invoked arbitration and it is confident of fair outcome. Pending final outcome of the dispute resolution process and as legally advised, the claims for the Termination Payment are considered fully enforceable. Notwithstanding the dependence on above said uncertain events, KMTR continues to prepare the financial statements on a going concern basis. The Company is confident of recovering its entire investment in KMTR of Rs 544.94 Crore as at June 30, 2021, and hence, no provision for impairment of the KMTR is considered in the financial statements. The Investment in the KMTR are classified as Non Current Assets held for sale as per Ind AS 105 "Non Current Assets held for sale and discontinued operations"

8. The Company has net recoverable amounts aggregating to Rs 2,435.04 Crore from Reliance Power Group as at June 30, 2021. Management has recently performed an impairment assessment of these recoverable by considering inter alia the valuations of the underlying subsidiaries of Reliance Power which are based on their value in use (considering discounted cash flows) and valuations of other assets of Reliance Power/its subsidiaries based on their fair values, which have been determined by external valuation experts. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, time that may be required to identify buyers, negotiation discounts etc. Accordingly, based on the assessment, impairment of said recoverable is not considered necessary by the management.

9. The Reliance Group of companies of which the Company is a part, supported an independent company in which the Company holds less than 2% of equity shares ("EPC Company") to inter alia undertake contracts and assignments for the large number of varied projects in the fields of Power (Thermal, Hydro and Nuclear), Roads, Cement, Telecom, Metro Rail, etc. which were proposed and/or under development by the Reliance Group. To this end along with other companies of the Reliance Group the Company funded EPC Company by way of project advances, subscription to debentures and inter corporate deposits. The total exposure of the Company as on June 30, 2021 is Rs 6,474.33 Crore (net of provision of Rs 3,972.17 Crore). The Company has also provided corporate guarantees aggregating of Rs 1,775 Crore.

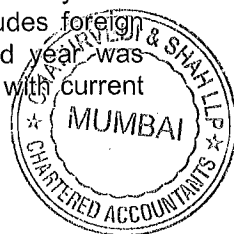
The activities of EPC Company have been impacted by the reduced project activities of the companies of the Reliance Group. While the Company is evaluating the nature of relationship; if any, with the independent EPC Company, based on the analysis carried out in earlier years, the EPC Company has not been treated as related party.

Given the huge opportunity in the EPC field particularly considering the Government of India's thrust on infrastructure sector coupled with increasing project and EPC activities of the Reliance Group, the EPC Company with its experience will be able to achieve substantial project activities in excess of its current levels, thus enabling the EPC Company to meet its obligations. Based on the available facts, the provision made will be adequate to deal with any contingency relating to recovery from the EPC Company. The Company has further provided corporate guarantees of Rs. 4,895.87 Crore on behalf of certain companies towards their borrowings. As per the reasonable estimate of the management of the Company, it does not expect any obligation against the above guarantee amount.

10. The listed non convertible debentures of Rs 1,087.70 Crore as on June 30, 2021 are secured by way of first pari passu charge on certain fixed assets. There are certain shortfalls in the security cover.

11. The Company is predominantly engaged in the business of Engineering and Construction (E&C). E&C segment renders comprehensive, value added services in construction, erection and commissioning. All other activities of the Company revolve around E&C business. As such there are no separate reportable segments, as per the Ind-AS 108 on Operating Segment. All the operations of the Company are predominantly conducted within India, as such there are no separate reportable geographical segments.

12. The figures for the previous periods and for the year ended March 31, 2021 have been regrouped and rearranged to make them comparable with those of current period. The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of full financial year and published year to date figures up the third quarter of respective financial year. Other income for the quarter includes foreign exchange gain of Rs 23.85 Crore. The Corresponding impact during the previous periods and year was held in the General Reserve. Figures for the previous periods and year are not comparable with current quarter to the extent.



13. After review by the Audit Committee, the Board of Directors of the Company has approved the Standalone financial results at their meeting held on August 10, 2021. The statutory auditors have carried out a limited review of the standalone financial results for the quarter ended June 30, 2021.

For and on behalf of the Board of Directors



Punit Garg
Executive Director and Chief Executive Officer

Place: Mumbai
Date: August 10, 2021

