

RELIANCE

Reliance Infrastructure Limited

Consolidated Financial Results

Quarter and Nine Months ended
December 31, 2017

Corporate Finance & Accounts
Mumbai

Reliance Infrastructure Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710
 website: www.rinfra.com CIN L75100MH1929PLC001530

Statement of Consolidated Financial Results for the quarter and nine months ended December 31,2017

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2017 (Unaudited)	30-09-2017 (Unaudited)	31-12-2016 (Unaudited)	31-12-2017 (Unaudited)	31-12-2016 (Unaudited)	31-03-2017 (Audited)
1	Revenue from Operations						
	(a) Net Sales / Income from Power Business	5,225.14	6,544.27	4,604.20	18,203.07	16,668.76	20,989.46
	(b) Income from EPC and Contracts Business	181.46	335.14	751.11	1,042.26	1,990.55	2,472.84
	(c) Net Sales / Income from Infrastructure Business	252.74	226.49	208.66	709.10	617.39	806.96
	(d) Other Operating Income	201.70	83.82	159.61	655.76	326.69	397.20
	Total Operating Income	5,861.04	7,189.72	5,723.58	20,610.19	19,603.39	24,666.46
2	Other income (Refer Note 3)	484.93	545.19	760.87	1,523.35	2,033.76	2,220.09
	Total Income	6,345.97	7,734.91	6,484.45	22,133.54	21,637.15	26,886.55
3	Expenses						
	Cost of Power Purchased	3,137.40	3,791.72	3,133.73	10,719.17	10,459.60	13,146.06
	Cost of Fuel and Materials Consumed	268.50	274.67	268.14	897.94	747.15	1,051.61
	Construction Material Consumed and Sub-Contracting Charges	21.12	232.58	632.38	659.74	1,651.96	1,974.80
	Employee benefit expenses	467.29	581.44	429.30	1,481.61	1,307.39	1,698.66
	Finance costs	1,503.90	1,669.39	1,322.63	4,648.92	3,967.64	5,580.32
	Depreciation and amortization expenses	484.82	515.26	496.97	1,453.50	1,151.18	1,688.21
	Other expenses (Refer Note 3)	601.47	484.89	457.29	1,641.91	1,421.82	2,071.22
	Total Expenses	6,484.50	7,549.95	6,740.45	21,502.79	20,706.75	27,210.88
4	Profit before Rate Regulated Activities ,Exceptional Items and Tax (1+2-3)	(138.53)	184.96	(256.00)	630.75	930.40	(324.33)
5	Regulatory Income / (Expenses) (net of deferred tax)	287.72	(113.42)	633.60	(62.99)	264.14	1,185.55
6	Profit before Exceptional Items and Tax (4+5)	149.19	71.54	377.60	567.76	1,194.54	861.22
7	Exceptional Items						
	Profit on sale of investment	-	295.39	-	295.39	85.58	85.58
	Income / (Expenses) (Refer Note 6)	-	(198.50)	-	(198.50)	-	(555.58)
	Less: Transfer from General Reserve (Refer Note 6)	-	198.50	-	198.50	-	555.58
		-	295.39	-	295.39	85.58	85.58
8	Profit / (Loss) before income tax (6+7)	149.19	366.93	377.60	863.15	1,280.12	946.80
9	Tax Expenses						
	Current Tax	19.19	(44.68)	137.48	48.97	313.47	95.66
	Deferred Tax (net)	(116.32)	(46.00)	(78.13)	(197.28)	(165.97)	(221.43)
	Taxation for Earlier Years	1.61	(0.72)	-	1.61	-	(16.41)
10	Profit / (Loss) from Continuing Operations (8-9)	244.71	458.33	318.25	1,009.85	1,132.62	1,088.98
11	Profit / (Loss) from Discontinued Operations before tax	(13.82)	(2.06)	(41.12)	(36.84)	(63.59)	(35.53)
12	Tax Expenses of Discontinued Operations						
	Current Tax	(0.91)	1.14	0.60	0.97	3.39	3.43
	Deferred Tax	(4.17)	(0.58)	(16.94)	(14.48)	(45.11)	(35.27)
	Taxation for Earlier Years	-	-	-	-	-	(0.09)
13	Profit / (Loss) from Discontinued Operations (11-12)	(8.74)	(2.62)	(24.78)	(23.33)	(21.86)	(3.80)
14	Profit / (Loss) before Share of net profit of associates and joint venture (10+13)	235.97	455.71	293.47	986.52	1,110.76	1,085.38
15	Share of net profit of associates and joint ventures accounted for using the equity method	65.89	69.41	72.42	161.18	259.22	309.05
16	Non Controlling Interest	0.48	(18.69)	(8.94)	(31.66)	(14.22)	(30.76)
17	Net Profit / (Loss) for the period/year (14+15-16)	301.38	543.81	374.82	1,179.36	1,384.21	1,425.18
18	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to Profit and Loss						
	Remeasurements of net defined benefit plans : Gains / (Loss)	(7.27)	(8.78)	(12.67)	(24.32)	(9.36)	(32.83)
	Net movement in Regulatory Deferral Account balances related to OCI	1.58	2.65	-	4.73	-	2.41
	Income tax relating to the above	0.97	1.06	-	3.61	-	6.01
	Other Comprehensive Income, net of taxes	(4.72)	(5.07)	(12.67)	(15.98)	(9.36)	(24.41)
19	Total Comprehensive income for the period/year	297.14	520.05	353.22	1,131.72	1,360.62	1,370.02
20	Profit / (Loss) attributable to :						
	(a) Owners of the Parent	301.38	543.81	374.82	1,179.36	1,384.21	1,425.18
	(b) Non Controlling Interest	0.48	(18.69)	(8.94)	(31.66)	(14.22)	(30.76)
		301.86	525.12	365.88	1,147.70	1,369.99	1,394.42
21	Other Comprehensive Income attributable to :						
	(a) Owners of the Parent	(4.76)	(5.13)	(12.67)	(16.08)	(9.38)	(24.14)
	(b) Non Controlling Interest	0.04	0.06	-	0.10	0.02	(0.27)
		(4.72)	(5.07)	(12.67)	(15.98)	(9.36)	(24.41)
22	Total Comprehensive Income attributable to :						
	(a) Owners of the Parent	296.62	538.68	362.15	1,163.28	1,374.83	1,401.04
	(b) Non Controlling Interest	0.52	(18.63)	(8.93)	(31.56)	(14.20)	(31.03)
		297.14	520.05	353.22	1,131.72	1,360.63	1,370.02
23	Paid up equity Share Capital (Face Value of ₹ 10/- each)	263.03	263.03	263.03	263.03	263.03	263.03
24	Other Equity						23,084.49
	Earning Per Equity Share (face value of Rs. 10 each) (not annualised) *						
25	a) Earning Per Equity Share (for continuing operation) :						
	Basic & Diluted	11.79 *	20.78 *	15.19 *	45.72 *	53.46 *	54.32
	b) Earning Per Equity Share (for discontinued operation) :						
	Basic & Diluted	(0.33) *	(0.10) *	(0.94) *	(0.89) *	(0.83) *	(0.14)
	c) Earning Per Equity Share (for discontinued and continuing operation) :						
	Basic & Diluted	11.46 *	20.68 *	14.25 *	44.84 *	52.63 *	54.18
	d) Earning Per Equity Share (before regulatory activities) :						
	Basic & Diluted	0.52 *	24.99 *	(9.84) *	47.23 *	42.58 *	9.11



Consolidated Segment-wise Revenue, Results and Capital Employed

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2017 (Unaudited)	30-09-2017 (Unaudited)	31-12-2016 (Unaudited)	31-12-2017 (Unaudited)	31-12-2016 (Unaudited)	31-03-2017 (Audited)
1	Segment Revenue						
	- Power Business	5,611.89	6,506.91	5,398.98	18,621.42	17,260.09	22,556.71
	- EPC and Contracts Business	281.06	340.92	753.02	1,213.12	2,005.77	2,492.39
	- Infrastructure Business	262.62	235.47	211.84	734.04	626.60	831.40
	Total	6,155.57	7,083.30	6,363.83	20,568.58	19,892.46	25,880.50
	Less: Inter Segment Revenue	6.81	7.00	6.65	21.38	24.93	28.49
	Net Sales / Income from Operations (Including Regulatory Income / (expense))	6,148.76	7,076.30	6,357.18	20,547.20	19,867.53	25,852.01
2	Segment Results						
	Profit before Interest, Tax, Share in Associates, Joint Venture and Non Controlling Interest from each segment:						
	- Power Business	1,032.31	1,159.76	885.01	3,444.38	2,937.15	4,165.31
	- EPC and Contracts Business	221.56	60.02	58.38	406.90	164.33	268.96
	- Infrastructure Business	80.49	52.55	86.23	178.29	256.38	173.48
	Total	1,334.36	1,272.33	1,029.62	4,029.57	3,357.86	4,607.75
	- Finance Costs	(1,503.90)	(1,669.39)	(1,322.63)	(4,648.92)	(3,967.64)	(5,580.32)
	- Interest Income	468.48	514.88	621.42	1,453.00	1,845.90	1,872.95
	- Exceptional Item - Unallocable segment	-	295.39	-	295.39	85.58	85.58
	- Other un-allocable Income net of expenditure	(149.75)	(46.28)	49.19	(265.89)	(41.58)	(39.16)
	Profit / (Loss) Continuing Operations before Tax	149.19	366.93	377.60	863.15	1,280.12	946.80
3	Segment Assets						
	Power Business	45,611.56	46,221.35	45,102.79	45,611.56	45,102.79	46,343.56
	EPC and Contracts Business	4,904.96	4,969.02	6,026.69	4,904.96	6,026.69	5,482.86
	Infrastructure Business	15,193.71	15,180.55	15,214.81	15,193.71	15,214.81	15,136.64
	Unallocated Assets	29,635.42	28,463.94	34,172.54	29,635.42	34,172.54	26,260.11
	Total Assets of Continuing Operations	95,345.65	94,834.86	100,516.83	95,345.65	100,516.83	93,223.17
	Assets of Discontinued Operations	3,664.32	4,873.54	5,186.10	3,664.32	5,186.10	5,124.50
	Total Assets of Continuing and Discontinued Operations	99,009.97	99,708.40	105,702.93	99,009.97	105,702.93	98,347.67
4	Segment Liabilities						
	Power Business	30,992.64	30,970.36	28,002.66	30,992.64	28,002.66	28,858.15
	EPC and Contracts Business	5,365.10	5,599.50	6,683.55	5,365.10	6,683.55	6,377.35
	Infrastructure Business	3,743.50	3,722.65	3,842.16	3,743.50	3,842.16	3,811.40
	Unallocated Liabilities	32,315.50	32,228.05	31,725.02	32,315.50	31,725.02	32,241.11
	Total Liabilities of Continuing Operations	72,416.74	72,520.56	70,253.39	72,416.74	70,253.39	71,288.01
	Liabilities of Discontinued Operations	2,793.83	3,453.42	3,833.68	2,793.83	3,833.68	3,712.14
	Total Liabilities of Continuing and Discontinued Operations	75,210.57	75,973.98	74,087.07	75,210.57	74,087.07	75,000.15



1. The Board of Directors of Parent Company at its meeting held on March 16, 2016 had approved the Scheme of restructuring envisaging transfer of various operating divisions of the Parent Company, namely Dahanu Thermal Power Station, Goa Power Station, Samalkot Power Station, Mumbai Power Transmission Division, Mumbai Power Distribution Division and Windmill Division (together considered as Power Business) to its resulting wholly owned subsidiary viz. Reliance Electric Generation and Supply Limited with effect from April 1, 2016. The Scheme received approval of the Hon'ble Bombay High Court on January 19, 2017. The Hon'ble Bombay High Court vide order dated November 20, 2017 sanctioned the effective date of the Scheme from April 1, 2016 to April 1, 2018 with liberty to apply. The Scheme will be effective subject to various approvals and accordingly, no effect of the said Scheme is given in the books of account.
2. On December 21, 2017, the Parent Company signed a Share Purchase Agreement (SPA) with Adani Transmission Limited (ATL) for sale of its integrated business of generation, transmission and distribution of power for Mumbai City. The said transaction is subject to various regulatory and customary approvals and hence has not been considered as Non Current Assets held for sale and discontinued operations as per Ind AS 105 "Non Current Assets held for sale and discontinued operations".
3. Pursuant to the option exercised under the Scheme of Amalgamation of Reliance Infraprojects Limited with the Parent Company sanctioned by the Hon'ble High Court of Judicature at Bombay on March 30, 2011, net foreign exchange loss of ₹ 28.81 crore and ₹ 36.07 crore of the Parent Company for the quarter and nine months ended December 31, 2017 respectively has been debited to the Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, the Profit before tax for the quarter and nine months ended December 31, 2017 would have been lower by ₹ 28.81 crore and ₹ 36.07 crore respectively and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of Ind AS 1 "Presentation of Financial Statements". This matter has been referred to by the Auditors in their report.
4. Unrealised (loss)/profit amounting to ₹ (4.74) crore and ₹ 14.54 crore during the quarter and nine months ended December 31, 2017 respectively, pertaining to EPC contracts entered into with associate companies, have not been eliminated as prescribed by a Scheme of Amalgamation between Reliance Bhavnagar Power Private Limited and Reliance Jamnagar Power Private Limited and Reliance Infrastructure Engineers Private Limited with the Parent Company sanctioned by the Hon'ble High Court of Judicature at Bombay in February 2013. The Parent Company considers that the prescribed accounting treatment leads to a more accurate reflection of the results of the working of the Parent Company. Had the relevant provisions of IND AS 28 "Investments in Associates and Joint Ventures" been followed, the Profit before tax and carrying cost of investment in associate for the quarter and nine months ended December 31, 2017 would have been higher by ₹ 4.74 crore and lower by ₹ 14.54 crore respectively. This matter has been referred to by the Auditors in their report.
5. On April 28, 2017 Reliance Infrastructure Invit Fund filed updated Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI). Pursuant to such filing, the Parent Company proposed to transfer the controlling interest in seven Toll Road Companies viz. DS Toll Road Limited, GF Toll Road Private Limited, NK Toll Road Limited, JR Toll Road Private Limited, SU Toll Road Private Limited, TK Toll Road Private Limited and TD Toll Road Private Limited and accordingly the assets and liabilities of these subsidiaries have been considered as Non-Current Asset held for sale as per Ind AS 105 "Non Current Assets held for sale and discontinued operations"
6. On October 12, 2017, the Parent Company completed the transfer of its Western Region System Strengthening Scheme (WRSSS) Transmission Undertakings to its two Subsidiaries namely Western Transmission Gujarat Limited (WTGL) and Western Transco Power Limited (WTPL) and accordingly the Assets and Liabilities as well as Income and Expenditure of WRSSS have been considered as Non Current Assets held for sale and discontinued operations as per Ind AS 105 "Non Current Assets held for sale and discontinued operations". Subsequently on November 01, 2017, the Parent Company has completed 100% stake sale in these two Subsidiaries namely WTGL and WTPL to Adani Transmission Limited (ATL).

On the above transfer there was a loss of ₹ 198.50 crore during the quarter ended September 30, 2017, being loss on fair value of assets and liabilities considered as held for sale. Pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western



Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Parent Company, which was subsequently amalgamated with the Parent Company w.e.f. April 1, 2013, the Board of Directors of the Parent Company during the quarter ended September 30, 2017 had determined this amount of ₹ 198.50 crore as Exceptional item,, which was debited to the Statement of Profit and Loss and an equivalent amount had been withdrawn from General Reserve. Had such withdrawal not been done, the Profit before tax for the nine months ended December 31, 2017 would have been lower by ₹ 198.50 crore and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of Ind AS 1 "Presentation of Financial Statements". This matter has been referred to by the Auditors in their report.

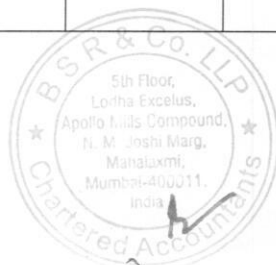
7. During the quarter ended on December 31, 2017, Reliance Armaments Limited and Reliance Ammunition Limited have been incorporated as wholly owned subsidiaries of the Parent Company.
8. Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the Parent Company, had terminated the Concession Agreement with Delhi Metro Rail Corporation (DMRC) for the Delhi Airport Metro Line and the operations were taken over by DMRC with effect from July 1, 2013. As per the terms of the Concession Agreement, DMRC was liable to pay DAMEPL a Termination Payment which was estimated at ₹ 2,823 crore. The matter was referred to arbitration and DAMEPL was awarded Termination payment of ₹ 2,782.33 crore with interest thereon from August 7, 2013 at the rate of SBI PLR plus 2%. DMRC preferred an appeal before the Hon'ble High Court against the said award. Pending receipt of funds and disposal of the appeal, no effect of the award has been given in the books. As per the directions of the Hon'ble Delhi High Court, DAMEPL received an interim relief pending finalisation of the order of ₹ 120 crore which has been used by DAMEPL to service its debt. The Parent Company still continues to fund the statutory and other obligations of DAMEPL post takeover by DMRC and accordingly has funded ₹ 14.16 crore and ₹ 106.81 crore during the quarter and nine months ended on December 31, 2017. The total investment made by the Company in DAMEPL upto December 31, 2017 amounts to ₹ 2,446.76 crore.
9. Delhi Electricity Regulatory Commission (DERC) issued its Tariff Orders on September 29, 2015 upto March 31, 2014 and on August 31, 2017 for the years 2014-15 and 2015-16 to BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) (Delhi Discoms), whereby it had trued up the revenue gap with certain dis-allowances. The Delhi Discoms have preferred appeal against the Order before Hon'ble Appellate Tribunal for Electricity (APTEL). Based on the legal opinion, the impact of such disallowances, which are subject matter of appeal, has not been considered in the computation of regulatory asset as at December 31, 2017. This matter has been referred to by the Auditors in their report.
10. NTPC Limited served notice to Delhi Discoms for regulation (suspension) of power supply on February 01, 2014 due to delay in payments. The Delhi Discoms appealed against the notice before the Hon'ble Supreme Court (SC) and prayed for suitable direction from Hon'ble SC to DERC for providing cost reflective tariff and giving a roadmap for liquidation of the accumulated Regulatory Assets. The Hon'ble SC in its interim order directed the Delhi Discoms to pay the current dues. The Delhi Discoms sought modification of the said order so as to allow them to pay 70% of the current dues and are awaiting decision of the Hon'ble Supreme Court, which is reserved. This matter has been referred to by the Auditors in their report.
11. Pursuant to the direction of the Department of Power (GoNCTD) on January 07, 2014, the Comptroller and Auditor General of India (CAG) conducted audit of Delhi Discoms and submitted the draft audit report. The Delhi Discoms challenged the direction of GoNCTD before the Hon'ble High Court of Delhi (HC). The Hon'ble HC in its order dated October 30, 2015 set aside the directions of GoNCTD and directed that "all actions taken pursuant to the directions and all acts undertaken in pursuance thereof are infructuous". The aggrieved parties have filed an appeal against the Hon'ble HC judgement before the Hon'ble Supreme Court (SC) which was last heard on March 9, 2017. The Court has reserved its order on the issue whether it would like to hear the matter or transfer it to the constitutional bench where matter between GoNCTD powers vis-a-vis Lieutenant Governor (LG) powers is pending. On July 3, 2017 the Court has held that it shall hear the matter. This matter has been referred to by the Auditors in their report.



12. Reliance Bangladesh LNG Terminal Limited (RBLTL) and Reliance Bangladesh LNG and Power Limited (RBLPL), the subsidiaries of the associate company Reliance Power Limited (RPower) continued to make progress on the Bangladesh LNG and Power project respectively and initiated the Terminal Use Agreement with PetroBangla for setting up of 500 mmscfd FSRU based LNG terminal at Kutubdia Island. These companies also finalised the EPC contractor for both power and LNG terminal and awarded these contracts to Reliance Infrastructure Limited following a competitive bidding process. For balance two modules (1,508 MW), Samalkot Power Limited (SMPL) the subsidiary of RPower is actively pursuing allocation of gas linkage at commercially viable prices /generation opportunities and is also evaluating alternative arrangements/various approaches to deal with the situation arising from the continued uncertainty as to the availability of natural gas supply. Considering above plans, including relocation of unused assets acquired for Samalkot to Bangladesh project and support from RPower, SMPL would be able to meet its financial obligation and has prepared its financial statements on a going concern basis. The above matter has been referred by the Auditors in their report.
13. ITFG of Ind AS implementation Committee of the Institute of Chartered Accountants of India has issued clarification on July 31, 2017 regarding method of estimating depreciation for preparing standalone financial statements of the subsidiary and for consolidated financial statements. Reliance Power Limited (RPower) an associate of Parent Company has obtained legal opinion stating that clarification issued by ITFG will not be applicable to RPower, as RPower has been following the method since inception of SPV's in consolidated financial statements, including under Ind AS regime till end of previous financial year. Based on the legal advice RPower has continued to provide depreciation in its consolidated financial statements which is different as compared to that considered by the individual subsidiaries of RPower based on the decisions of the respective management and Boards. This matter has been referred to by the Auditors in their report.
14. The Group operates in three segments namely Power, Engineering, Procurement, Construction (EPC) & Contracts and Infrastructure. Power segment comprises of generation, transmission and distribution of power at various locations. EPC segment renders comprehensive value added service in construction, erection and commissioning and Infrastructure includes businesses with respect to development, operation and maintenance of tolls roads, metro rail transit systems and airports.
15. The listed non convertible debentures aggregating ₹ 3,449.83 crore as on December 31, 2017 are secured by way of first pari passu charge on the Company's certain fixed assets and regulatory assets, second mortgage on the Company's certain fixed assets and pledge of certain investments and asset cover thereof exceeds one hundred percent of the principal amount of the said debentures.
16. The Parent Company has opted to publish consolidated financial results. The standalone financial results, for the quarter and nine months ended December 31, 2017 can be viewed on the websites of the Parent Company, National Stock Exchange of India Limited and BSE Limited at www.rinfra.com, www.nseindia.com and www.bseindia.com respectively. Key standalone financial information is given below:

(₹ in crore)


Particulars	Quarter ended (Unaudited)			Nine months ended (unaudited)		Year ended (Audited)
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
Total Operating Income (including Regulatory Income /(Expense))	2,205.35	2,227.48	2,423.16	7,116.38	7,018.05	9,527.44
Profit before Tax	220.60	508.51	465.24	1,186.18	1,158.26	1,130.58
Total Comprehensive Income	314.85	590.03	436.85	1,315.65	1,071.53	1,263.96

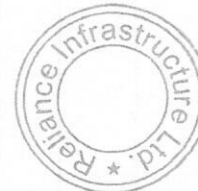


17. In the previous year, the Group had availed certain optional exemptions available as provided in Ind AS 101 "First Time Adoption of Indian Accounting Standards" for which the impact had been given in the quarter in which the option was availed. The corresponding previous period figures disclosed in these results are the figures as reported for the respective quarters in the unaudited financial results.
18. After review by the Audit Committee, the Board of Directors of the Company has approved the consolidated financial results at their meeting held on January 31, 2018. The statutory auditors have carried out a limited review of the consolidated financial results for the quarter and nine months ended December 31, 2017 of the Company, as per listing agreement entered into with the stock exchanges in India.
19. Figures of the previous periods/year have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board of Directors

Place: Mumbai
Date: January 31, 2018


Anil D. Ambani
Chairman



B S R & Co. LLP
Chartered Accountants
LodhaExcelus
5th Floor, Apollo Mills Compound
N. M. Joshi Marg, Mahalakshmi
Mumbai 400 011.
Telephone +91(22) 4345 5300
Fax + 91(22) 4345 5399

Pathak H.D. & Associates
Chartered Accountants
814-815, Tulsiani Chambers,
212, Nariman Point,
Mumbai 400 021
Telephone +91(22) 3022 8508
Fax +91(22) 3022 8509

Limited Review Report on Quarterly and year to date unaudited Consolidated Financial Results of Reliance Infrastructure Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Reliance Infrastructure Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Reliance Infrastructure Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as the 'Group'), joint venture company and associate companies for the quarter and nine months ended December 31, 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by SEBI.
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 January 31, 2018. Our responsibility is to issue a report on the Statement based on our review.
3. 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of 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.
4. The Statement includes the results of entities as given below:

A. Subsidiaries (Including step-down subsidiaries)

Sr. No.	Name of the Company
1.	Reliance Power Transmission Limited
2.	Reliance Airport Developers Private Limited
3.	BSES Kerala Power Limited
4.	Mumbai Metro One Private Limited
5.	Reliance Energy Trading Limited
6.	Parbati Koldam Transmission Company Limited
7.	DS Toll Road Limited
8.	NK Toll Road Limited
9.	KM Toll Road Private Limited
10.	PS Toll Road Private Limited
11.	HK Toll Road Private Limited
12.	DA Toll Road Private Limited
13.	GF Toll Road Private Limited



14.	CBD Tower Private Limited
15.	Reliance Electric Generation & Supply Limited
16.	Reliance Cement Corporation Private Limited
17.	Reliance Sea Link One Private Limited
18.	Utility Infrastructure & Works Private Limited
19.	Reliance Smart Cities Private Limited
20.	Reliance Energy Limited
21.	Reliance E-Generation and Management Private Limited
22.	Reliance Defence Limited
23.	Reliance Cruise and Terminals Limited
24.	BSES Rajdhani Power Limited
25.	BSES Yamuna Power Limited
26.	JR Toll Road Private Limited
27.	Delhi Airport Metro Express Private Limited
28.	SU Toll Road Private Limited
29.	TD Toll Road Private Limited
30.	TK Toll Road Private Limited
31.	Mumbai Metro Transport Private Limited
32.	North Karanpura Transmission Company Limited
33.	Talcher II Transmission Company Limited
34.	Latur Airport Private Limited
35.	Baramati Airport Private Limited
36.	Nanded Airport Private Limited
37.	Yavatmal Airport Private Limited
38.	Osmanabad Airport Private Limited
39.	Reliance Defence & Aerospace Private Limited
40.	Reliance Defence Technologies Private Limited
41.	Reliance SED Limited
42.	Reliance Propulsion Systems Limited
43.	Reliance Defence System and Tech Limited
44.	Reliance Defence Infrastructure Limited
45.	Reliance Helicopters Limited
46.	Reliance Land Systems Limited
47.	Reliance Naval Systems Limited
48.	Reliance Unmanned Systems Limited
49.	Reliance Aerostructure Limited
50.	Reliance Defence Systems Private Limited
51.	Tamil Nadu Industries Captive Power Company Limited
52.	Reliance Delhi Metro Trust
53.	Reliance Toll Road Trust
54.	Reliance Infra Solutions Private Limited
55.	Western Transmission (Gujarat) Limited
56.	Western Transco Power Limited
57.	Reliance Rafael Defence Systems Private Limited
58.	Dassault Reliance Aerospace Limited
59.	Reliance Armaments Limited
60.	Reliance Ammunition Limited



B. Associates

Sr. No.	Name of the Company
1.	Reliance Power Limited
2.	Reliance Naval and Engineering Limited
3.	Reliance Geothermal Power Private Limited
4.	Metro One Operations Private Limited
5.	RPL Photon Private Limited
6.	RPL Sun Technique Private Limited
7.	RPL Sun Power Private Limited

C. Joint Venture

Sr. No.	Name of the Company
1.	Utility Powertech Limited

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e., Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other recognized accounting practices and policies accepted in India, except to the extent as modified by the Court Orders and the option exercised by the Company in accordance with the Court Orders as stated in paragraphs 6(a),6(b) and 6(c) below, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

- a. We draw attention to Note 3 of the Statement regarding the Scheme of Amalgamation between Reliance Infraprojects Limited (wholly owned subsidiary of the Company) and the Company sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 30, 2011, wherein the Company, as determined by the Board of Directors, is permitted to adjust foreign exchange/derivative/hedging losses/gains debited/credited to the Statement of Profit and Loss by a corresponding withdrawal from or credit to General Reserve which overrides the relevant provisions of IND AS - 1 'Presentation of financial statements'. The net foreign exchange loss of Rs. 28.81 Crore and Rs. 36.07 Crore for the quarter and nine months ended December 31, 2017 respectively has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve in terms of the said Scheme. Had such withdrawal not been made, profit before tax for the quarter and nine months ended December 31, 2017 would have been lower by Rs. 28.81 Crore and Rs.36.07 Crore respectively and General Reserve would have been higher by an equivalent amount.
- b. We draw attention to Note 4 of the Statement detailing the accounting treatment prescribed in the Scheme of Amalgamation between Reliance Bhavnagar Power Private Limited, Reliance Infrastructure Engineers Private Limited and Reliance Jamnagar Power Private Limited (wholly owned subsidiaries of the Company) and the Company, sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated February 22, 2013, wherein as per the Scheme, the Company



is permitted to account for its Engineering, Procurement and Construction (EPC) as well as Contracting activities without making any distinction whether the Principal [for whom the Company is the contractor] is an associate, subsidiary of the associate or any third party. Accordingly, the Company has not eliminated any part of unrealised (loss) / profits for the quarter and nine months ended December 31, 2017 of Rs. (4.74) Crore and Rs. 14.54 Crore respectively on its EPC contracts with its associates and subsidiaries of associates in its consolidated financial results as permitted by the Scheme, which overrides the relevant provisions of IND AS 28 - 'Investments in Associates and Joint Ventures'. Had the Scheme not prescribed the above treatment, profit before tax and carrying cost of investment in associates for the quarter and nine months ended December 31, 2017 would have been higher by Rs. 4.74 Crore and lower by Rs. 14.54 Crore respectively.

- c. We draw attention to Note 6 of the Statement, wherein pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Company, which was subsequently amalgamated with the Company with effective from April 1, 2013, WRTM or its successor(s) is permitted to offset any extra ordinary/exceptional items, as determined by the Board of Directors, debited to the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which overrides the relevant provisions of IND AS - 1 'Presentation of financial statements'. During the preceding quarter ended September 30, 2017, the Board of Directors of the Company, in terms of the aforesaid scheme, determined an amount Rs. 198.50 Crore to be an exceptional item being loss on fair valuation of assets and liabilities considered as held for sale. The said amount was debited to the Statement of Profit and Loss and an equivalent amount was withdrawn from General Reserve. Had such withdrawal not been made, profit before tax for the nine months ended December 31, 2017 would have been lower by Rs. 198.50 Crore and General Reserve would have been higher by an equivalent amount.
- d. We draw attention to the following matters to which the statutory auditors of Company's subsidiaries, BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL), and an associate company, Reliance Power Limited, have drawn an Emphasis of Matter in their review reports:
- i.) Note 9 of the Statement with regard to DERC Tariff Order received by BRPL and BYPL wherein revenue gap upto March 31, 2014, March 31, 2015 and March 31, 2016 has been trued up with certain disallowances. BRPL and BYPL have preferred an appeal before Appellate Tribunal (APTEL) on the above disallowance and based on legal opinion, no impact of such disallowance, which is subject matter of appeal, has been considered.
 - ii.) Note 10 of the Statement regarding dues payable to NTPC and other Generator by BRPL and BYPL for which matter is pending before Hon'ble Supreme Court.
 - iii.) Note 11 of the Statement relating to status of audit of BRPL and BYPL conducted by the Comptroller and Auditor General of India.
 - iv.) Note 12 of the Statement with respect to Samalkot Power Limited (SMPL), a wholly owned subsidiary of Reliance Power Limited ('RPower'), an associate of the Company. SMPL is confident of arriving at a positive resolution to the situation arising from the unavailability of natural gas in the country, and concluding sale of its 745 MW plant. Having regard to the foregoing and the continued financial support from Reliance Power Limited, the management believes that SMPL would be able to meet its financial obligations in the foreseeable future. Accordingly, the financial statements of SMPL have been prepared on a going concern basis.



v.) Note 13 of the Statement regarding the method of depreciation adopted by the Group for the purpose of consolidated financial results being different from the depreciation method adopted by RPower for reasons stated therein.

Our conclusion is not modified in respect of above matters.

7. Other Matters

- a. The financial results of thirty one subsidiaries reflect total revenues of Rs .56.43 Crore and Rs. 151.28 Crore, and profit after tax of Rs. 7.57 Crore and Rs. 14.58 Crore for the quarter and nine months ended December 31, 2017 respectively as also the Group's share of loss of Rs. 56.60 Crore and Rs. 181.32 Crore for the quarter and nine months ended December 31, 2017 respectively in respect of an associate company, as considered in the Statement, have been reviewed by Pathak H.D. & Associates, Chartered Accountants, one of the joint auditors and reliance has been placed by the other auditor for the purpose of this report. The above total revenues and net results are before giving effect to any consolidation adjustments.
- b. The financial results of twenty nine subsidiaries reflect total revenues of Rs.3,869.33 Crore and Rs. 13,913.21 Crore and loss after tax of Rs. 62.21Crore and Rs. 303.67 Crore for the quarter and nine months ended December 31, 2017 respectively as also the Group's share of profit of Rs. 1.32 Crore and Rs.3.52 Crore for the quarter and nine months ended December 31, 2017 respectively in respect of five associates and a joint venture company, as included in the Statement, have been reviewed by other auditors whose review reports have been furnished to us by the management, and our report on the unaudited consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture is based solely on the reports of such auditors. The above total revenues and net results are before giving effect to any consolidation adjustments.
8. The comparative unaudited consolidated financial results of the Company for the quarter and nine months ended December 31, 2016 and audited consolidated financial results for the year ended March 31, 2017 included in this Statement had been jointly reviewed/audited by Haribhakti & Co. LLP, Chartered Accountants and Pathak H.D. & Associates, Chartered Accountants, one of the joint auditors, whose reports dated February 13, 2017 and April 15, 2017 respectively expressed an unmodified conclusion/opinion on those unaudited consolidated financial results for the quarter and nine months ended December 31, 2016 and audited financial results for the year ended March 31, 2017.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W /W-100022

B. H. Dhupelia

Bhavesh Dhupelia

Partner

Membership No: 042070

January 31, 2018

Mumbai

For **Pathak H.D. & Associates**

Chartered Accountants

Firm's Registration No:107783W

Vishal D. Shah

Vishal D. Shah

Partner

Membership No:119303

January 31, 2018

Mumbai

