

Limited Review Report on Standalone Unaudited Financial Results of Reliance Infrastructure Limited for the Quarter and Nine months ended December 31, 2019 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of Reliance Infrastructure Limited

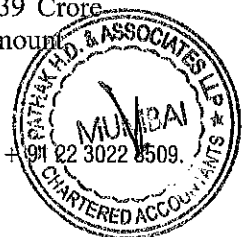
1. We were engaged to review the accompanying statement of standalone unaudited financial results of Reliance Infrastructure Limited ("the Company") for the quarter and nine months ended December 31, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 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 February 14, 2020, 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 and 5 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 10 to the Statement regarding the Company's exposure in an EPC Company as on December 31, 2019 aggregating to Rs. 7,888.86 Crore (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.

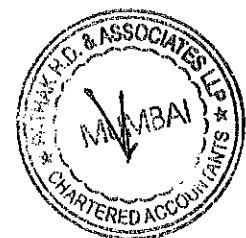
As referred to in the above note, the Company has further provided Corporate Guarantees of Rs. 4,895.87 Crore in favour of certain companies towards their borrowings.

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 refer to Note 7 of the Statement wherein the loss on invocation of shares held in an associate company of the Company amounting to Rs. 2,146.38 Crore and Rs. 3,041.39 Crore for the quarter and nine months ended December 31, 2019 respectively has been adjusted against the capital reserve. The above treatment of loss on invocation of shares is not accordance with the Ind AS 28 "Investments in Associates and Joint Ventures" and Ind AS 1 "Presentation of Financial Statements". Had the Company followed the above Ind AS's the Profit before tax for the quarter and nine months ended December 31, 2019 would have been lower by Rs. 2,146.38 Crore and Rs. 3,041.39 Crore respectively and Capital Reserve and total equity would have been higher by an equivalent amount.



6. 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.
7. Because of the substantive nature and significance of the matter described in paragraph 4 & 5 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 Companies Act 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, 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 2 to the Statement regarding the Scheme of Amalgamation ('the Scheme') 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 gain of Rs. 9.94 Crore and Rs. 52.46 Crore for the quarter and nine months ended December 31, 2019 respectively has been credited to Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve in terms of the Scheme. Had such transfer not been made, profit before tax for the quarter and nine months ended December 31, 2019 would have been higher by Rs. 9.94 Crore and Rs. 52.46 Crore respectively and General Reserve would have been lower by an equivalent amount. Our conclusion on the Statement is not modified in respect of above matter.
9. We draw attention to Note 9 to the Statement which describes the impairment assessment performed by the Company in respect of its investment of Rs. 2,018.69 Crore and amounts recoverable aggregating to Rs. 770.47 Crore in Reliance Power Limited (RPower) an associate company as at December 31, 2019 in accordance with Ind A S 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 investment and the recoverable amounts. Our conclusion on the Statement is not modified in respect of above matter.



Pathak H.D. & Associates LLP
Chartered Accountants

10. We draw attention to Note 4 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 uncertainty exists that may cast a 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.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm's Registration No:107783W/W100593



Vishal D. Shah
Partner
Membership No:119303
UDIN: 20119303AAAAAI5139



Date: February 14, 2020
Place: Mumbai

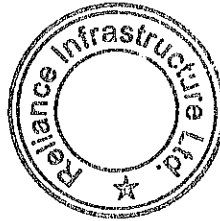
RELIANCE

RELIANCE INFRASTRUCTURE LIMITED

Registered Office: Reliance Center, Ground Floor, 19, Waichand Hiranchand Marg, Ballard Estate, Mumbai 400 001
 website:www.rinfra.com CIN : L75100MH1929PLC001530

Statement of Standalone Financial Results for the quarter and nine months ended December 31, 2019

Sr. No.	Particulars	Quarter ended			Nine months ended		Rs Crore
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations	385.08	291.23	210.66	960.57	658.12	986.08
2	Other Income (net) (Refer note 2 and 3)	571.36	509.84	422.11	1,679.88	2,121.49	2,595.28
	Total Income	956.44	801.07	632.77	2,640.45	2,779.61	3,581.36
3	Expenses						
	(a) Construction Materials Consumed and Sub-contracting Charges	304.81	212.83	124.45	734.45	385.12	578.12
	(b) Employee Benefits Expense	15.91	30.98	45.04	81.27	139.40	168.75
	(c) Finance Costs	208.27	204.66	229.24	637.64	1,029.92	1,210.93
	(d) Depreciation and Amortisation Expense	16.16	16.35	20.48	48.67	61.94	81.83
	(e) Other Expenses	35.74	45.87	102.25	148.59	362.86	438.38
	Total Expenses	580.89	510.69	521.46	1,650.62	1,979.24	2,478.01
4	Profit before Exceptional Items and Tax (1+2-3)	375.55	290.38	111.31	989.83	800.37	1,103.35
5	Exceptional Items (Net)	-	-	-	-	(4,200.00)	(6,181.34)
6	Profit/(Loss) before tax (4+5)	375.55	290.38	111.31	989.83	(3,399.63)	(5,077.99)
7	Tax Expenses						
	- Current Tax	-	2.50	-	2.50	-	-
	- Deferred Tax (net)	(4.69)	(8.00)	(13.00)	(13.69)	(33.00)	(27.00)
	- Tax adjustment for earlier years (net)	-	0.06	-	0.06	(143.65)	(163.76)
8	Net (Loss) / Profit for the period/year from Continuing Operations (6-7)	380.24	295.82	124.31	1,000.96	(3,222.98)	(4,887.23)
9	Net Profit for the period/year from Discontinued Operations (refer note 13)	-	-	250.00	-	3,973.84	3,973.84
10	Net Profit/(Loss) for the period/year (8+9)	380.24	295.82	374.31	1,000.96	750.86	(913.39)
11	Other Comprehensive Income						
	Items that will not be reclassified to Profit and Loss						
	Remeasurement of net defined benefit plans - (gain)/loss	-	(0.60)	(2.00)	(1.10)	(7.00)	(8.62)
	Income Tax relating to the above	-	-	1.50	-	1.50	3.00
	Other Comprehensive Income from Discontinued Operations(net of tax)	-	-	-	-	-	-
	Total Comprehensive Income (10+11)	380.24	296.42	374.81	1,002.06	756.36	(907.77)
13	Paid-up Equity Share Capital (Face value of ₹ 10 per share)						263.03
14	Other Equity						14,027.85
15	Earnings Per Share (* not annualised) (Face value of ₹ 10 per share)						
	(a) Basic and Diluted Earnings per Share (in ₹) (for Continuing Operations)	14.46*	11.25*	4.73*	38.06*	(122.55)*	(185.83)
	(b) Basic and Diluted Earnings per Share (in ₹) (for Discontinued Operations)	-	-	9.50*	-	151.10*	151.10
	(c) Basic and Diluted Earnings per Share (in ₹)-before effect of withdrawal of scheme	14.84*	12.72*	14.23*	40.06*	28.55*	(278.99)
	(d) Basic and Diluted Earnings per Share (in ₹)-after effect of withdrawal of scheme	14.46*	11.25*	14.23*	38.06*	28.55*	(34.73)



RELIANCE INFRASTRUCTURE LIMITED

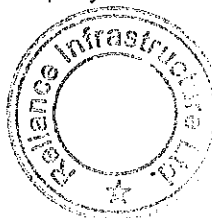
Segment-wise Revenue, Results and Capital Employed

Sr. No.	Particulars	Rs Crore					
		Quarter ended			Nine months ended		Year ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenue						
	- Power Business	0.56	3.31	3.10	8.27	8.02	10.55
	- Engineering and Construction Business- refer note 3	594.53	287.92	207.56	1,162.30	650.10	975.53
	Total	595.09	291.23	210.66	1,170.57	658.12	986.08
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Net Sales / Income from Continuing Operations	595.09	291.23	210.66	1,170.57	658.12	986.08
2	Segment Results						
	Profit before Tax and Interest from each segment						
	- Power Business	(2.86)	1.80	0.06	1.10	(50.40)	(45.56)
	- Engineering and Construction Business	267.89	31.20	27.28	323.76	117.91	175.94
		265.03	33.00	27.34	324.86	67.51	130.38
	- Finance Costs	(208.27)	(204.66)	(229.24)	(637.64)	(1,029.92)	(1,210.93)
	- Interest Income	294.58	326.22	333.37	918.78	1,255.99	1,583.93
	- Exceptional Item - Unallocable segment	-	-	-	-	(4,200.00)	(6,181.34)
	- Other Un-allocable Income net of Expenditure	24.21	135.82	(20.16)	383.83	506.79	599.97
	Profit before Tax from continuing operations	375.55	290.38	111.31	989.83	(3,399.63)	(5,077.99)
3	Capital Employed						
	Segment Assets						
	- Power Business	45.84	49.03	47.42	45.84	47.42	45.24
	- Engineering and Construction Business	5,544.63	5,343.33	5,089.31	5,544.63	5,089.31	5,337.31
	- Unallocated Assets	18,954.35	21,211.64	31,918.79	18,954.35	31,918.79	22,869.90
		24,544.82	26,604.00	37,055.52	24,544.82	37,055.52	28,252.45
	Assets of Discontinued Operations	539.45	539.45	-	539.45	-	-
		25,084.27	27,143.45	37,055.52	25,084.27	37,055.52	28,252.45
	Segment Liabilities						
	- Power Business	30.61	39.65	30.31	30.61	30.31	28.61
	- Engineering and Construction Business	4,807.39	4,655.63	4,503.40	4,807.39	4,503.40	4,666.74
	- Unallocated Liabilities	7,937.39	8,383.11	9,944.02	7,937.39	9,944.02	9,266.22
		12,775.39	13,078.39	14,477.73	12,775.39	14,477.73	13,961.57
	Liabilities of Discontinued Operations	-	-	-	-	-	-
		12,775.39	13,078.39	14,477.73	12,775.39	14,477.73	13,961.57

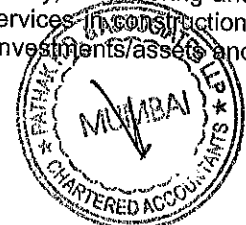
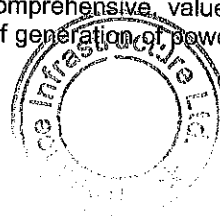


Notes:

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. Pursuant to the Scheme of Amalgamation of Reliance Infraprojects Limited with the Company, sanctioned by the Hon'ble High Court of Judicature at Bombay on March 30, 2011, net foreign exchange gain of Rs 9.94 Crore and Rs 52.46 Crore for the quarter and nine month ended December 31, 2019 respectively has been credited to the Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Had such transfer not been done, the profit before tax would have been higher by Rs 9.94 Crore and Rs 52.46 Crore for the quarter and nine month ended December 31, 2019 respectively and General Reserve would have been lower 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 as an emphasis of matter.
3. Other Income includes Rs 210 crore recognised pursuant to arbitration award won by the Company against Damodar Valley Corporation (DVC) totaling to Rs.1,250 Crore including return of Bank Guarantees of Rs.354 Crore. DVC has preferred an appeal against the award before the Hon'ble Calcutta High Court, which is listed for hearing in the first week of March 2020. Although the Company is confident of recovering the entire amount, out of prudence, the Company has recognized only Rs.210 Crore being the retention money which was earlier written off.
4. 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 resolution plans have been submitted to the lenders of respective companies which are under their consideration. The Company is confident of meeting of all the obligations by way of time bound monetisation of its assets and receipt of various claims and accordingly, notwithstanding the dependence on these uncertain events the Company continues to prepare the Standalone Financial Results on a going concern basis.
5. The dispute between Delhi Airport Metro Express Private Limited (DAMEPL), a subsidiary of the Company and Delhi Metro Rail Corporation (DMRC) arising out of the termination of the Concession Agreement for Delhi Airport Metro Express Line Project (Project) by DAMEPL was referred to arbitral tribunal, which vide its award dated May 11, 2017, granted arbitration award 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. However, the said SLP could not be taken up for hearing after April 22, 2019 by the Hon'ble Supreme Court of India owing to inter alia unavailability of appropriate Bench to hear the matter and next date of hearing is awaited. Based on the facts of the case and the applicable law, DAMEPL is confident of succeeding in the Hon'ble Supreme Court. In view of the above, pending outcome of SLP before the Hon'ble Supreme Court of India, DAMEPL has continued to prepare its financial statements on going concern basis.
6. 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 operation of the Project has been taken over by NHAI and NHAI has given a contract to a third party for Toll collection with effect from April 16, 2019. Consequently, 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 vide its letter dated May 6, 2019 has also issued a notice to NHAI for the termination payment. Pending final outcome of the notice and possible arbitration proceedings and as legally advised, the claims for the termination payment are considered fully enforceable and the Company is confident of recovering its entire investment of Rs 539.45 Crore in KMTR as at December 31, 2019.



7. During the quarter and nine month ended December 31, 2019, Rs 2,146.38 Crore and Rs. 3,041.39 Crore respectively being the loss on invocation of pledge of shares (including post Balance Sheet date) of an associate of the Company has been adjusted against the capital reserve. According to the management of the Company, this is the extremely rare circumstances where even though the value of long term strategic investment is high, the same is being disposed off at much lower value for the reasons beyond the control of the Company, thereby causing the said loss to the Company. Hence, being the capital loss, the same has been adjusted against the capital reserve. Had such loss not been debited to Capital reserve, the profit before tax for the quarter and nine month ended December 31, 2019 would have been lower by and Capital Reserve would have been higher by an equivalent amount.
8. The Company has entered into a Share Purchase Agreement with Cube Highways and Infrastructure III Pte Limited for sale of its entire stake in DA Toll Road Private Limited, a subsidiary of the Company. The Company has received in-principle approval from National Highway Authority of India; final approval and other customary approvals are awaited 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".
9. The Company has an investment of Rs 2,018.69 Crore as at December 31, 2019 which represents 22.34% shareholding in Reliance Power Limited (RPower), an associate company. Further, the Company also has net recoverable amounts aggregating to Rs 770.47 Crore from RPower as at December 31, 2019 and its current liabilities exceeded its current assets. Management had performed an impairment assessment of its investment in RPower during the year ended March 31, 2019 as required by Indian Accounting Standard 36 "Impairment of assets" / Indian Accounting Standard 109 "Financial Instruments", by considering inter alia the valuations of the underlying subsidiaries of RPower which are based on their value in use (considering discounted cash flows) and valuations of other assets of RPower/its subsidiaries based on their fair values, which have been determined by external valuation experts and / or management's internal evaluation. 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. Further, management believes that the above assessment based on value in use / fair value appropriately reflects the recoverable amount as at December 31, 2019 of the investment as the current market price/valuation of RPower does not reflect the fundamentals of the business and is an aberration. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on this investment and recoverable amounts.
10. 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 December 31, 2019 is Rs 7,888.86 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. The Company is reasonably confident that the provision will be adequate to deal with any contingency relating to recovery from the EPC Company.
- During the period, the Company has 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
11. The listed non convertible debentures of Rs 1,087.70 Crore as on December 31, 2019 are secured by way of first pari passu charge on certain fixed assets and investments. There are certain shortfalls in the security cover.
12. As per IndAS 108 "Operating Segment", the Company has reported two segments, namely, Engineering and Construction (E&C) and Power. E&C segment renders comprehensive, value added services in construction, erection and commissioning. Power segment comprises of generation of power. Other investments/assets and income from the same are considered under Unallocable.



13. Profit from discontinued operations for the year ended March 31, 2019 of Rs 3,973.84 Crore including reversal of deferred tax liability of Rs 2,291.89 Crore represent profit from sale of Mumbai Power Business (MPB).
14. The Company has adopted Ind AS 116, effective annual reporting period beginning on April 1, 2019 and applied the standard to its leases, retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application without making any adjustment to opening balance of retained earnings. The adoption of the standard did not have any material impact on the standalone financial results of the Company
15. The figures for the previous periods and for the year ended March 31, 2019 have been regrouped and rearranged to make them comparable with those of current period.
16. After review by the Audit Committee, the Board of Directors of the Company has approved the Standalone financial results at their meeting held on February 14, 2020. The statutory auditor has carried out a limited review of the standalone financial results for the quarter and nine month ended December 31, 2019.

Place: Mumbai
Date: February 14, 2020



For and on behalf of the Board of Directors

Punit Garg
Executive Director and Chief Executive Officer

