

The logo for Reliance, featuring the word "RELIANCE" in a bold, white, sans-serif font. The letter "I" is stylized with a triangle pointing upwards. The text is set against a dark grey rectangular background.

RELIANCE

Reliance Infrastructure Limited

Consolidated Financial Results

Quarter ended June 30, 2018

Corporate Finance & Accounts

Mumbai

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

To 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 its associate companies for the quarter ended June 30, 2018 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. Attention is drawn to the fact that the figures for the three months ended March 31, 2018 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
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 1, 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' specified under Section 143(10) of the Companies Act, 2013 ("the Act"). 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 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 Sealink One Private Limited
18.	Utility Infrastructure & Works Private Limited
19.	Reliance Smart Cities Limited
20.	Reliance Energy Limited
21.	Reliance E-Generation and Management Private Limited
22.	Reliance Defence Limited
23.	Reliance Defence Systems Private Limited
24.	Reliance Cruise and Terminals Limited
25.	BSES Rajdhani Power Limited
26.	BSES Yamuna Power Limited
27.	Mumbai Metro Transport Private Limited
28.	JR Toll Road Private Limited
29.	Delhi Airport Metro Express Private Limited
30.	SU Toll Road Private Limited
31.	TD Toll Road Private Limited
32.	TK Toll Road Private Limited
33.	North Karanpura Transmission Company Limited
34.	Talcher II Transmission Company Limited
35.	Latur Airport Private Limited
36.	Baramati Airport Private Limited
37.	Nanded Airport Private Limited
38.	Yavatmal Airport Private Limited
39.	Osmanabad Airport Private Limited
40.	Reliance Defence and Aerospace Private Limited
41.	Reliance Defence Technologies Private Limited
42.	Reliance SED Limited
43.	Reliance Propulsion Systems Limited
44.	Reliance Defence System and Tech Limited
45.	Reliance Defence Infrastructure Limited
46.	Reliance Helicopters Limited
47.	Reliance Land Systems Limited
48.	Reliance Naval Systems Limited
49.	Reliance Unmanned Systems Limited
50.	Reliance Aerostructure Limited
51.	Reliance Aero Systems Private Limited (formerly known as Reliance Rafael Defence Systems Private Limited)
52.	Dassault Reliance Aerospace Limited
53.	Reliance Armaments Limited
54.	Reliance Ammunition Limited
55.	Reliance Velocity Limited
56.	Reliance Property Developers Private Limited



57.	Reliance Delhi Metro Trust
58.	Thales Reliance Defence Systems Limited
59.	Reliance Toll Road Trust
60.	Tamil Nadu Industries Captive Power Company Limited

B. Associates

Sr. No.	Name of the Company
1.	Reliance Power Limited
2.	Reliance Naval and Engineering Limited
3.	Metro One Operations Private Limited
4.	Reliance Geo Thermal Power 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 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 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 paragraph 6(a) 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 gain of Rs. 66.01 crores for the quarter ended June 30, 2018 has been credited to Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve in terms of the said Scheme. Had such transfer not been made, profit before tax for the quarter ended June 30, 2018 would have been higher by Rs. 66.01 crores and General Reserve would have been lower by an equivalent amount.
- b. We draw attention to the following matters to which the statutory auditors of Company's subsidiaries, BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and Mumbai Metro One Private Limited (MMOPL), and associate companies, Reliance Power Limited (RPower) and



Reliance Naval and Engineering Limited (RNaval), have drawn an Emphasis of Matter in their review reports:

- i) Note 4 of the Statement which details the events and conditions indicating existence of a material uncertainty that may cast significant doubt on the ability of MMOPL to continue as a going concern. The ability of MMOPL to continue operations in the foreseeable future is dependent upon availability of continuing support from its Parent Company.
- ii) With respect to the RNaval, an associate company:
 - a) Note 5 of the Statement regarding preparation of financial results of RNaval on going concern basis, recognition of deferred tax assets and impairment of non current assets for the reasons stated therein;
 - b) Note 6 of the Statement regarding invocation of performance and other bank guarantees by a customer and ship building contract receivable which have been legally challenged by RNaval and considered as fully realisable for the reasons stated therein;
 - c) Note 7 of the Statement regarding applications under Section 7 of the Insolvency and Bankruptcy Code, 2016 made by IFCI Limited against RNaval and one of its subsidiary for recovery of loan availed by the subsidiary, in respect of which no provision has been considered necessary at this stage for the reasons stated therein.
- iii) Note 8 of the Statement with regard to DERC Tariff Order received by BRPL and BYPL wherein revenue gap upto March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 has been trued up with certain disallowances. BRPL and BYPL have preferred an appeal before Appellate Tribunal (APTEL) on the above disallowances and based on legal opinion, no impact of such disallowances, which are subject matter of appeal, has been considered.
- iv) Note 9 of the Statement regarding dues payable to various electricity generating companies and timely recovery of accumulated regulatory deferral account balance by BRPL and BYPL for which matter is pending before Hon'ble Supreme Court.
- v) Note 10 of the Statement relating to status of audit of BRPL and BYPL conducted by the Comptroller and Auditor General of India.
- vi) Note 11 of the Statement with respect to Samalkot Power Limited (SMPL), a wholly owned subsidiary of RPower. 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.
- vii) Note 12 of the Statement regarding the method of depreciation adopted by RPower 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 subsidiaries included in the Statement, which reflect total revenues of Rs. 41.71 Crore, and profit after tax of Rs. 1.49 Crore for the quarter ended June 30, 2018 and an associate company considered in the Statement whose financial results reflect the Group's share of loss of Rs. 107.81 Crore for the quarter ended June 30, 2018, have been reviewed by Pathak H. D. & Associates, Chartered Accountants. The above total revenues and Group's share of loss are before giving effect to any consolidation adjustments.
- b. The financial results of thirty subsidiaries reflect total revenues of Rs. 5,203.76 Crore and loss after tax of Rs. 40.37 Crore for the quarter ended June 30, 2018 as also the Group's share of profit of Rs 1.55 Crore for the quarter ended June 30, 2018 of five associates and a joint venture company considered 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 ended June 30, 2017 included in this Statement had been jointly reviewed by Haribhakti & Co. LLP, Chartered Accountants and Pathak H. D. & Associates, Chartered Accountants, whose report dated August 2, 2017 expressed an unmodified conclusion on those unaudited consolidated financial results for the quarter ended June 30, 2017.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W /W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

August 1, 2018
Mumbai



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

V. D. Shah

Vishal D. Shah
Partner
Membership No:119303

August 1, 2018
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 ended June 30,2018

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2018 (Unaudited)	31-03-2018 (Unaudited)	30-06-2017 (Unaudited)	31-03-2018 (Audited)
1	Income from Operations				
	Net Sales / Income from Power Business	8,825.74	4,480.47	6,433.80	22,305.00
	Income from EPC and Contracts Business	344.29	343.80	525.67	1,386.06
	Net Sales / Income from Infrastructure Business	369.78	351.23	327.99	1,347.42
	Other Operating Income	76.83	90.67	368.96	746.43
	Total Income from Operations	7,616.64	5,266.17	7,656.42	25,784.91
2	Other Income (net) (Refer Note 3)	610.71	644.96	498.63	2,181.71
	Total Income	8,227.35	5,911.13	8,155.05	27,966.62
3	Expenses				
	Cost of Power Purchased	4,144.66	2,862.44	3,790.04	13,203.06
	Cost of Fuel and Materials Consumed	348.69	261.61	354.77	1,159.55
	Construction Material Consumed and Sub-Contracting Charges	257.05	224.29	406.03	884.03
	Employee Benefit Expenses	447.59	473.59	434.20	1,958.58
	Finance Costs	1,638.01	1,759.30	1,553.22	6,628.11
	Depreciation and Amortization Expenses	520.31	506.73	482.32	2,044.09
	Other Expenses	606.28	566.42	582.30	2,277.16
	Total Expenses	7,962.59	6,654.38	7,602.88	28,154.58
4	Profit before Rate Regulated Activities ,Exceptional Items and Tax (1+2-3)	264.76	(743.25)	552.17	(187.96)
5	Regulatory Income / (Expenses) (net of deferred tax)	(236.08)	923.15	(237.28)	860.17
6	Profit before Exceptional Items and Tax (4+5)	28.68	179.90	314.89	672.21
7	Exceptional Items (net)				
	Profit on sale of investment	-	-	-	295.39
	Income / (Expenses)	-	(22.61)	-	(221.11)
	Less: Transfer from General Reserve	-	22.61	-	221.11
		-	-	-	295.39
8	Profit before tax (6+7)	28.68	179.90	314.89	967.60
9	Tax Expenses				
	Current Tax	18.10	5.98	75.20	55.92
	Deferred Tax (net)	(31.68)	(10.82)	(44.68)	(222.58)
	Taxation for Earlier Years (net)	(255.23)	13.58	0.72	15.19
10	Profit from Continuing Operations (8-9)	297.49	171.16	283.65	1,119.07
11	Profit from Discontinued Operations before tax	-	-	11.19	38.61
12	Tax Expenses of Discontinued Operations	-	-	-	-
13	Profit from Discontinued Operations (11-12)	-	-	11.19	38.61
14	Profit before Share of net profit of associates and joint venture (10+13)	297.49	171.16	294.84	1,157.68
15	Share of net profit of associates and joint ventures accounted for using the equity method	(3.69)	(20.40)	25.88	140.78
16	Non Controlling Interest	22.12	(9.38)	(13.45)	(41.04)
17	Net Profit for the period/year (14+15-16)	271.68	160.14	334.17	1,339.50
18	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to Profit and Loss				
	Remeasurements of net defined benefit plans : Gains / (Loss)	7.84	45.83	(8.27)	21.50
	Net movement in Regulatory Deferral Account balances related to OCI	2.21	4.11	0.50	8.84
	Income tax relating to the above	(1.55)	(13.92)	1.58	(10.33)
	Items that will be reclassified to Profit and Loss				
	Foreign currency translation Gain/(Loss)	44.33	13.90	(0.87)	2.95
	Gains/(Losses) from investments in equity instruments designated at fair value through OCI	0.06	-	-	-
	Other Comprehensive Income, net of taxes	52.89	49.92	(7.06)	22.97
19	Total Comprehensive Income for the period/year	346.69	200.68	313.66	1,321.43
20	Profit / (Loss) attributable to :				
	(a) Owners of the Parent	271.68	160.14	334.17	1,339.50
	(b) Non Controlling Interest	22.12	(9.38)	(13.45)	(41.04)
		293.80	150.76	320.72	1,298.46
21	Other Comprehensive Income attributable to :				
	(a) Owners of the Parent	52.84	49.74	(7.07)	22.75
	(b) Non Controlling Interest	0.05	0.18	0.01	0.22
		52.89	49.92	(7.06)	22.97
22	Total Comprehensive Income attributable to :				
	(a) Owners of the Parent	324.52	209.88	327.10	1,362.25
	(b) Non Controlling Interest	22.17	(9.20)	(13.44)	(40.82)
		346.69	200.68	313.66	1,321.43
23	Paid up equity Share Capital (Face Value of ₹ 10/- each)	263.03	263.03	263.03	263.03
24	Other Equity				23,955.95
	Earning Per Equity Share (in ₹) (face value of ₹ 10 each)				
25	(not annualised) *				
a)	Earning Per Equity Share (for continuing operation) :				
	Basic & Diluted	10.33*	6.09*	12.28*	49.46
b)	Earning Per Equity Share (for discontinued operation) :				
	Basic & Diluted	-	-	0.43*	1.47
c)	Earning Per Equity Share (for discontinued and continuing operation) :				
	Basic & Diluted	10.33*	6.09*	12.71*	50.93
d)	Earning Per Equity Share (before regulatory activities) :				
	Basic & Diluted	19.31*	(29.01)*	21.73*	18.22



Reliance Infrastructure Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710

Consolidated Segment-wise Revenue, Results and Capital Employed

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2018 (Unaudited)	31-03-2018 (Unaudited)	30-06-2017 (Unaudited)	31-03-2018 (Audited)
1	Segment Revenue				
	- Power Business	6,665.90	5,487.23	6,501.49	23,730.11
	- EPC and Contracts Business	344.86	345.81	591.14	1,558.93
	- Infrastructure Business	377.62	363.33	334.07	1,384.47
	Total	7,388.38	6,196.37	7,426.70	26,673.51
	Less: Inter Segment Revenue	7.82	7.05	7.56	28.43
	Net Sales / Income from Continuing Operations (Including Regulatory Income /(Expense))	7,380.56	6,189.32	7,419.14	26,645.08
2	Segment Results				
	Profit before Interest, Tax, Share in Associates, Joint Venture and Non Controlling Interest from each segment:				
	- Power Business	1,045.27	1,301.03	1,257.10	4,745.41
	- EPC and Contracts Business	24.60	68.44	125.32	475.34
	- Infrastructure Business	141.27	86.81	86.19	396.10
	Total	1,211.14	1,456.28	1,468.61	5,616.85
	- Finance Costs	(1,638.01)	(1,759.30)	(1,553.22)	(6,628.11)
	- Interest Income	560.85	530.59	474.81	1,995.93
	- Exceptional Item - Unallocable segment	-	-	-	295.39
	- Other un-allocable Income net of expenditure	(105.30)	(47.67)	(75.32)	(312.46)
	Profit before Tax from Continuing Operations	28.68	179.90	314.89	967.60
3	Segment Assets				
	Power Business	47,041.77	46,387.83	46,899.55	46,387.83
	EPC and Contracts Business	4,950.83	4,884.59	4,978.98	4,884.59
	Infrastructure Business	19,178.06	18,981.44	18,897.94	18,981.44
	Unallocated Assets	30,373.19	30,468.43	28,453.07	30,468.43
	Total Assets of Continuing Operations	101,543.85	100,722.29	99,229.54	100,722.29
	Assets of Discontinued Operations	-	-	1,202.96	-
	Total Assets of Continuing and Discontinued Operations	101,543.85	100,722.29	100,432.50	100,722.29
4	Segment Liabilities				
	Power Business	32,656.65	31,675.22	30,725.35	31,675.22
	EPC and Contracts Business	4,696.67	4,922.00	5,802.07	4,922.00
	Infrastructure Business	4,866.60	4,739.21	4,216.84	4,739.21
	Unallocated Liabilities	34,693.30	35,166.88	35,396.34	35,166.88
	Total Liabilities of Continuing Operations	76,913.22	76,503.31	76,140.60	76,503.31
	Liabilities of Discontinued Operations	-	-	673.17	-
	Total Liabilities of Continuing and Discontinued Operations	76,913.22	76,503.31	76,813.77	76,503.31



Notes:

1. The Consolidated Financial Results of Reliance Infrastructure Limited (the Parent Company), its subsidiaries, associates and joint ventures (together referred to as the "Group") have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
2. The Scheme of Arrangement for the transfer of various operating divisions of the Parent Company, namely Dahanu Thermal Power Station, Mumbai Power Transmission Division, and Mumbai Power Distribution Division (together considered as Mumbai Power Business) to its resulting wholly owned subsidiary viz. Reliance Electric Generation and Supply Limited (REGSL) with effect from April 1, 2018 has been approved by the Hon'ble Bombay High Court on January 19, 2017 as modified by order dated order dated November 20, 2017. On December 21, 2017, the Parent Company signed 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 by sale of its entire interest in REGSL. Maharashtra Electricity Regulatory Commission (MERC) has given its approval vide Order dated June 28, 2018 to the proposed 100% stake sale of Parent Company integrated Mumbai power business (MPB) to ATL subject to certain conditions. Since the said transaction is subject to various conditions and customary approvals, the results of the MPB are continued to be classified as from continuing 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 gain of ₹ 66.01 crore for the quarter ended June 30, 2018 has been credited to the Consolidated Statement of Profit and Loss and an equivalent amount has been transferred to General Reserve. Had such transfer not been done, the Consolidated Profit before tax for the quarter ended June 30, 2018 would have been higher by ₹ 66.01 crore 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 the report as a matter of emphasis.
4. In respect of Mumbai Metro One Private Limited (MMOPL), a subsidiary of the Parent Company, the net worth has been substantially eroded and as at the period-end, current liabilities exceeded its current assets and loss incurred during the quarter amounted to ₹ 68.20 crore. These conditions indicate that a material uncertainty exists that may cast significant doubt on MMOPL's ability to continue as a going concern. However, since the Parent Company has confirmed to provide necessary support to MMOPL, the financial statements of MMOPL have been prepared on a going concern basis. This matter has been referred to by the Auditors in the report as a matter of emphasis.
5. Reliance Naval and Engineering Limited (RNaval), an associate of Parent Company, has been impacted for last few years by the downtrend in the shipbuilding industry globally. In defence sector also the process of awarding contract has been deferred in respect of many large orders for variety of reasons. All these have resulted in temporary financial constraints on RNaval, losses in the operations, erosion of net worth and calling back of loans by the secured lenders. Therefore RNaval has approached its lenders for an appropriate Resolution Plan with the objective to make the operations viable and sustainable. RNaval is participating in several business opportunities both in and outside India and are hopeful to get business on ongoing basis. Further, the promoters of the Company including, in particular, the Parent Company have supported RNaval since management take over by them in January 2016 and will continue to do so in future in their capacity as promoters. Pending such resolution and on considering the above fact, the financial statements of RNaval are prepared on going concern basis. Accordingly, the Company considered the receivable and investment in RNaval as good and recoverable. This matter has been referred to by the Auditors in the report as a matter of emphasis.
6. In respect of a partly fulfilled order for delivery of vessels by RNaval, an associate of the Parent Company the customer has failed to take delivery of one completed vessel and has subsequently in May, 2018 invoked performance and other bank guarantees. RNaval has challenged the said actions including invocation of guarantees in a writ petition. RNaval has been advised that refusal of the customer to take the delivery of the vessel is untenable in law and accordingly the amount paid (against invocation of guarantees) by the banks to the customer as well as amount unbilled to the customers is considered realisable as on June 30, 2018. This matter has been referred to by the Auditors in the report as a matter of emphasis.



7. RNaval an associate of the Parent Company had issued a corporate guarantee for loan, availed by Reliance Marine and Offshore Limited (RMOL), a wholly owned subsidiary of RNaval, from IFCI Limited (IFCI). IFCI had issued a loan recall notice in FY 2017-18 and subsequently applied for the insolvency petition under the Insolvency and Bankruptcy Code 2016 due to continued default in repayment of principal and interest against RMOL and also against RNaval as the guarantor. In response to the recall notice, RNaval and RMOL has requested to the lender to liquidate the securities available which, as per IFCI, is sufficient to meet obligations by RMOL. The petition filed by the lender is not yet admitted by the NCLT. Accordingly, no provision against the above corporate guarantee is considered necessary by RNaval at this stage. This matter has been referred to by the Auditors in the report as a matter of emphasis.
8. Delhi Electricity Regulatory Commission (DERC) issued its Tariff Orders on September 29, 2015 upto March 31, 2014 and on August 31, 2017 for the Financial Years 2014-15 and 2015-16 to two subsidiaries of the Company, namely, BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) (Delhi Discoms), whereby DERC had trued up the revenue gap with certain dis-allowances. The Delhi Discoms have preferred appeals against the orders before Hon'ble Appellate Tribunal for Electricity (APTEL). Based on the legal opinion, the impacts of such disallowances, which are subject matter of appeal, have not been considered in the computation of regulatory asset for the respective years. Similarly DERC, while truing up for Financial Year 2016-17 in respect of BRPL and BYPL, passed the tariff orders with certain disallowances on March 28, 2018. BRPL and BYPL have preferred an appeal before Hon'ble APTEL against such disallowances and accordingly no impact of the said orders has been considered in the regulatory assets. This matter has been referred to by the Auditors in the report as a matter of emphasis.
9. 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. Since then, both the Judges have retired. The matter shall be re-heard before another Bench. This matter has been referred to by the Auditors in the report as a matter of emphasis.
10. 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 the report as a matter of emphasis.
11. Reliance Bangladesh LNG Terminal Limited (RBLTL) and Reliance Bangladesh LNG & Power Limited (RBLPL), subsidiaries of Reliance Power Limited (RPower), an associate of the Parent Company continued to make progress on the Bangladesh LNG Terminal and Power projects based on supply of one module of 754 MW by Samalkot Power Limited (SMPL), a wholly owned subsidiary of RPower. SMPL and these companies initialled the Terminal Use Agreement with PetroBangla for setting up of 500 mmscf FSRU based LNG terminal at Kutubdia Island. RBLTL & RBLPL have finalised the EPC contractor for both power project and LNG terminal and have received approval for financing of the projects from Asian Development Bank (ADB). For balance two modules (1,508 MW), SMPL 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 the above plans, including relocation of unused assets acquired for SMPL to Bangladesh project and support from the Parent Company, SMPL expects that it would be able to meet its financial obligation and has prepared its financial statements on a going concern basis. This matter has been referred to by the auditors in the report as a matter of emphasis.
12. Ind AS Transition Facilitation Group (ITFG) formed by Ind AS implementation Committee of the Institute of the Chartered Accountants of India has issued clarification on July 31, 2017 and has *interalia* made observations regarding method of estimating depreciation for preparing standalone financial statements of the subsidiary and for consolidated financial statements. RPower, an associate of the Parent Company



has obtained opinions from reputed legal and accounting firms stating that clarification issued by ITFG will not be applicable to RPower, as RPower has been following the different methods in subsidiaries and in consolidated financial statements since inception, including under Ind AS regime. RPower has accordingly continued to provide depreciation in its consolidated financial statements by the straight line method, which is different as compared to the written down value method considered appropriate by certain subsidiaries. This matter has been referred to by the auditors in the report as a matter of emphasis.

13. 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 is liable to pay DAMEPL a Termination Payment. The matter was referred to arbitration tribunal and vide order dated May 11, 2017 DAMEPL was granted arbitration award of ₹ 2,950 crore along with interest. DMRC preferred petition against the Arbitration award before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court vide order dated March 06, 2018 upheld the arbitration award. The Hon'ble Delhi High Court also passed an order on March 23, 2018 directing DMRC to pay ₹ 306 crore as an immediate interim relief to DAMEPL. DMRC has preferred an Appeal against the order of the single judge dated March 06, 2018 before the Division Bench of the Hon'ble Delhi High Court. On April 09, 2018, the Divisional Bench of the Hon'ble Delhi High Court has directed DMRC to take over servicing of all debt liabilities of DAMEPL aggregating to ₹ 1,618 crore pending disposal of the Appeal and also directed listing of DMRC's Appeal for final hearing from July 25, 2018 onwards on daily basis. On DMRC's request the Division Bench directed on July 20, 2018 to list DMRC Appeal for final hearing on August 07, 2018. Presently, no effect has been given in the accounts of the orders of the Hon'ble Arbitral Tribunal.
14. The Group operates in three segments, namely, Power and Engineering, Procurement, Construction (EPC) and Contracts and Infrastructure. Power segment comprises of generation, transmission and distribution of power at various locations. EPC segment renders comprehensive, value added services in construction, erection and commissioning and Infrastructure includes businesses with respect to development, operation and maintenance of toll roads, metro rail transit systems and airports.
15. The listed non convertible debentures aggregating ₹ 2,708.70 crore as on June 30, 2018 are secured by way of first pari passu charge on the Parent Company's certain fixed assets and regulatory assets, second mortgage on the Parent 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. Charge creation in respect of listed non convertible debentures of ₹ 385 crore issued on June 8, 2018 is under process.
16. The Parent Company has opted to publish consolidated financial results. The standalone financial results, for the quarter ended June 30, 2018 can be viewed on 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.

Particulars	Quarter ended			(₹ in crore)
	(Unaudited)			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
Total Operating Income (including Regulatory Income)	2,432.40	2,154.75	2,682.48	9,264.19
Profit before Tax	206.50	361.41	457.07	1,547.59
Total Comprehensive Income	366.15	367.86	410.76	1,683.50

17. In view of expiry of validity period of Draft Red Herring Prospectus (DRHP) of Reliance Infrastructure Invit Fund filed with Securities and Exchange Board of India (SEBI) for 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 hence the results of these companies have now been considered as from continuing operations. Further Parent Company has completed 100% stake sale in two Subsidiaries namely Western Transmission Gujarat Limited (WTGL) and Western Transco Power Limited (WTPL) during the year ended March 31, 2018. Therefore the figures of the previous periods have been restated to make them comparable with current quarter ended June 30, 2018.



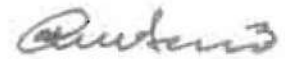
18. Figures of the previous periods have been regrouped / reclassified wherever considered necessary.

19. After review by the Audit Committee, the Board of Directors of the Parent Company has approved the consolidated financial results at their meeting held on August 01, 2018. The statutory auditors have carried out a limited review of the consolidated financial results for the quarter ended June 30, 2018 as per listing agreement entered into with the stock exchanges in India.

For and on behalf of the Board of Directors

Place: Mumbai

Date: August 01, 2018



Anil D. Ambani

Chairman

