

**Limited Review Report on Standalone Unaudited Financial Results of Reliance Infrastructure Limited for the quarter and half year ended September 30, 2020 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) 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 half year ended September 30, 2020 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) 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 November 11, 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 11 to the Statement regarding the Company's exposure in an EPC Company as on September 30, 2020 aggregating to Rs. 8,094.90 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. According to the Management of the Company these amounts have been given for general corporate purposes.

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



5. We refer to Note 10 of the Statement wherein the loss on invocation of shares and/or fair valuation of shares of investments held in Reliance Power Limited (RPower) aggregating to Rs. 5,024.88 Crore for the year ended March 31, 2020 and Rs. 895.01 Crore for the period ended September 30, 2019 was adjusted against the capital reserve as against charging the same in the Statement of Profit and Loss. The said treatment of loss on invocation and fair valuation of investments was not in accordance with the Ind AS 28 "Investment in Associates and Joint Venture", Ind AS 1 "Presentation of Financial Statements" and Ind AS 109 "Financial Instruments". Had the Company followed the above Ind AS's the profit before tax for the year ended March 31, 2020 and Net Worth of the Company as at March 31, 2020 and September 30, 2020 would have been lower by Rs. 5,024.88 Crore and by Rs. 895.01 Crore for the period ended / as at September 30, 2019.
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. The Statement includes the financial information of the following joint operations

Sr. No.	Name of the Joint Operations
1.	Rinfra & Construction Association Interbudmntazh JT Stock Co. Ukaraine (Jv)
2.	Rinfra – Astaldi Joint Venture
3.	Rinfra – Astaldi JV

8. Based on the review conducted and procedures performed as stated in paragraph 6 above and based on the consideration of the review reports of other auditors referred to in paragraph 14 below, because of the substantive nature and significance of the matter described in paragraph 4 and 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 Act 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 and Regulation 52 read with Regulation 63(2) 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.
9. 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 that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, for the reasons more fully described in the aforesaid note the accounts of the Company have been prepared as a Going Concern. Our conclusion on the Statement is not modified in respect of this matter.



10. We draw attention to Note 3 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 loss of Rs. 39.35 Crore and Rs. 45.08 Crore for the quarter and half year ended September 30, 2020 respectively has been debited to Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve in terms of the Scheme. Had such withdrawal not been made, loss before tax for the quarter and half year ended September 30, 2020 would have been higher by Rs. 39.35 Crore and Rs. 45.08 Crore respectively and General Reserve would have been higher by an equivalent amount. Our conclusion on the Statement is not modified in respect of above matter.
11. We draw attention to Note 7 to the Statement which describes the impairment assessment performed by the Company in respect of its receivables of Rs. 843.28 Crore in Reliance Power Limited (RPower) 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 receivables. Our Conclusion on the Statement is not modified in respect of above matter.
12. We draw attention to Note 6 to the Statement regarding KM Toll Road Private Limited (KMTR), a subsidiary of the Company, has terminated the Concession Agreement with National Highways Authority of India (NHAI) for Kandla Mundra Road Project (Project) on May 7, 2019, on account of Material Breach and Event of Default under the provisions of the Concession Agreement by NHAI. The Company is confident of recovering its entire investment of Rs. 544.94 Crore in KMTR, as at September 30, 2020 and no impairment has been considered necessary against the above investment for the reasons stated in the aforesaid note. Our Conclusion on the Statement is not modified in respect of above matter.
13. We draw attention to Note 2 to the Statement, as regards to the management evaluation of COVID – 19 impact on the future performance of the Company. Our conclusion on the Statement is not modified in respect of this matter.
14. We did not review the financial information of 3 joint operations included in the Statement, whose financial information reflect total assets of Rs. 298.86 Crore as on September 30, 2020, total revenues of Rs. 37.22 Crore and Rs. 76.51 Crore, total net loss after tax of Rs. 5.33 Crore and Rs. 3.69 Crore and total comprehensive income / (loss) of Rs. (5.33) Crore and Rs. (3.69) Crore for the quarter and half year ended September 30, 2020 respectively and Cash Inflow (net) of Rs. 117.90 Crore for the half year ended September 30, 2020 as considered in this Statement. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far it relates to amounts and disclosures included in respect of these joint operations, is solely based on the reports of the other auditors and the procedures performed by us as stated in paragraph 6 above.



15. The comparative unaudited standalone financial results of the Company for the quarter and half year ended September 30, 2019 and for the year ended March 31, 2020 included in this Statement had been reviewed/audited by Pathak H.D. & Associates LLP, Chartered Accountants, whose reports dated November 14, 2019 and May 8, 2020 respectively expressed a Disclaimer of Opinion on those unaudited standalone financial results for the quarter and half year ended September 30, 2019 and audited financial results for the year ended March 31, 2020.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm's Registration No: 101720W/W100355



**Parag D. Mehta**  
Partner  
Membership No: 113904  
UDIN: 20113904AAAABK8351

Date: November 11, 2020  
Place: Mumbai

**RELIANCE****RELIANCE INFRASTRUCTURE LIMITED**Registered Office: Reliance Center, Ground Floor, 19, Walchand Hiranchand Marg, Ballard Estate, Mumbai 400 001  
website:www.rinfra.com CIN : L75100MH1929PLC001530**Statement of Standalone Financial Results for the quarter and period ended September 30, 2020**

Sr. No.	Particulars	Rs Crore					
		Quarter ended			half year ended		Year ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income from Operations	267.53	176.25	291.23	443.78	575.49	1,319.07
2	Other Income (net) [refer note 9]	49.96	281.37	509.84	331.33	1,108.52	2,019.64
	<b>Total Income</b>	<b>317.49</b>	<b>457.62</b>	<b>801.07</b>	<b>775.11</b>	<b>1,684.01</b>	<b>3,338.71</b>
3	Expenses						
	(a) Construction Materials Consumed and Sub-contracting Charges	235.84	79.60	212.83	315.44	429.64	1,040.15
	(b) Employee Benefits Expense	18.71	23.99	30.98	42.70	65.36	86.24
	(c) Finance Costs	229.64	271.20	204.66	500.84	429.37	918.15
	(d) Depreciation and Amortisation Expense	14.67	15.36	16.35	30.03	32.51	65.31
	(e) Other Expenses [refer note 3]	34.09	111.71	45.87	145.80	112.85	233.24
	<b>Total Expenses</b>	<b>532.95</b>	<b>501.86</b>	<b>510.69</b>	<b>1,034.81</b>	<b>1,069.73</b>	<b>2,343.09</b>
4	Profit/(Loss) before tax	(215.46)	(44.24)	290.38	(259.70)	614.28	995.62
5	Tax Expenses						
	- Current Tax	0.22	0.67	2.50	0.89	2.50	4.35
	- Deferred Tax (net)	(40.75)	(12.78)	(8.00)	(53.53)	(9.00)	(40.06)
	- Tax adjustment for earlier years (net)	-	-	0.06	(53.53)	0.06	(40.06)
6	<b>Net Profit/(Loss) after tax for the period/year (4+5)</b>	<b>(174.93)</b>	<b>(32.13)</b>	<b>295.82</b>	<b>(207.06)</b>	<b>620.72</b>	<b>1,031.27</b>
7	Other Comprehensive Income						
	Items that will not be reclassified to Profit and Loss						
	Remeasurement of net defined benefit plans - (gain)/loss	(1.49)	-	(0.60)	(1.49)	(1.10)	(2.94)
	Income Tax relating to the above	-	-	-	-	-	-
	<b>Total Comprehensive Income/(Loss) (6+7)</b>	<b>1.49</b>	<b>-</b>	<b>0.60</b>	<b>1.49</b>	<b>1.10</b>	<b>2.94</b>
8	<b>Total Comprehensive Income/(Loss) (6+7)</b>	<b>(173.44)</b>	<b>(32.13)</b>	<b>296.42</b>	<b>(205.57)</b>	<b>621.82</b>	<b>1,034.21</b>
9	Paid-up Equity Share Capital (Face value of ₹ 10 per share)						263.03
10	Other Equity						10,183.98
11	Earnings Per Share (* not annualised) (Face value of ₹ 10 per share)						
	(a) Basic and Diluted Earnings per Share (in ₹) (for Continuing Operations)	(6.65)*	(1.22)*	11.25*	(7.87)*	23.60*	39.21
	(b) Basic and Diluted Earnings per Share (in ₹) - before effect of withdrawal of scheme (refer note 3)	(8.15)*	(1.44)*	12.72*	(9.59)*	25.22*	44.59
	(c) Basic and Diluted Earnings per Share (in ₹) -after effect of withdrawal of scheme	(6.65)*	(1.22)*	11.25*	(7.87)*	23.60*	39.21
12	Debenture Redemption Reserve				212.98	187.65	212.98
13	Net Worth (Refer Note 10)				9,544.61	9,153.97	9,665.25
14	Debt Service Coverage Ratio (Refer Note 12)				0.05	0.83	0.88
15	Interest Service Coverage Ratio (Refer Note 12)				0.82	3.42	3.07
16	Debt Equity Ratio (Refer Note 12)				0.55	0.42	0.55



**RELIANCE INFRASTRUCTURE LIMITED**  
**Standalone Statement of Assets and Liabilities**

Particulars	Rs Crore	
	As at	As at
	30-Sep-20	31-Mar-20
	Unaudited	Audited
<b>ASSETS</b>		
Non-Current Assets		
Property, Plant and Equipment	565.10	582.57
Capital Work-in-progress	28.73	28.73
Investment Property	470.88	482.66
Other Intangible Assets	0.01	0.82
Financial Assets		
Investments	8,162.02	8,010.34
Trade Receivables	47.92	51.13
Loans	13.50	13.64
Other Financial Assets	11.01	88.42
Other Non - Current Assets	75.88	69.23
<b>Total Non-Current Assets</b>	<b>9,375.05</b>	<b>9,327.54</b>
Current Assets		
Inventories	3.65	3.68
Financial Assets		
Trade Receivables	3,946.03	4,106.24
Cash and Cash Equivalents	191.94	72.68
Bank Balance other than Cash and Cash Equivalents above	179.36	179.36
Loans	5,855.93	5,765.21
Other Financial Assets	2,001.21	1,941.43
Other Current Assets	1,480.32	1,275.75
<b>Total Current Assets</b>	<b>13,658.44</b>	<b>13,344.35</b>
Non Current Assets Held for sale and Discontinued Operations	544.94	544.94
<b>Total Assets</b>	<b>23,578.43</b>	<b>23,216.83</b>
<b>Equity and Liabilities</b>		
Equity		
Equity Share Capital	263.03	263.03
Other Equity	9,933.07	10,183.98
<b>Total Equity</b>	<b>10,196.10</b>	<b>10,447.01</b>
<b>LIABILITIES</b>		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	320.35	3,416.38
Trade Payables		
Total outstanding dues to Micro and Small Enterprises	-	-
Total outstanding dues to Others	23.36	25.25
Other Financial Liabilities	173.92	123.92
Provisions	160.00	160.00
Deferred Tax Liabilities (Net)	40.41	93.93
Other Non - Current Liabilities	1,480.10	1,426.71
<b>Total Non-Current Liabilities</b>	<b>2,198.14</b>	<b>5,246.19</b>
Current Liabilities		
Financial Liabilities		
Borrowings	774.64	741.92
Trade Payables		
Total outstanding dues to Micro and Small Enterprises	9.33	13.05
Total outstanding dues to Others	2,351.95	2,368.15
Other Financial Liabilities	5,413.49	2,048.20
Other Current Liabilities	2,122.97	1,827.58
Provisions	47.63	47.62
Current Tax Liabilities (Net)	464.18	477.11
<b>Total Current Liabilities</b>	<b>11,184.19</b>	<b>7,523.63</b>
Liabilities of Discontinued Operations	-	-
<b>Total Equity and Liabilities</b>	<b>23,578.43</b>	<b>23,216.83</b>



RELIANCE INFRASTRUCTURE LIMITED

Cash Flow Statement for the period ended September 30, 2020

Rs Crore

Particulars	Half Year ended Sep 30, 2020	Year ended March 31, 2020
	Unaudited	Audited
<b>A. Cash Flow from Operating Activities :</b>		
Profit/(Loss) before Tax	(259.70)	995.62
Adjustments for :		
Depreciation and Amortisation Expenses	30.03	65.31
Net (Income) / Expenses relating to Investment Property	(12.15)	(41.76)
Interest Income	(60.60)	(1,038.00)
Fair Value Gain on Financial Instrument through FVTPL/Amortised Cost	(150.09)	(173.14)
Dividend Income	(58.55)	(29.85)
Net Loss/ (Gain) on Sale/Redemption Investments	(38.88)	37.79
Finance Cost	500.84	918.15
Provision for Doubtful debts / Advances / Deposits	75.44	(25.44)
Excess Provisions written back	-	(80.40)
Loss on Sale / Discarding of Assets (Net)	0.20	1.75
Bad Debts	-	8.82
<b>Cash generated from Operations before Working Capital changes</b>	<b>28.56</b>	<b>638.85</b>
Adjustments for :		
Decrease/(increase) in Financial Assets and Other Assets	(82.99)	283.20
Decrease in Inventories	0.04	3.83
Decrease in Financial Liabilities and Other Liabilities	333.72	(960.18)
	<b>250.77</b>	<b>(673.15)</b>
<b>Cash generated from Operations</b>	<b>279.33</b>	<b>(34.30)</b>
Income Taxes paid (net of refund)	(13.82)	264.00
<b>Net Cash generated from Operating Activities</b>	<b>265.51</b>	<b>229.70</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Property; Plant and Equipment (including Capital work-in-progress,	(0.36)	(6.58)
Proceeds from Disposal of Property, Plant and Equipment	0.18	3.37
Net Income relating to Investment Property	(0.44)	31.20
Redemption in Fixed Deposits with Banks	-	21.44
Investments in Subsidiaries / Joint Ventures / Associates	(1.84)	(31.90)
Sale/Redemption of Investment in Subsidiaries/Joint ventures/Associates	21.24	176.51
Sale / Redemption of Investments in Others	19.82	67.19
Loan given (Net)	(90.59)	326.30
Dividend Received	58.55	29.85
Interest Income	(3.75)	256.98
<b>Net Cash generated from Investing Activities</b>	<b>2.61</b>	<b>874.36</b>
<b>C. Cash Flow from Financing Activities :</b>		
Repayment of Long Term Borrowings	(96.84)	(242.53)
Short Term Borrowings (Net)	32.72	(188.08)
Payment of Interest and Finance Charges	(84.68)	(689.79)
Dividends paid to shareholders including tax	(0.06)	(1.87)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(148.86)</b>	<b>(1,102.27)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents ( A+B+C)</b>	<b>119.26</b>	<b>1.79</b>
Cash and cash equivalents as at the beginning of the year	72.68	70.89
Cash and cash equivalents as at the end of the year	191.94	72.68
<b>Net Increase / (Decrease) as disclosed above</b>	<b>119.26</b>	<b>1.79</b>
<b>Cash and Cash Equivalents</b>	<b>191.94</b>	<b>72.68</b>



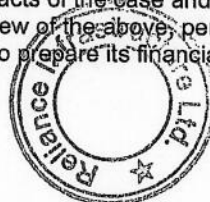
Notes:

1. The Standalone Financial Results of Reliance Infrastructure Limited ("the Company") have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
2. COVID 19 continues to spread across the globe and India. It has impacted business by way of interruption in construction activities, operations of metros, toll collections, supply chain disruption, unavailability of personnel, closure / lock down of various other facilities etc. Most of the activities, viz construction at sites, toll collections, etc. have already commenced and the scale of operations is shortly getting normalize.

The Company has considered various internal and external information including assumptions relating to economic forecasts up to the date of approval of these financial results for assessing the recoverability of financial and non financial assets. The Company expects to recover the carrying amount of these assets based on the current indicators of future economic conditions. Further the Company has availed protections available to it as per various contractual provisions to reduce the impact of COVID-19.

The aforesaid evaluation is based on projections and estimations which are dependent on future development including government policies. Any changes due to the changes in situations / circumstances will be taken into consideration, if necessary, as and when it crystallizes.

3. 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 loss of Rs 39.35 Crore and Rs 45.08 Crore for the quarter and half year ended September 30, 2020 respectively have been debited to the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, the loss before tax would have been higher by Rs 39.35 Crore and Rs 45.08 Crore for the quarter and half year ended September 30, 2020 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 as an emphasis of matter.
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 are being pursued with 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 material 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 matter was adjourned on DMRC's request dated July 22, 2019. Later, the hearing could not take place due to various reasons including COVID-19 lockdown. The SC vide its order dated June 15, 2020 has scheduled the hearing on July 29, 2020 for final submissions and the same was adjourned to August 19, 2020. The hearings commenced on September 17, 2020 and continued on September 21, 2020 and October 07, 2020. DAMEPL's arguments are expected to conclude by the next hearing scheduled on November 17, 2020. 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 operations of the Project have been taken over by NHAI and NHAI has given a contract to a third party for toll collection with effect from April 16, 2019. In terms of the provisions of the Concession Agreement, NHAI is liable to pay KMTR a termination payment estimated at Rs 1,205.47 Crore as the termination has arisen owing to NHAI Event of Default. KMTR has also raised further claims of Rs 1,092.74 Crore. KMTR has invoked dispute resolution process under clause 44 of the Concession Agreement. Subsequently, vide letter dated August 21, 2020, NHAI advised its Programme Director for release of termination payment to KMTR and accordingly Rs 181.21 Crore was released on August 24, 2020 towards termination payment, which has been utilised for debt servicing.

The conciliation proceeding is already started and KMTR is confident of the positive outcome. Pending final outcome of the dispute resolution process and as legally advised, the claims for the Termination Payment are considered fully enforceable. Notwithstanding the dependence on above said uncertain events, KMTR continues to prepare the financial statements on a going concern basis. The Company is confident of recovering its entire investment in KMTR of Rs 544.94 Crore as at September 30, 2020, and hence, no provision for impairment of the KMTR is considered in the financial statements. The Investment in the KMTR are classified as Discontinued operations as per Ind AS 105 "Non Current Assets held for sale and discontinued operations"

7. The Company has net recoverable amounts aggregating to Rs 843.28 Crore from RPower as at September 30, 2020. Management has recently performed an impairment assessment of these recoverable 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. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, time that may be required to identify buyers, negotiation discounts etc. Accordingly, based on the assessment, impairment of said recoverable is not considered necessary by the management.
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. Other income includes Loss of Rs 53.75 Crore and Gain of Rs 53.74 Crore for the quarter and half year ended September 30, 2020 respectively relating to fair valuation of Investment in shares of Reliance Power Limited (Rpower). The Corresponding impact during the previous year was considered in the Capital reserve. Figures for the current quarter and half year ended September 30, 2020 are not comparable with year ended March 31, 2020 to that extent.
10. During the year ended March 31, 2020 and period ended September 30, 2019, the company had adjusted the loss on invocation / mark to market (required to be done due to invocation of shares by the lenders) of Rs. 5,024.88 Crore and Rs. 895.01 Crore respectively against the capital reserve. The auditors in their report had mentioned that the above treatment is not in accordance with the Ind AS 1 "Presentation of Financial Statements", Ind AS 109 "Financial Instruments" and Ind AS 28 "Investment in Associates and Joint Ventures". However, as disclosed in the financial results for the year/period ended March 31, 2020 and September 30, 2019, the Company continues to disclose Net worth as on September 30, 2020 without considering impact of above.
11. 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 September 30, 2020 is Rs 8,094.90 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.

The Company has further provided corporate guarantees of Rs. 4,895.87 Crore on behalf of certain companies towards their borrowings. As per the reasonable estimate of the management of the Company, it does not expect any obligation against the above guarantee amount

12. Ratios have been computed as under:

- Debt Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / (Interest on Long Term Debt for the period/year + Principal Repayment of Long Term Debt within one year)
- Interest Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / Interest on Long Term Debt for the period/year
- Debt Equity Ratio = Total Debt / Equity

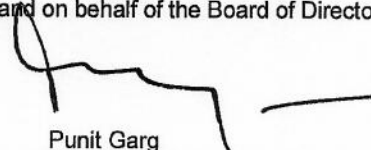
13. The listed non convertible debentures of Rs 1,087.70 Crore as on September 30, 2020 are secured by way of first pari passu charge on certain fixed assets and investments. There are certain shortfalls in the security cover. Further, in respect of NCDs, CARE Ratings has given CARE D rating while India Ratings and Research Private Limited has given IND D rating.

The outstanding NCD Series 18 (ISIN no- INE036A07294) and NCD Series 20E (ISIN No- INE036A07534) were due for repayment of principal with interest thereon as at March 31, 2020. Principal and interest on NCD Series 29 (ISIN No INE036A07567) was due on September 30, 2020 and August 31, 2020 respectively which has not been paid. The Next due date is March 31, 2021 and November 30, 2020 for principal and interest respectively.

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

15. After review by the Audit Committee, the Board of Directors of the Company has approved the Standalone financial results at their meeting held on November 11, 2020. The statutory auditors have carried out a limited review of the standalone financial results for the quarter and half year ended September 30, 2020.

For and on behalf of the Board of Directors



Punit Garg  
Executive Director and Chief Executive Officer

Place: Mumbai  
Date: November 11, 2020

