RELIANCE

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 Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2016

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31-12-2016 (Unaudited)	30-09-2016 (Unaudited)	31-12-2015 (Unaudited)	**31-12-2016 (Unaudited)**	31-12-2015 (Unaudited)
1	**Income from Operations**					
	(a) Net Sales / Income from Power Business	**4,604.20**	6,062.09	5,095.70	**16,668.76**	17,006.10
	(b) Income from EPC and Contracts Business	**751.11**	514.12	712.57	**1,990.55**	2,641.94
	(c) Net Sales / Income from Infrastructure Business	**300.76**	295.39	262.75	**901.18**	786.58
	(d) Other Operating Income	**159.62**	101.29	128.46	**326.69**	246.70
	Total Operating Income	**5,815.69**	6,972.89	6,199.48	**19,887.18**	20,681.32
2	**Expenditure**					
	(a) Cost of Power Purchased	**3,410.48**	4,034.56	3,239.78	**11,524.03**	11,102.72
	(b) Cost of Fuel and Materials Consumed	**268.14**	251.11	255.18	**747.15**	796.20
	(c) Construction Materials Consumed and Sub-Contracting Charges	**632.38**	424.19	504.15	**1,651.96**	2,052.03
	(d) Employee Benefits Expense	**432.71**	439.29	415.85	**1,316.28**	1,225.74
	(e) Depreciation and amortisation Expense	**518.21**	372.91	520.17	**1,217.12**	1,138.51
	(f) Other Expenses	**513.31**	500.94	472.69	**1,556.36**	1,514.00
	Total Expenditure	**5,775.23**	6,023.00	5,407.82	**18,012.90**	17,829.20
3	**Profit from operations before Other Income (net), Rate Regulated Activities, Finance Costs, Exceptional Items and Tax (1-2)**	**40.46**	949.89	791.66	**1,874.28**	2,852.12
4	Other Income (net) (Refer Note 4)	**809.86**	639.61	577.42	**2,164.44**	1,731.24
5	**Profit from Ordinary Activities before Finance Costs, Rate Regulated Activities, Exceptional Items and Tax (3-4)**	**850.32**	1,589.50	1,369.08	**4,038.72**	4,583.36
6	Finance Cost (Refer Note 4)	**1,147.41**	1,045.90	956.96	**3,204.07**	2,869.77
7	**Profit from Ordinary Activities before Rate Regulated Activities ,Exceptional Items and Tax (5-6)**	**(297.09)**	543.60	412.12	**834.65**	1,713.59
8	Add / (Less) : Regulatory Income / (Expenses) (net)	**621.53**	(183.66)	(230.24)	**264.14**	(647.46)
9	**Profit from Ordinary Activities before Exceptional Items and Tax (7+8)**	**324.44**	359.94	181.88	**1,098.79**	1,066.13
10	Exceptional Items	**-**	85.58	-	**85.58**	-
11	**Profit from Ordinary Activities before Tax**	**324.44**	445.52	181.88	**1,184.37**	1,066.13
12	Tax Expenses (including Deferred Tax and Tax for earlier years)	**30.94**	(25.66)	(0.73)	**105.77**	182.41
13	**Net Profit from Ordinary Activities after Tax from Continuing Operations (11-12)**	**293.50**	471.18	182.61	**1,078.60**	883.72
14	Share of Profit in Associates and Joint Ventures (net)	**72.42**	80.94	99.63	**259.22**	355.87
15	Minority Interest	**(8.93)**	(10.75)	(13.31)	**(14.22)**	16.83
16	**Net Profit after Tax, Share of Profit in Associates, Joint Ventures and Minority Interest (net) (13+14-15)**	**374.85**	562.87	295.55	**1,352.04**	1,222.76
17	Profit / (Loss) from Discontinued Operation before tax	**-**	7.68	(44.05)	**32.17**	(135.69)
18	Tax Expenses on Discontinuned Operation	**-**	-	-	**-**	-
19	**Profit / (Loss) from Discontinued Operation after tax**	**-**	7.68	(44.05)	**32.17**	(135.69)
20	**Net Profit for the period (16+19)**	**374.85**	570.55	251.50	**1,384.21**	1,087.07
21	Other Comprehensive Income / (Expense) (net of tax)	**(12.67)**	(3.79)	(7.58)	**(9.36)**	(17.75)
22	**Total Comprehensive Income (20+21)**	**362.18**	566.76	243.92	**1,374.85**	1,069.32
23	Paid-up Equity Share Capital (Face Value of ₹10 per Share)	**263.03**	263.03	263.03	**263.03**	263.03
24	Earnings Per Share (not annualised)					
	(a) Basic (₹)	**14.25**	21.68	9.56	**52.63**	41.33
	(b) Diluted (₹)	**14.25**	21.68	9.56	**52.63**	41.33

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Unaudited Consolidated Segment-wise Revenue , Results and Capital Employed

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31-12-2016 (Unaudited)	30-09-2016 (Unaudited)	31-12-2015 (Unaudited)	**31-12-2016 (Unaudited)**	31-12-2015 (Unaudited)
1	**Segment Revenue**					
	- Power Business	**5,386.91**	5,977.29	4,989.45	**17,260.08**	16,612.30
	- EPC and Contracts Business	**753.02**	523.58	720.13	**2,005.77**	2,653.85
	- Infrastructure Business	**303.94**	298.34	265.86	**910.40**	793.88
	Total	**6,443.87**	6,799.21	5,975.44	**20,176.25**	20,060.03
	Less: Inter Segment Revenue	**6.65**	9.98	6.20	**24.93**	26.17
	Net Sales / Income from Operations (Including Regulatory Income /(expense))	**6,437.22**	6,789.23	5,969.24	**20,151.32**	20,033.86
2	**Segment Results**					
	Profit before Interest, Tax, Share in Associates and Minority Interest from each segment:					
	- Power Business	**596.19**	645.75	357.08	**1,872.72**	1,721.60
	- EPC and Contracts Business	**58.38**	74.22	133.26	**164.33**	335.18
	- Infrastructure Business	**100.83**	115.08	126.01	**339.27**	294.94
	Total	**755.40**	835.05	616.35	**2,376.32**	2,351.72
	- Finance Costs	**(1,147.41)**	(1,045.90)	(956.96)	**(3,204.07)**	(2,869.77)
	- Interest Income	**667.82**	630.28	544.71	**1,970.19**	1,670.34
	- Exceptional Item - Unallocable segment	**-**	85.58	-	**85.58**	-
	- Other un-allocable Income net of expenditure	**48.63**	(59.49)	(22.22)	**(43.65)**	(86.16)
	Profit from Ordinary Activities before Tax	**324.44**	445.52	181.88	**1,184.37**	1,066.13
3	**Segment Assets**					
	Power Business	**46,652.77**	43,156.43	46,488.29	**46,652.77**	46,488.29
	EPC and Contracts Business	**6,026.69**	3,844.85	6,937.15	**6,026.69**	6,937.15
	Infrastructure Business	**18,959.62**	18,661.45	18,200.50	**18,959.62**	18,200.50
	Unallocated Assets	**34,063.85**	32,675.87	30,515.41	**34,063.85**	30,515.41
	Total Assets of Continuing Operations	**105,702.93**	98,338.60	102,141.35	**105,702.93**	102,141.35
	Assets of Discontinued Operations	**-**	-	3,719.03	**-**	3,719.03
	Total Assets of Continuing and Discontinued Operations	**105,702.93**	98,338.60	105,860.38	**105,702.93**	105,860.38
4	**Segment Liabilities**					
	Power Business	**28,040.61**	27,947.85	25,411.14	**28,040.61**	25,411.14
	EPC and Contracts Business	**6,693.42**	6,763.20	6,693.91	**6,693.42**	6,693.91
	Infrastructure Business	**4,467.36**	4,396.07	4,396.68	**4,467.36**	4,396.68
	Unallocated Liabilities	**34,885.69**	31,083.20	37,197.35	**34,885.69**	37,197.35
	Total Liabilities of Continuing Operations	**74,087.08**	70,190.32	73,699.08	**74,087.08**	73,699.08
	Liabilities of Discontinued Operations	**-**	-	2,978.34	**-**	2,978.34
	Total Liabilities of Continuing and Discontinued Operations	**74,087.08**	70,190.32	76,677.42	**74,087.08**	76,677.42

Notes:

1. The Consolidated Financial Results of the Company have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted IND AS with effect from April 01, 2016, (with transition date of April 01, 2015) and accordingly, these financial results (including for previous comparative periods presented) have been prepared in accordance with the recognition and measurement principles of IND AS 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.

2. The Group is reviewing the accounting policies or its use of exemptions and accordingly, the changes in accounting treatment and disclosures, if any, will be considered in results of the subsequent accounting periods as provided in IND AS 101 " First Time adoption of Indian Accounting Standards".

3. Reconciliation of the Consolidated financial results with those reported under previous (GAAP) is as under

(` in crore)

Sr. No.	Particulars	Quarter Ended December 31, 2015	Nine months Ended December 31, 2015
		Unaudited	**Unaudited**
	Net Profit after tax reported as per previous GAAP	462.67	1,314.71
1	Gain / (Loss) on fair valuation/measurement of Investments	63.94	166.93
2	Arrangements accounted as Financial Assets under service concession arrangements	(56.63)	(73.37)
3	Power Purchase Agreement accounted as finance lease	(46.94)	(141.68)
4	Recalculation of borrowing cost as per Effective Interest Rate methodology	24.04	21.21
5	Financial Assets/Liabilities measured at amortised cost	21.42	(20.02)
6	Depreciation impact on fair valuation of Fixed Assets	(182.80)	(236.80)
7	Deferred Tax on IND AS adjustments	66.64	145.62
8	Other adjustments	(67.71)	(68.23)
9	Effect of consolidation of entity on assessment of control	14.45	66.65
10	IND AS adjustments on Associates share of Profit	(47.58)	(87.95)
	Net Profit after tax as per IND AS	251.50	1,087.07
	Other Comprehensive income / (expenses) (net of tax)	(7.58)	(17.75)
	Total Comprehensive income reported under IND AS	243.92	1,069.32

4. Pursuant to the option exercised under the Scheme of Amalgamation of Reliance Infraprojects Limited with the Parent Company sanctioned by the Hon'ble High Court of Judicature at Bombay on March 30, 2011, net foreign exchange loss of ` 125.91 crore and ` 244.45 crore (net off of foreign exchange loss of ` 32.76 crore and ` 34.62 crore attributable to finance cost) for the quarter and nine months ended on December 31, 2016 respectively has 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 Profit before tax for the quarter ended on December 31, 2016 would have been lower by ` 125.91 crore and ` 244.45 crore respectively and General Reserve would have been higher by an equivalent amount. The treatment prescribed under the Scheme overrides the relevant provisions of IND AS 1 "Presentation of Financial Statements". This matter has been referred to by the Auditors in their report.

5. Unrealised gains amounting to ` 26.75 crore and ` 71.42 crore during the quarter and nine months ended on December 31, 2016, pertaining to EPC contracts entered into with associate companies, have not been eliminated as prescribed by a Scheme of Amalgamation between Reliance Bhavnagar Power Private Limited and Reliance Jamnagar Power Private Limited and Reliance Infrastructure Engineers Private Limited with the Parent Company sanctioned by the Hon'ble High Court of Judicature at Bombay in February 2013. The Parent Company considers that the prescribed accounting treatment leads to a more accurate reflection of the results of the working of the Parent Company. Had the relevant provisions of IND AS 28 "Investments in Associates and Joint Ventures" been followed, the Profit before tax and carrying cost of investment in associate for the quarter and nine months ended on December 31, 2016 would have been lower by ` 26.75 crore and ` 71.42 crore respectively. This matter has been referred to by the Auditors in their report.

6. During the quarter ended on December 31, 2016, Western Transco Power Limited and Western Transmission (Gujarat) Limited have been incorporated as wholly owned subsidiaries of the Parent Company.

7. On October 5, 2016, the Parent Company had signed Term Sheet with Adani Transmission Limited (ATL) for sale of its assets in Western Region Strengthening Scheme (WRSS) projects and entire investment in subsidiary, Parbati Koldam Transmission Company Limited (PKTCL). On December 6, 2016, the Parent Company executed Share Purchase Agreement with ATL for 100% sale of its WRSS Transmission Assets. The said transfer / sale is subject to various condition precedents and approvals and accordingly has not been considered as Non Current Assets held for sale as per IND AS 105 "Non Current Assets held for sale and discontinued operations".

8. The Board of Directors at its meeting held on March 16, 2016 had approved the Scheme of restructuring envisaging transfer of various operating divisions of the Parent Company, namely Dahanu Thermal Power Station (DTPS), Goa Power Station, Samalkot Power Station, Mumbai Power Transmission Division, Mumbai Power Distribution Division and Windmill Division (together considered as Power Business) to its resulting wholly owned subsidiary viz. Reliance Electric Generation and Supply Limited with effect from April 1, 2016. The scheme has received approval of the Hon'ble Bombay High Court on January 19, 2017. The scheme is effective subject to various approvals and accordingly no effect of the said scheme is given in the books of account and has not been considered as Non Current Asset held for sale as per IND AS 105 "Non Current Assets held for sale and discontinued operations".

9. Delhi Electricity Regulatory Commission (DERC) issued its Tariff Order on September 29, 2015 to two Delhi Discoms, namely, BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) (Delhi Discoms), whereby it had trued up the revenue gap upto March 31, 2014 with certain dis-allowances. The Delhi Discoms have preferred appeal against the Order before Appellate Tribunal for Electricity (APTEL). Based on the legal opinion, the impact of such disallowances, which are subject matter of appeal, has not been considered in the computation of regulatory asset. This matter has been referred to by the Auditors in their report.

10. NTPC Limited served notice to Delhi Discoms for regulation (suspension) of power supply on February 01, 2014 due to delay in payments. The Delhi Discoms appealed against the notice before the Hon'ble Supreme Court (SC) and prayed for suitable direction from Hon'ble SC to DERC for providing cost reflective tariff and giving a roadmap for liquidation of the accumulated Regulatory Assets. The Hon'ble SC in its interim order directed the Delhi Discoms to pay the current dues. The Delhi Discoms sought modification of the said order so as to allow them to pay 70% of the current dues and are awaiting decision of the Hon'ble Supreme Court, which is reserved. This matter has been referred to by the Auditors in their report.

11. Pursuant to the direction of the Department of Power (GoNCTD) on January 07, 2014**,** the Comptroller 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 SC which was last heard on December 07, 2016. The next date will be known in due course. This matter has been referred to by the Auditors in their report.

12. Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the 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 now liable to pay DAMEPL a Termination Payment, which is estimated at ₹ 2,823 crore, as the termination has arisen owing to DMRC's Event of Default. The matter has been referred to arbitration and the arbitration award is awaited. Pending final outcome of the arbitration, the Parent Company continues to fund the statutory and other obligations of DAMEPL post take over by DMRC and accordingly has funded ₹ 70.20 crore and ₹ 210.78 crore during the quarter and nine months ended on December 31, 2016 respectively. The total investment made by the Parent Company in DAMEPL upto December 31, 2016 amounts to ₹ 2,271.64 crore.

    The Parent Company, upon review of the progress in settlement of various claims and also on overall review of financial position of DAMEPL, the Parent Company duly considered it prudent to write off ₹ 1,613.76 crore till previous year ended March 31, 2016 out of the above investment. However, as legally advised, DAMEPL's claims for the termination payments are considered fully enforceable.

13. The Group operates in three segments namely Power, 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 service in construction, erection and commissioning and Infrastructure includes businesses with respect to development, operation and maintenance of tolls roads, metro rail transit systems and airports.

14. The Group has opted for fair valuation of Property, Plant and Equipment ('PPE') as deemed cost as on the transition date i.e. April 01, 2015. As a consequence, the deprecation / amortization and deferred tax for the quarter includes impact of preceding quarters.

15. The listed non convertible debentures aggregating ₹ 4,219.83 crore as on December 31, 2016 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 assets cover thereof exceeds one hundred percent of the principal amount of the said debentures.

16. The Parent Company has opted to publish consolidated financial results. Standalone financial results, for the nine months ended on December 31, 2016 can be viewed on the websites of the Parent Company, National Stock Exchange of India Limited and BSE Limited at www.rinfra.com, www.nseindia.com, and www.bseindia.com respectively. Key standalone financial information is given below:

(` crore)

Particulars	Quarter ended (Unaudited)			Nine months ended (Unaudited)	
	December 31, 2016	September, 30, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015
Total Operating Income (Including Regulatory Income /(expense))	**2,437.83**	2,134.20	2,361.57	**7,018.05**	7,445.98
Profit / (Loss) before Tax	**481.02**	246.30	416.83	**1,204.05**	1,245.80
Total Comprehensive Income	**436.85**	241.70	445.67	**1,071.53**	1,131.12

17. After review by the Audit Committee, the Board of Directors of the Company has approved the consolidated financial results at their meeting held on February 13, 2017. The statutory auditors have carried out a limited review of the consolidated financial results for the quarter and nine months ended on December 31, 2016 of the Company, as per listing agreement entered into with the stock exchanges in India.

18. There were no extraordinary items during the quarter and nine months ended on December 31, 2016.

19. Figures of the previous period have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board of Directors

Place: Mumbai
Date: February 13, 2017

Anil D Ambani
Chairman