CHATURVEDI & SHAH LLP
Chartered Accountants

Limited Review Report on Standalone Unaudited Financial Results of Reliance Infrastructure Limited for the Quarter ended June 30, 2020 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 ended June 30, 2020 ('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. Attention is drawn to the fact that the figures for the three months ended March 31, 2020 as reported in these statements 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 July 30, 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 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 June 30, 2020 aggregating to Rs. 8,109.06 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.

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5. 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.

6. 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

7. Based on the review conducted and procedures performed as stated in paragraph 5 above and based on the consideration of the review reports of other auditors referred to in paragraph 13 below, because of the substantive nature and significance of the matter described in paragraph 4 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 there under 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 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.

9. 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. 5.73 Crore for the quarter ended June 30, 2020 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 ended June 30, 2020 would have been higher by Rs.5.73 Crore and General Reserve would have been higher by an equivalent amount. Our conclusion on the Statement is not modified in respect of above matter.

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10. We draw attention to Note 8 to the Statement which describes the impairment assessment performed by the Company in respect of its receivables of Rs. 819.27 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.

11. We draw attention to Note 7 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 June 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.

12. 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.

13. We did not review the financial information of 3 joint operations included in the Statement, whose financial information reflect total revenues of Rs. 39.29 Crore, total net profit after tax of Rs. 1.64 Crore and total comprehensive income of Rs. 1.64 Crore for the quarter ended June 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 5 above.

14. The comparative unaudited standalone financial results of the Company for the quarter ended June 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 August 13, 2019 and May 8, 2020 respectively expressed a Disclaimer of Opinion on those unaudited standalone financial results for the quarter ended June 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 Dhirendra Mehta
Digitally signed by Parag Dhirendra Mehta
Date: 2020.07.30 17:59:24 +05'30'

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Parag D. Mehta
Partner
Membership No:113904
UDIN: 20113904AAAABD6825

Date: July 30, 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 ended June 30, 2020

Sr. No.	Particulars	Quarter ended			Rs Crore Year ended
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		Unaudited	refer note 13	Unaudited	Audited
1	Income from Operations	176.25	358.50	284.26	1,319.07
2	Other Income (net) [refer note 5]	281.37	339.76	598.68	2,019.64
	Total Income	457.62	698.26	882.94	3,338.71
3	Expenses				
	(a) Construction Materials Consumed and Sub-contracting Charges	79.60	305.70	216.81	1,040.15
	(b) Employee Benefits Expense	23.99	4.97	34.38	86.24
	(c) Finance Costs	271.20	280.51	224.71	918.15
	(d) Depreciation and Amortisation Expense	15.36	16.64	16.16	65.31
	(e) Other Expenses [refer note 3]	111.71	84.65	66.98	233.24
	Total Expenses	501.86	692.47	559.04	2,343.09
4	Profit before Exceptional Items and Tax (1+2-3)	(44.24)	5.79	323.90	995.62
5	Exceptional Items (Net)	-	-	-	-
6	Profit /(Loss) before tax (4+5)	(44.24)	5.79	323.90	995.62
7	Tax Expenses				
	- Current Tax	0.67	1.85	-	4.35
	- Deferred Tax (net)	(12.78)	(26.37)	(1.00)	(40.06)
	- Tax adjustment for earlier years (net)	-	-	-	0.06
8	Net (Loss) / Profit for the period/year from Continuing Operations (6-7)	(32.13)	30.31	324.90	1,031.27
9	Net Profit for the period/year from Discontinued Operations	-	-	-	-
10	Net Profit/(Loss) for the period/year (8+9)	(32.13)	30.31	324.90	1,031.27
11	Other Comprehensive Income				
	Items that will not be reclassified to Profit and Loss				
	Remeasurement of net defined benefit plans - (gain)/loss	-	(1.84)	(0.50)	(2.94)
	Income Tax relating to the above	-	-	-	-
		-	1.84	0.50	2.94
12	Total Comprehensive Income/(Loss) (10+11)	(32.13)	32.15	325.40	1,034.21
13	Paid-up Equity Share Capital (Face value of ₹ 10 per share)				263.03
14	Other Equity				10,183.98
15	Earnings Per Share (* not annualised) (Face value of ₹ 10 per share)				
	(a) Basic and Diluted Earnings per Share (in ₹) (for Continuing Operations)	(1.22)*	1.15*	12.35*	39.21*
	(b) Basic and Diluted Earnings per Share (in ₹) (for Discontinued Operations)	-	-	-	-
	(c) Basic and Diluted Earnings per Share (in ₹)-before effect of withdrawl of scheme	(1.44)*	4.53*	12.50*	44.59*
	(d) Basic and Diluted Earnings per Share (in ₹)-after effect of withdrawl of scheme	(1.22)*	1.15*	12.35*	39.21*

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. The outbreak of COVID-19 epidemic has significantly impacted businesses around the world. The Government of India ordered nationwide lockdown to prevent community spread of COVID-19 and is easing the same in phases. This has resulted in significant reduction in economic activities. 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. Few of the activities, viz construction at sites, toll collections, etc. have already commenced and the scale of operations is expected to normalize soon.

   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 5.73 Crore for the quarter ended June 30, 2020 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 loss before tax would have been higher by Rs 5.73 Crore for the quarter ended June 30, 2020 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 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 material uncertain events the Company continues to prepare the Standalone Financial Results on a going concern basis.

5. Other income during the quarter includes Rs 107.49 Crore relating to gain on fair valuation of Investment in shares of Reliance Power Limited (Rpower). The Corresponding impact during the previous quarter/year was considered in the Capital reserve. Figures for the current quarter are not comparable to previous quarter/year ended March 31, 2020 to that extent

6. 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. Based on the facts of the case and the applicable law, DAMEPL is confident of

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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.

7. 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. The Company is confident of recovering its entire investment of Rs 544.94 Crore in KMTR, as at June 30, 2020 and no impairment has been considered necessary against the above investment. The Investment in the KMTR are classified as Discontinued operations as per Ind AS 105 "Non Current Assets held for sale and discontinued operations".

8. The Company has net recoverable amounts aggregating to Rs 819.27 Crore from RPower as at June 30, 2020. Management has recently performed an impairment assessment of these recoverable by considering interalia 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.

9. 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".

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 June 30, 2020 is Rs 8,109.06 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

11. The listed non convertible debentures of Rs 1,087.70 Crore as on June 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.

12. 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.

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13. The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of full financial year and published year to date figures up the third quarter of that financial year.

14. After review by the Audit Committee, the Board of Directors of the Company has approved the Standalone financial results at their meeting held on July 30, 2020. The statutory auditors have carried out a limited review of the standalone financial results for the quarter ended June 30, 2020.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 30, 2020

Punit Garg
Executive Director and Chief Executive Officer