Reliance Infrastructure Limited

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Statement of Consolidated Financial Results for the quarter ended June 30, 2019

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2019 (Unaudited)	31-03-2019 (Unaudited)	30-06-2018 (Unaudited) *	31-03-2019 (Audited)
1	Income from Operations	5,466.72	3,984.74	5,373.73	19,174.34
2	Other Income (net) (Refer Note 2)	607.37	213.38	606.70	2,721.40
	Total Income	6,074.09	4,198.12	5,980.43	21,895.74
3	Expenses				
	Cost of Power Purchased	3,412.61	2,191.08	3,319.38	11,381.87
	Cost of Fuel and Materials Consumed	8.89	7.48	10.35	30.72
	Construction Material Consumed and Sub-Contracting Charges	290.35	284.74	257.05	925.08
	Employee Benefit Expenses	277.64	265.81	265.20	1,093.69
	Finance Costs	595.27	533.32	745.44	2,581.06
	Late Payment Surcharge	471.34	455.72	489.61	1,890.79
	Depreciation and Amortization Expenses	339.25	353.12	312.41	1,291.84
	Other Expenses	370.35	371.49	469.80	1,669.58
	Total Expenses	5,765.70	4,462.76	5,869.24	20,864.64
4	Profit before Rate Regulated Activities ,Exceptional Items and Tax (1+2-3)	308.39	(264.64)	111.19	1,031.10
5	Regulatory Income / (Expenses) (net of deferred tax)	5.53	292.76	(226.26)	(98.59)
6	Profit / (Loss) before Exceptional Items and Tax (4+5)	313.92	28.12	(115.07)	932.51
7	Exceptional Items Income/ (Expenses) (net)	-	(1,865.06)	-	(6,065.06)
8	Profit / (Loss) before tax (6+7)	313.92	(1,836.94)	(115.07)	(5,132.55)
9	Tax Expenses				
	Current Tax	37.58	16.71	18.10	72.87
	Deferred Tax (net)	(42.88)	7.11	(28.75)	(36.90)
	Taxation for Earlier Years (net)	0.00	(19.07)	(255.23)	(274.11)
10	Profit / (Loss) from Continuing Operations (8-9)	319.22	(1,841.69)	150.81	(4,894.41)
11	Profit from Discontinued Operations (Refer Note 16)	(0.44)	(50.08)	146.68	3,954.61
12	Profit / (Loss) before Share of net profit of associates and joint venture (10+11)	318.78	(1,891.77)	297.49	(939.80)
13	Share of net profit / (loss) of associates and joint venture accounted for using the equity method	13.17	(1,342.68)	(25.23)	(1,382.84)
14	Non Controlling Interest	32.80	66.55	22.12	104.18
15	Net Profit/(Loss) for the period/year (12+13-14)	299.15	(3,301.00)	250.14	(2,426.82)
16	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to Profit and Loss				
	Remeasurements of net defined benefit plans : Gains / (Loss)	(3.58)	(2.07)	3.95	(7.06)
	Net movement in Regulatory Deferral Account balances related to OCI	4.50	7.00	2.21	18.01
	Income tax relating to the above	0.59	(3.27)	(0.31)	(4.99)
	Other Comprehensive Income/(Loss) from Discontinued Operations	-	0.04	2.65	2.69
	Items that will be reclassified to Profit and Loss				
	Foreign currency translation Gain/(Loss)	-	(14.73)	44.33	44.86
	Gains/(Losses) from investments in equity instruments designated at fair value though OCI	-	-	0.06	0.06
	Other Comprehensive Income, net of taxes	1.51	(13.03)	52.89	53.57
17	Total Comprehensive Income for the period/year	333.46	(3,247.48)	325.15	(2,269.07)
18	Profit / (Loss) attributable to :				
	(a) Owners of the Parent	299.15	(3,301.00)	250.14	(2,426.82)
	(b) Non Controlling Interest	32.80	66.55	22.12	104.18
		331.95	(3,234.45)	272.26	(2,322.64)
19	Other Comprehensive Income attributable to :				
	(a) Owners of the Parent	1.40	(13.13)	52.84	53.09
	(b) Non Controlling Interest	0.11	0.10	0.05	0.48
		1.51	(13.03)	52.89	53.57
20	Total Comprehensive Income attributable to :				
	(a) Owners of the Parent	300.55	(3,314.13)	302.98	(2,373.73)
	(b) Non Controlling Interest	32.91	66.65	22.17	104.66
		333.46	(3,247.48)	325.15	(2,269.07)
21	Paid up equity Share Capital (Face Value of ₹ 10/- each)	263.03	263.03	263.03	263.03
22	Other Equity				13,912.71
23	Earnings Per Equity Share (in ₹) (face value of ₹ 10 each) (not annualised for the quarter)				
a)	Earnings Per Equity Share (for continuing operation) :				
	Basic & Diluted	11.39	(123.62)	3.93	(242.65)
b)	Earnings Per Equity Share (for discontinued operation) :				
	Basic & Diluted	(0.02)	(1.90)	5.58	150.37
c)	Earnings Per Equity Share (for discontinued and continuing operation) :				
	Basic & Diluted	11.37	(125.52)	9.51	(92.28)
d)	Earnings Per Equity Share (before effect of withdrawal from scheme) :				
	Basic & Diluted	11.52	(386.12)	12.02	(349.34)
e)	Earnings Per Equity Share (before regulatory activities) :				
	Basic & Diluted	11.16	(136.65)	18.11	(88.53)

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Consolidated Segment-wise Revenue, Results and Capital Employed

(₹ crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-06-2019 (Unaudited)	31-03-2019 (Unaudited)	30-06-2018 (Unaudited) *	31-03-2019 (Audited)
1	Segment Revenue				
	- Power Business	4,731.98	3,480.21	4,451.08	16,299.57
	- Engineering and Construction Business	354.87	419.02	344.86	1,329.44
	- Infrastructure Business	385.40	378.27	351.53	1,446.74
	Total	5,472.25	4,277.50	5,147.47	19,075.75
	Less: Inter Segment Revenue	-	-	-	-
	Net Sales / Income from Continuing Operations (Including Regulatory Income /(Expense))	5,472.25	4,277.50	5,147.47	19,075.75
2	Segment Results				
	Profit before Interest, Tax, Share in Associates, Joint Venture and Non Controlling Interest from each segment:				
	- Power Business	701.87	740.12	517.51	2,488.82
	- Engineering and Construction Business	26.13	59.89	24.60	182.89
	- Infrastructure Business	130.47	86.83	126.32	471.52
	Total	858.47	886.84	668.43	3,143.23
	- Finance Costs	(595.27)	(533.32)	(745.44)	(2,581.06)
	- Late Payment Surcharge	(471.34)	(455.72)	(489.61)	(1,890.79)
	- Interest Income	294.20	321.10	556.85	1,612.84
	- Exceptional Item - Unallocable segment	-	(1,865.06)	-	(6,065.06)
	- Other un-allocable Income net of expenditure	227.86	(190.78)	(105.30)	648.29
	Profit before Tax from Continuing Operations	313.92	(1,836.94)	(115.07)	(5,132.55)
3	Segment Assets				
	Power Business	29,163.40	27,720.62	28,265.19	27,720.62
	Engineering and Construction Business	5,292.96	5,337.31	4,950.83	5,337.31
	Infrastructure Business	17,683.11	19,235.33	19,178.06	19,235.33
	Unallocated Assets	16,000.15	16,089.90	30,696.70	16,089.90
	Total Assets of Continuing Operations	68,139.62	68,383.16	83,090.78	68,383.16
	Assets of Discontinued Operations	1,559.31	-	18,431.53	-
	Total Assets of Continuing and Discontinued Operations	69,698.92	68,383.16	101,522.31	68,383.16
4	Segment Liabilities				
	Power Business	22,302.07	20,983.40	21,551.94	20,983.40
	Engineering and Construction Business	4,717.91	4,666.74	4,696.67	4,666.74
	Infrastructure Business	4,449.33	4,979.72	4,866.60	4,979.72
	Unallocated Liabilities	23,123.70	23,577.56	28,715.85	23,577.56
	Total Liabilities of Continuing Operations	54,593.01	54,207.42	59,831.06	54,207.42
	Liabilities of Discontinued Operations	1,198.33	-	17,082.16	-
	Total Liabilities of Continuing and Discontinued Operations	55,791.33	54,207.42	76,913.22	54,207.42

* As restated refer note 18

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Notes:

1. The Consolidated Financial Results of Reliance Infrastructure Limited (the Parent Company), its subsidiaries (together referred to as the "Group"),associates and joint ventures have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. Pursuant to the Scheme of Amalgamation of Reliance Infraprojects Limited with the Parent Company, sanctioned by the Hon'ble High Court of Judicature at Bombay on March 30, 2011, net foreign exchange gain of ₹ 3.80 crore for the quarter ended June 30, 2019 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 profit before tax for the quarter would have been higher by ₹ 3.80 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 their report as an emphasis of matter.

3. Other Income during the quarter includes ₹ 273 crore in respect of regulatory assets of erstwhile Mumbai Power Business of the Parent Company.

4. The dispute between Delhi Airport Metro Express Private Limited (DAMEPL), a subsidiary of the Parent Company and Delhi Metro Rail Corporation (DMRC) was referred to arbitration tribunal, which vide its order dated May 11, 2017, granted arbitration award in favour of DAMEPL of ₹ 4,662.59 crore on the date of the Award the Award being inter alia in consideration of DAMEPL transferring the ownership of the Metro Rail to DMRC who has taken over the same. The Award was upheld by a Single Judge of Hon'ble Delhi High Court vide its order dated March 06, 2018. However it was set aside by the Division Bench of Hon'ble Delhi High Court vide it's Judgement dated January 15, 2019. DAMEPL has filed Special Leave Petition (SLP) before the Hon'ble Supreme Court against the said Judgement of Division Bench of Hon'ble Delhi High Court. Hon'ble Supreme Court, while hearing the Interlocutory Application seeking interim relief, on April 22, 2019 has directed that DAMEPL's accounts shall not be declared as NPA till further orders and directed listing of the SLP for hearing on July 23, 2019 and the same was adjourned to August 20, 2019. 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, DAMEPL has continued to prepare the financial statements on going concern basis.

5. Reliance Naval and Engineering Limited (an associate of the Parent Company) primarily is in the business of Ship Building and Ship Construction. For last few years there is a downtrend in the shipbuilding industry globally and no new orders in commercial ship building and oil & gas sectors are coming to Indian Shipyards, since it is economically unviable. In Indian defence sector also the process of awarding contract has been deferred in respect of many large orders for variety of reasons. This lack of new orders has led to the significant reduction in the Company's current level of operations as compared to its capacity.

   The lack of new orders, losses in the operations, erosion of net worth and calling back of loans by the secured lenders has resulted into financial constraints on the Company. Additionally two of the secured financial creditors and few operational creditors have applied before the NCLT Ahmadabad for the debt resolution under the Insolvency and Bankruptcy Code, 2016 (IBC), none of which has been admitted so far. The Company is endeavoring with the lenders to achieve debt resolution in terms of the RBI circular dated June 07, 2019 and continues to prepare its accounts on a going concern basis.

   Since, entire investment in RNaval has been written off in previous year, there is be no impact of RNaval's account on Group's financial results during the quarter.

6. Certain subsidiaries and associates have continued to prepare the financial statements on a going concern basis. The details thereof together with the reasons for the going concern basis of preparation of the respective financial statements are summarised below on the basis of the related disclosures made in the separate financial statements of such subsidiaries and associates:

   a) In respect of Mumbai Metro One Private Limited (MMOPL), a subsidiary of the Parent Company, the net worth has eroded and as at the year end, its current liabilities exceeded its current assets. MMOPL is taking a number of steps to improve overall commercial viability which will result in an improvement in cash flows and enable the Company to meet its financial obligations. It has shown year-on-year growth in passenger traffic and the revenues of the Company have been sufficient to recover its operating costs and the EBITA (Earnings before Interest, Tax and Amortization) has been positive since commencement of operations. Additionally, the overall infrastructure facility has a long useful life and the remaining period of concession is approximately 25 years. MMOPL is also in active negotiations with its bankers for restructuring of their loans.The banks have signed Inter Creditor Agreement (ICA) on July 06, 2019 to initiate resolution of its loans by considering debt resolution plan proposed by MMOPL. The Parent Company has confirmed to provide necessary support to enable MMOPL to operate as a going concern and accordingly, the financial statements of MMOPL have been prepared on a going concern basis.

b) In case of GF Toll Road Private Limited (GFTR), due to its inability to pay the overdue amount of Rupee Term Loan instalments and have been classified as a Non Performing Asset (NPA) by the consortium lenders. The consortium lenders have stopped charging monthly interest amount with effect from the date of classifying the account as NPA. However, GFTR has been regular in paying the monthly interest amount on accrual basis. GFTR is under discussion with the consortium lenders and has proposed a Resolution Plan (RP). The Lead Lender and the consortium are in the process of appointing Techno Economic Viability consultant for presenting RP to the consortium. In view of the above, in spite of the Loan account being classified as NPA by the lenders and the ongoing RP, the management of GFTR has continued to be prepare the financial statements as a 'Going Concern'. The auditors of GFTR have referred this matter in the "material uncertainties related to going concern" paragraph in their report.

c) In case of TK Toll Road Private Limited (TKTR) a wholly owned subsidiary of the Parent Company, as at June 30, 2019, the current liabilities of the TKTR have exceeded its current assets. TKTR is undertaking a number of steps which will result in an improvement in cash flows and enable TKTR to meet its financial obligations. There has also been improvement in the revenues of TKTR and such revenues have been sufficient to recover the operating costs and the EBITA (Earnings before Interest, Tax & Amortisation) has been positive since the commencement of the operations. Additionally, it enjoys long concession period extending upto FY 2038 and the current cash flow issues have occurred due to mismatch in the repayment schedule vis a vis the concession period.

TKTR is also in advanced stages of discussion with its lenders for restructuring of their loans and is confident that the restructuring plan would be approved. Further it has filed arbitration claims worth ₹ 1,030.37 crore, and is confident of favourable outcome, which will further improve the financial position of the TKTR. Based on the foregoing, the going concern assumption is considered to be appropriate. The auditors of TKTR have referred this matter in the "material uncertainties related to going concern" paragraph in their report.

d) In case of TD Toll Road Private Limited ("TDTR") a wholly owned subsidiary of the Parent Company, as at June 30, 2019, the current liabilities of TDTR have exceeded its current assets. TDTR is undertaking a number of steps which will result in an improvement in cash flows and enable TDTR to meet its financial obligations. There has also been improvement in the revenues of TDTR and such revenues have been sufficient to recover the operating costs and the EBITA (Earnings before Interest, Tax & Amortisation) has been positive since the commencement of the operations. Additionally, it enjoys long concession period extending upto FY 2038 and the current cash flow issues have occurred due to mismatch in the repayment schedule vis a vis the concession period. It is also in advanced stages of discussion with its lenders for restructuring of their loans and is confident that the restructuring plan would be approved. Further it has won arbitration claim worth ₹158.45 crore, which will further improve the financial position of the TDTR. Based on the foregoing, the going concern assumption is considered to be appropriate. The auditors of TDTR have referred this matter in the "material uncertainties related to going concern" paragraph in audit report. In respect of TKTR and TDTR referred above, the Parent Company has provided a guarantee in favour of the bankers to meet any shortfall in the Debt Service Reserve that these subsidiaries are required to maintain in accordance with the lending arrangements.

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e) VIPL has incurred operating loss and the current liabilities exceed its current assets. VIPL's ability to meet its obligations is dependent on uncertain events including restructuring of loans. VIPL has received favorable regulatory order from Appellate Tribunal for Electricity (APTEL) allowing recovery of coal cost in the variable charge for the period starting from commercial operation date (COD), which has been challenged by Maharashtra Electricity Regulatory Commission (MERC), however, no stay has been granted. Furthermore, VIPL is awaiting a regulatory order from MERC in its Mid-Term Review (MTR) petition allowing full recovery of coal costs in the variable charge for the period starting from COD till date and for the future period. VIPL will receive favorable dispensation in respect of recovery of coal cost either in terms of the order passed by APTEL or the change in law from MERC in its MTR petition and securitization of such receivables would provide with necessary liquidity to make the debt service current and support sustained plant operations in the near future. Pursuant to its successful participation in auction carried out by Coal India Limited under SHAKTI Policy, VIPL has received Letter of Intent for long-term supply of coal for its Unit 1. With this, both 300 MW units of VIPL have achieved long-term security of fuel supply. VIPL lenders have entered into an Inter-Creditor Agreement (ICA) for resolution of its debt in accordance with the circular dated June 7, 2019 issued by the Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets .In view of the steps taken by VIPL, accordingly, the financial statements of the VIPL have been prepared on a going concern basis.

RPower Group is confident of meeting its obligations by generating sufficient and timely cash flows through time bound monetization of gas based power plant equipments and other assets of certain subsidiaries, as also realize amount from regulatory/ arbitration claims. Notwithstanding the dependence on these uncertain events, RPower Group is confident that such cash flows would enable it to service its debt, realize its assets and discharge its liabilities in the normal course of its business. Accordingly, the consolidated financial results of RPower Group have been prepared on a going concern basis.

f) The lenders of the Parent Company have signed Inter-Creditor Agreement (ICA) pursuant to RBI circular dated June 07, 2019. During the period, there has also been a substantial reduction in the Parent Company's obligation towards the loan arrangements of the subsidiaries/associates. Notwithstanding the dependence on uncertain events including achievement of debt resolution and restructuring of loans, time bound monetisation of assets as well as favourable and timely outcome of various claims, the Group is confident that such cash flows would enable it to service its debt, realise its assets and discharge its liabilities, including devolvement of any guarantees / support to the subsidiaries and associates in the normal course of its business. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

7. The Parent Company has an investment of ₹ 4,583.28 crore as at June 30, 2019 which represents 29% shareholding in Reliance Power Limited (RPower), an associate company. Further, the Parent Company also has net recoverable amounts aggregating to Rs 1,417.56 crore from RPower as at June 30, 2019 and its current liabilities exceeded its current assets. Management had performed an impairment assessment of its investment in RPower during the year ended March 31, 2019 as required by Indian Accounting Standard 36 "Impairment of assets" /Indian Accounting Standard 109 "Financial Instruments", by considering 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 and / or management's internal evaluation. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, time that may be required to identify buyers, negotiation discounts etc. Further, management believes that the above assessment based on value in use / fair value appropriately reflects the recoverable amount of the investment as at June 30, 2019 the current market price/valuation of RPower does not reflect the fundamentals of the business and is an aberration. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on this investment and recoverable amounts.

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8. The Reliance Group of companies of which the Parent Company is a part, supported an independent company in which the Parent 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 Parent Company funded EPC Company by way of project advances, subscription to debentures and inter corporate deposits. The total exposure of the Parent Company as on June 30, 2019 was ₹ 7,336.88 crore net of provision of ₹ 3,972.17 crore and the Parent Company has also provided corporate guarantees aggregating of ₹ 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 Parent 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 partyGiven 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 Parent Company is reasonably confident that the provision will be adequate to deal with any contingency relating to recovery from the EPC Company.

9. KM Toll Road Private Limited (KMTR), a subsidiary of the Parent 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. Consequently NHAI is now liable to pay KMTR a termination payment estimated at ₹ 1205.47 crore as the termination has arisen owing to NHAI Event of Default. Pending final outcome of the notice and possible arbitration proceedings and as legally advised, the claims for the Termination Payment are considered fully enforceable and the Group is confident of recovering its entire investment in KMTR and hence, no provision for impairment on the KMTR is considered in the financial statements. The results of the KMTR are classified as Discontinued operations as per Ind AS 105 "Non Current Assets held for sale and discontinued operations". This matter has been referred to by the auditors in their report as an emphasis of matter.

10. The listed non convertible debentures of ₹ 1,101.20 crore as on June 30, 2019 are secured by way of first pari passu charge on certain fixed assets and investments. There are certain shortfalls in the security cover.

11. During the quarter ended June 30, 2019, ₹ 629.35 crore being the loss on invocation of pledge of shares of an associate of the Parent Company has been adjusted against the capital reserve/capital reserve on consolidation. According to the management of the Parent Company, this is an extremely rare circumstance where even though the value of long term strategic investment is high, the same is being disposed off at much lower value for the reasons beyond the control of the Parent Company, thereby causing the said loss to the company. Hence, being the capital loss, the same has been adjusted against the capital reserve/capital reserve on consolidation.Had such loss not been debited to capital reserve and capital reserve on consolidation, the profit before tax for the quarter would have been lower by and capital reserve and capital reserve on consolidation in aggregate would have been higher by an equivalent amount.

12. The Parent 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. The said transaction is subject to various regulatory and customary approvals 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".

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13. 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 and on March 28, 2018 for the Financial Year 2016-17 to two subsidiaries of the Parent 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 legal opinion, the impacts of such disallowances, which are subject matter of appeal, have not been considered in the computation of regulatory assets for the respective years. This matter has been referred to by the auditors in their report as an emphasis of matter.

14. NTPC Limited served notice on Delhi Discoms for regulation (suspension) of power supply on February 01, 2014 due to delay in payments. The Delhi Discoms filed a writ petition 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 (w.e.f. January 2014). The Delhi Discoms sought modification of the said order so as to allow them to pay 70% of the current dues which was allowed by Hon'ble SC in respect of Delhi Power Utilities only on May 12, 2016. In the last hearing on May 02, 2018, the Hon'ble Judge did not pronounce the judgement. Since then, both the Judges have retired. The matter shall be re-heard before another Bench. However, on April 11, 2019 new interim application have been filed by Delhi Gencos in pending contempt petitions of 2015 alleging non compliance of Supreme Court order regarding payment of current dues. Applications are yet to be listed. This matter has been referred to by the auditors in their report as an emphasis of matter.

15. 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 concluded with "direction to set aside all actions taken pursuant to the January 07, 2014 order and all acts undertaken in pursuance thereof are in-fructuous". 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 was then pending. On July 03, 2017 the Bench opined that the instant appeals need not be referred to the Constitution Bench and adjudication of the appeals should not await the outcome of the decision of the Constitution Bench. In terms of the signed order, appeals were directed to be listed for hearing on merits. Next date of hearing is not yet fixed. This matter has been referred to by the auditors in their report as an emphasis of matter.

16. Profit from Discontinued business is net of tax expenses (including Net of deferred tax) amounting to ₹ Nil, ₹ 55.45 crore, and ₹ 2.93 crore for the quarter ended June 30, 2019, March 31, 2019 and June 30, 2018 respectively and (₹ 2,238.30 crore) for the year ended March 31, 2019. The Discontinued Business Operations represents KM Toll Road Private Limited and Mumbai Power Business of the Parent Company.

17. Ind AS Transition Facilitation Group (ITFG) of Ind AS implementation Committee of the Institute of the Chartered Accountants of India (the "ICAI") has issued clarification on July 31, 2017 and has interalia made observations regarding method of estimating depreciation adopted for preparing standalone financial statements of the subsidiaries and for preparing consolidated financial statements. RPower has received opinions from reputed legal and accounting firms stating that clarification issued by ITFG will not be applicable to it, as RPower has been following different methods in subsidiaries and in Consolidated Financial Statements since inception and as required by Ind AS 101 read with Ind AS 16 has continued the methods of providing depreciation even under Ind AS regime. RPower accordingly continued to provide depreciation in its Consolidated Financial Statements by straight line method, which is different as compared to the written down value method considered appropriate by two of its subsidiaries.

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18. Rosa Power Supply Company Limited (RPSCL) and Vidarbha Industries Power Limited (VIPL) subsidiaries of RPower) have filed applications along with the revised Financial Statements for financial year 2017-18 before National Company Law Tribunal (NCLT), Mumbai Bench, which is pending for hearing. The Hon'ble Bombay High Court, has vide its order dated March 26, 2019, granted liberty to RPSCL and VIPL to revise the Financial Statements for the financial year 2017-18 and seek the approvals respectively of the NCLT under section 131 of the Companies Act, 2013. Accordingly share of Profit for the quarter ended June 30, 2018, is lower by ₹ 21.54 crore. Similarly Earning per Share (Basic/Diluted) (EPS) has been restated to ₹ 9.51 from the reported EPS of ₹ 10.33 for the same period. This matter has been referred by the auditors in their report as an emphasis of matter.

19. The Group operates in three segments, namely, Power, Engineering and Construction (E&C) and Infrastructure. Power segment comprises of generation, transmission and distribution of power at various locations. E&C 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.

20. The Group has adopted Ind AS 116, effective annual reporting period beginning on April 01, 2019 and applied the standard to its leases, retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application without making any adjustment to opening balance of retained earnings. The adoption of the standard did not have any material impact on the financial results of the Group.

21. Key standalone financial information is given below.

(₹ crore)

Particulars	Quarter ended (Unaudited)			Year ended (Audited)
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
Total Operating Income	284.26	327.96	225.40	986.08
Profit /(Loss) before Tax	323.90	(1,678.36)	15.99	(5,077.99)
Total Comprehensive Income	325.40	(1,664.13)	173.00	(907.77)

22. The figures for the previous periods have been regrouped and rearranged to make them comparable with those of current period. The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the third quarter of the respective financial year.

23. 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 13, 2019.

For and on behalf of the Board of Directors

Reliance Infrastructure Ltd.

Punit Garg

Executive Director and Chief Executive Officer

Place: Mumbai

Date: August 13, 2019

PATHAK H.D. & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI