

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.



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. Ukkraine (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.



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

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Date: July 30, 2020
Place: Mumbai