

**Auditor's Report on Consolidated Financial Results of Reliance Infrastructure Limited Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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**Auditors' Report**

**To The Board of Directors of Reliance Infrastructure Limited**

1. We have audited the accompanying statement of consolidated financial results of Reliance Infrastructure Limited ("the Parent Company") and its subsidiaries, jointly controlled entities and associate companies (together referred to as "Group") for the year ended March 31, 2016, ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statement, which are the responsibility of the Holding Company's management and has been approved by its Board of Directors have been prepared from consolidated financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The Statement, includes amounts in respect of 26 subsidiaries and 3 jointly controlled entities whose financial statements reflect total assets of ₹ 10,541.03 Crore and total revenue of ₹ 4,430.29 Crore for the year ended March 31, 2016; and one associate company included in these Statement which constitute net loss of ₹ 0.01 Crore for the year ended March 31, 2016, which have been audited by one of the joint auditors whose reports have been furnished to us and reliance has been placed by the other auditor for the purpose of this report.
4. We did not audit the financial statements of 16 subsidiaries and one jointly controlled entity included in the Statement, whose financial statements reflect total assets of ₹ 15,209.47 Crore and total revenue of ₹ 2,374.20 Crore for the year ended March 31, 2016 and 8 associate companies included in the Statement which constitute net profit of ₹ 563.84 Crore for the year ended March 31, 2016. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Statement, in so far it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies are based solely on the report of such other auditors.
5. We did not audit the financial statements of 2 subsidiaries included in the Statement, whose financial statements reflect total assets of ₹ 0.01 Crore and total revenue of ₹ Nil for the year ended March 31, 2016 and one associate company included in the Statement which constitute net loss of ₹ 48.72 Crore for the year ended March 31, 2016. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Statement, in so far it relates to the amounts and disclosures in respect to these subsidiaries and associate company is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
6. Our opinion on the Statement is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

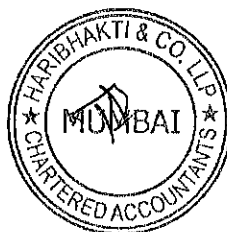


7. The Statement includes results for the quarter ended March 31, 2016 being balancing figure between audited figures in respect of full financial year and published unaudited year to date figures upto the third quarter of the current financial year i.e. December 31, 2015 which were subjected to limited review by us.
8. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 3 and 4 above, the financial results:

(i) includes the results of entities as given below:

**List of Subsidiaries**

| Sr. No.  | Name of the Company                                                                             |
|----------|-------------------------------------------------------------------------------------------------|
| <b>A</b> | <b>Subsidiaries</b>                                                                             |
| 1.       | Reliance Power Transmission Limited                                                             |
| 2.       | Reliance Airport Developers Private Limited                                                     |
| 3.       | BSES Kerala Power Limited                                                                       |
| 4.       | Mumbai Metro One Private Limited                                                                |
| 5.       | Reliance Energy Trading Limited                                                                 |
| 6.       | Parbati Koldam Transmission Company Limited                                                     |
| 7.       | DS Toll Road Limited                                                                            |
| 8.       | NK Toll Road Limited                                                                            |
| 9.       | KM Toll Road Private Limited                                                                    |
| 10.      | PS Toll Road Private Limited                                                                    |
| 11.      | HK Toll Road Private Limited                                                                    |
| 12.      | DA Toll Road Private Limited                                                                    |
| 13.      | GF Toll Road Private Limited                                                                    |
| 14.      | CBD Tower Private Limited                                                                       |
| 15.      | Reliance Electric Generation & Supply Private Limited (Formerly Tulip Realtech Private Limited) |
| 16.      | Reliance Cement Company Private Limited                                                         |
| 17.      | Reliance Cement Corporation Private Limited                                                     |
| 18.      | Reliance Sea Link One Private Limited                                                           |
| 19.      | Utility Infrastructure & Works Private Limited                                                  |
| 20.      | Reliance Smart Cities Private Limited                                                           |
| 21.      | Reliance Energy Limited                                                                         |
| 22.      | Reliance E-Generation and Management Private Limited                                            |
| 23.      | Reliance Defence Limited                                                                        |
| <b>B</b> | <b>Step Down Subsidiaries</b>                                                                   |
| 1.       | North Karanpura Transmission Company Limited                                                    |
| 2.       | Talcher II Transmission Company Limited                                                         |
| 3.       | Latur Airport Private Limited                                                                   |
| 4.       | Baramati Airport Private Limited                                                                |
| 5.       | Nanded Airport Private Limited                                                                  |
| 6.       | Yavatmal Airport Private Limited                                                                |
| 7.       | Osmanabad Airport Private Limited                                                               |
| 8.       | Reliance Concrete Private Limited                                                               |
| 9.       | Reliance Defence & Aerospace Private Limited                                                    |
| 10.      | Reliance Defence Technologies Private Limited                                                   |
| 11.      | Reliance SED Limited                                                                            |
| 12.      | Reliance Propulsion Systems Limited                                                             |
| 13.      | Reliance Space Limited                                                                          |



|     |                                         |
|-----|-----------------------------------------|
| 14. | Reliance Defence Infrastructure Limited |
| 15. | Reliance Helicopters Limited            |
| 16. | Reliance Land Systems Limited           |
| 17. | Reliance Naval Systems Limited          |
| 18. | Reliance Unmanned Systems Limited       |
| 19. | Reliance Aerostructure Limited          |
| 20. | Reliance Defence System Private Limited |
| 21. | Reliance Defence Ventures Limited       |

#### List of Associates

| Sr. No. | Name of the Company                                                                                                   |
|---------|-----------------------------------------------------------------------------------------------------------------------|
| 1.      | Reliance Power Limited                                                                                                |
| 2.      | Reliance Defence and Engineering Limited (Formerly known as Pipavav Defence and Offshore Engineering Company Limited) |
| 3.      | Reliance Geothermal Power Private Limited                                                                             |
| 4.      | JR Toll Road Private Limited                                                                                          |
| 5.      | Mumbai Metro Transport Private Limited                                                                                |
| 6.      | Delhi Airport Metro Express Private Limited                                                                           |
| 7.      | Metro One Operation Private Limited                                                                                   |
| 8.      | SU Toll Road Private Limited                                                                                          |
| 9.      | TD Toll Road Private Limited                                                                                          |
| 10.     | TK Toll Road Private Limited                                                                                          |

#### List of Joint Ventures

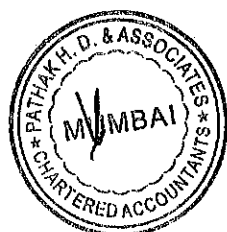
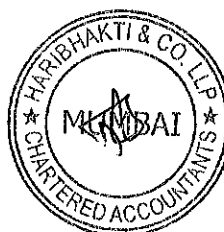
| Sr. No. | Name of the Company         |
|---------|-----------------------------|
| 1.      | BSES Rajdhani Power Limited |
| 2.      | BSES Yamuna Power Limited   |
| 3.      | TICAPCO Limited             |
| 4.      | Utility Powertech Limited   |

(ii) have been presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view of the consolidated net profit and other financial information of the Group for the year ended March 31, 2016.

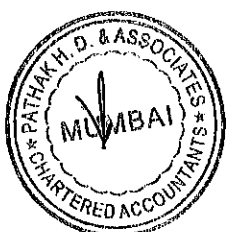
9. We draw attention to:

- a. Note 2(b) of the Statement regarding the Scheme of Amalgamation ('the Scheme') between Reliance Infraprojects Limited (wholly owned subsidiary of the Parent Company) and the Parent Company sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 30, 2011, wherein the Parent Company, as determined by the Board of Directors, is permitted to adjust foreign exchange 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 Accounting Standard 5 (AS 5) "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies". The net foreign exchange loss of ₹ 242.82 Crore (net off of foreign exchange loss of ₹ 252.50 Crore attributable to finance cost) for the year ended March 31, 2016 of the Parent Company has been debited to the Consolidated 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 done, profit before tax for the



year ended March 31, 2016 would have been lower by ₹ 242.82 Crore and General Reserve would have been higher by an equivalent amount.

- b. Note 3 of the Statement detailing the accounting treatment given to the Scheme of amalgamation between Reliance Bhavnagar Power Private Limited and Reliance Infrastructure Engineers Private Limited and Reliance Jamnagar Power Private Limited (wholly owned subsidiaries of the Parent Company) and the Parent Company, sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated February 22, 2013, wherein as per the Scheme, the Parent Company is permitted to account for its Engineering, Procurement and Construction (EPC) and Contract activity without making any distinction whether the Principal [for whom the Parent Company is the contractor] is associate, subsidiary of associate or any third party. Accordingly, the Parent Company has not eliminated any part of unrealised profits for the year ended March 31, 2016 of ₹ 338.46 Crore on its EPC contracts with associates and subsidiaries of associates in its consolidated financial statements as permitted by the Scheme which overrides the relevant provisions of Accounting Standard 23 (AS-23) 'Accounting for Investments in Associates in Consolidated Financial Statements'. Had the Scheme not prescribed the above treatment, profit before tax and carrying cost of investment in associate for the year ended March 31, 2016 would have been lower by ₹ 338.46 Crore.
- c. Note no. 5 of the Statement, wherein pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Parent Company, which was subsequently amalgamated with the Holding Company w.e.f. April 1, 2013, WRTM or its successors is permitted to offset any extra ordinary / exceptional items, as determined by the Board of Directors, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Board of Directors of the Holding Company in terms of the aforesaid scheme, determined an amount of ₹ 499.53 Crore for the year ended March 31, 2016 as Exceptional items being bad debts of ₹ 143.97 Crore in respect of Goa power station and investment write off of ₹ 355.56 Crore in Delhi Airport Metro Express Private Limited which have been debited in the Consolidated Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, profit before tax for the year ended March 31, 2016 would have been lower by ₹ 499.53 Crore and General Reserve would have been higher by an equivalent amount.
- d. Note 13 of the Statement regarding termination of Concession Agreement by Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the Parent Company with Delhi Metro Rail Corporation (DMRC) for reasons stated therein. The matter is sub-judice and the ultimate recovery of the investment of the Parent Company of ₹ 2,060.86 Crore in DAMEPL is dependent upon the outcome of the arbitration proceedings. The net amount outstanding in books of account as on March 31, 2016 is ₹ 18.00 Crore.
- e. We draw attention to the following matters to which the statutory auditors of two jointly controlled entities of the Parent Company viz. BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) have drawn Emphasis of Matter in their audit reports:
- i.) Note 10 of the Statement with regard to DERC Tariff Order received by BRPL and BYPL wherein revenue gap upto March 31, 2014 has been trued up with certain disallowances. BRPL and BYPL have preferred an appeal before APTEL on the above disallowance and based on legal opinion, no impact of such disallowance, which is subject matter of appeal, has been considered.
- ii.) Note 11 of the Statement regarding dues payable to NTPC and other Generator by BRPL and BYPL for which matter is pending before Hon'ble Supreme Court.



iii.) Note 12 of the Statement relating to status of audit of BRPL and BYPL conducted by the Comptroller and Auditor General of India.

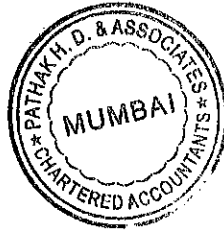
Our opinion is not modified in respect of above matters.

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No: 107783W

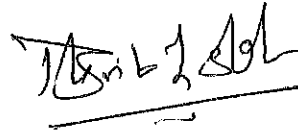


**Vishal D. Shah**  
Partner  
Membership No. 119303

Place: Mumbai  
Date: May 28, 2016



**For Haribhakti & Co. LLP**  
Chartered Accountants  
Firm Registration No: 103523W



**Bhavik L. Shah**  
Partner  
Membership No. 122071

Place: Mumbai  
Date: May 28, 2016



**Auditor's Report on Standalone Financial Results of Reliance Infrastructure Limited Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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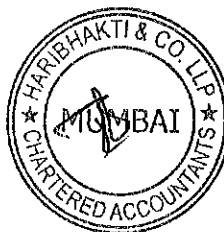
**Auditors' Report**

**To the Board of Directors of Reliance Infrastructure Limited**

1. We have audited the accompanying statement of standalone financial results of Reliance Infrastructure Limited ("the Company") for the year ended March 31, 2016, ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statement, which are the responsibility of the Company's management and has been approved by its Board of Directors have been prepared from standalone financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The Statement includes results for the quarter ended March 31, 2016 being balancing figure between audited figures in respect of full financial year and published unaudited year to date figures upto the third quarter of the current financial year i.e. December 31, 2015 which were subjected to limited review by us.
4. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 ad Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) give a true and fair view of the net profit and other financial information of the Company for the year ended March 31, 2016.

We draw attention to:

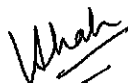
- a. Note 2(b) of the Statement regarding the Scheme of Amalgamation ('the Scheme') between Reliance Infraprojects Limited (wholly owned subsidiary of the Company) and the Company sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated March 30, 2011, wherein the Company, as determined by the Board of Directors, is permitted to adjust foreign exchange 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 Accounting Standard 5 (AS 5) "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies". The net foreign exchange loss of ₹ 242.82 Crore (net off of foreign exchange loss of ₹ 252.50 Crore attributable to finance cost) for the year ended March 31, 2016 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 done, profit before tax for the year ended March 31, 2016 would have been lower by ₹ 242.82 Crore and General Reserve would have been higher by an equivalent amount.



- b. Note no. 5 of the Statement, wherein pursuant to the Scheme of amalgamation of Reliance Cement Works Private Limited with Western Region Transmission (Maharashtra) Private Limited (WRTM), wholly owned subsidiary of the Company, which was subsequently amalgamated with the Company w.e.f. April 1, 2013, WRTM or its successors is permitted to offset any extra ordinary / exceptional items, as determined by the Board of Directors, debited in the Statement of Profit and Loss by a corresponding withdrawal from General Reserve, which override the relevant provisions of Accounting Standard 5 (AS-5) 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies'. The Board of Directors of the Company in terms of the aforesaid scheme, determined an amount of ₹ 948.62 Crore for the year ended March 31, 2016 as Exceptional items being bad debts of ₹ 143.97 Crore in respect of Goa power station and investment write off of ₹ 804.65 Crore comprising of ₹ 355.56 Crore of Delhi Airport Metro Express Private Limited, ₹ 305 Crore of Mumbai Metro One Private Limited and ₹ 144.09 Crore of GF Toll Road Private Limited, which have been debited in the Statement of Profit and Loss and an equivalent amount has been withdrawn from General Reserve. Had such withdrawal not been done, profit before tax for the year ended March 31, 2016 would have been lower by ₹ 948.62 Crore and General Reserve would have been higher by an equivalent amount.
- c. Note 7 of the Statement regarding termination of Concession Agreement by Delhi Airport Metro Express Private Limited (DAMEPL), a SPV of the Company with Delhi Metro Rail Corporation (DMRC) for reasons stated therein. The matter is sub-judice and the ultimate recovery of the investment of the Company of ₹ 2,060.86 Crore in DAMEPL is dependent upon the outcome of the arbitration proceedings. The net amount outstanding in books of account as on March 31, 2016 is ₹ 447.10 Crore.

Our opinion is not modified in respect of above matters.

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm Registration No: 107783W

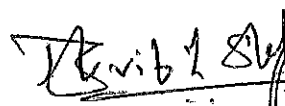


**Vishal D. Shah**  
Partner  
Membership No. 119303



Place : Mumbai  
Date : May 28, 2016

**For Haribhakti & Co. LLP**  
Chartered Accountants  
Firm Registration No: 103523W



**Bhavik L. Shah**  
Partner  
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Place : Mumbai  
Date : May 28, 2016