



**Reliance Communications Limited**  
Dhirubhai Ambani Knowledge City  
Navi Mumbai - 400 710, India

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June 26, 2021

**The General Manager**  
**Corporate Relationship Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001  
**BSE Scrip Code: 532712**

**The Manager**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C/1, Block G  
Bandra - Kurla Complex, Bandra (East)  
Mumbai 400 051  
**NSE Symbol: RCOM**

Dear Sir/Madam,

**Sub: Statement of Audited (Standalone and Consolidated) Financial Results for the quarter and financial year ended on March 31, 2021**

In furtherance of the letter dated June 19, 2021, Reliance Communications Limited (the "**Company**") hereby informs you that the Directors of the Company have at the meeting held today i.e. on June 26, 2021, *inter alia*, considered and approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2021.

In accordance with Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following are herewith enclosed:

- a. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2021;
- b. Auditors' Report on the Audited Standalone and Consolidated Financial Results; and
- c. Statement showing impact of audit qualifications in specified format.

Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in the resolution professional of the Company, Mr. Anish Niranjana Nanavaty ("**RP**"), the aforesaid meeting of the Directors was chaired by the RP who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2021.

The above-mentioned meeting of the Directors of the Company commenced at 12.45 P.M. and concluded at 8.00 P.M.

This is for your information and records.

Yours faithfully,  
For **Reliance Communications Limited**

**Rakesh Gupta**  
**Company Secretary**

*(Reliance Communications Limited is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016. With effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in, the Resolution Professional, Mr. Anish Niranjana Nanavaty, appointed by Hon'ble National Company Law Tribunal, Mumbai Bench, vide order dated June 21, 2019 which was published on the website of the Hon'ble National Company Law Tribunal, Mumbai Bench on June 28, 2019).*

**Registered Office:**

Reliance Communications Limited. H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710  
CIN No.: L45309MH2004PLC147531

**Independent Auditor's Report on the Audited standalone financial results of Reliance Communications Limited for the quarter and year ended March 31, 2021 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

To

**The Board of Directors / Resolution Professional (RP) of Reliance Communications Limited**

**Report on the audit of the Standalone Financial Results**

**Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)**

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Reliance Communications Limited and appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

### **Qualified Opinion**

We have audited the accompanying standalone financial results of Reliance Communications Limited ('the Company') for the quarter and year ended March 31, 2021 ('the standalone financial results') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matters described in Basis for Qualified Opinion section of our report, these standalone financial results-

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, and other comprehensive loss and other financial information for the quarter and year ended March 31, 2021.

### **Basis for Qualified Opinion**

- a. We draw attention to Note no. 3 & 5 of the standalone financial results, "Assets Held for Sale (AHS)" regarding Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs) alongwith liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of fair value of Assets Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non-Current



Assets Held for Sale and Discontinued Operations”. Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter and year ended March 2021.

- b. We draw attention to Note no. 4 of the standalone financial results regarding admission of the Company and its four subsidiaries into Corporate Insolvency Resolution Process (“CIRP”), and pending determination of obligations and liabilities with regard to various claims submitted by the Operational/financial/other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact there of pending reconciliation and determination of final obligation. The Company accordingly has not provided interest on borrowings amounting to Rs. 991 crore & Rs. 3,916 crore for the quarter and year ended March 31, 2021 respectively and Rs. 11,174 crore upto the previous financial year calculated based on basic rate of interest as per terms of loan. The Company further has not provided for foreign exchange gain / (loss) amounting to Rs. (8) crore and Rs. 515 crore for the quarter and year ended March 31, 2021 respectively and Rs. 2,116 crore of foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the quarter & year ended March 31, 2021 would have been higher by Rs. 999 crore and Rs. 3,401 crore respectively and Net worth of the Company would have been lower by Rs. 16,691 crore as at March 31, 2021 and Rs.13,290 crore as at March 31, 2020. Non provision of interest and non recognition of foreign exchange variation is not in compliance with Ind AS 23 “Borrowing Costs” and Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” respectively.
- c. We draw attention to Note no. 3 of the standalone financial results, regarding pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying under Goods & Service Tax) & liabilities and non provision for impairment of carrying value of the assets and write back of liabilities if any, pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended March 31, 2021. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 “Financial Instruments”, Ind AS 36 “Impairment of Assets” and Ind AS 37 “Provisions, Contingent Liabilities & Contingent Assets”.
- d. We draw attention to Note no. 14 of the standalone financial results, regarding non adoption of Ind AS 116 “Leases” effective from April 1, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
- e. We draw attention to Note no 3 of the standalone financial results, regarding continuous losses incurred by the Company, current liabilities exceeding its current assets, default in repayment of borrowings and default in payment of regulatory and statutory dues. This situation indicates that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management’s use of the going concern basis of accounting in the preparation of the standalone financial results, in view of ongoing CIRP, the outcome of which cannot be presently ascertained.



The Net worth of the Company excludes the effect of qualification under (a), (c), (d) and (e) above, which are non-quantifiable as referred therein.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion.

#### **Emphasis of Matter Paragraph**

- a. We draw attention to Note no. 7 of the standalone financial results, regarding provision of license fee and spectrum usage charges based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter
- b. We draw attention to Note no. 19 of the standalone financial results, as regards to the management's evaluation of impact of COVID - 19 on the future performance of the Company. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of above matters

#### **Management's Responsibilities for the Standalone Financial Results**

The standalone financial results, which is the responsibility of the Company's Management is relied upon by the Resolution Professional based on the assistance provided by the Directors and taken on record by the Resolution Professional as fully described in Note no. 1 of the standalone financial results, has been prepared on the basis of standalone financial statements. The Company's Management are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial results, the Directors/Resolution Professional are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors/Resolution Professional either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors / Resolution Professional is also responsible for overseeing the Company's financial reporting process read together with Note no. 1 of standalone financial results.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors / Resolution Professional.
- Conclude on the appropriateness of the Board of Directors / Resolution Professional use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

- a. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Reliance Communications Limited ("the Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the Resolution Professional ("RP") for the Corporate Debtors, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).
- b. During the previous year Reliance Communication Infrastructure Limited (RCIL) a wholly owned subsidiary of the Company, had been admitted by NCLT for resolution process under the Code and Mr. Anish Nanavaty was appointed as the Resolution Professional by the NCLT.
- c. Further, during the year Reliance Tech Services Limited (RTSL) a wholly a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 4, 2020 for resolution process under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the NCLT.
- d. As per Regulation 33 & 52 of the Listing Regulation, the standalone financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. As mentioned in Note No 1 of the standalone financial results, in view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.



- e. Attention is drawn to the fact that the figures for quarter ended March 31, 2021 and corresponding quarter ended in previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and published year- to- date figures up to the end of the third quarter of the current and previous financial year respectively. Also the figures up to the end of the third quarter for the current and previous financial year had only been reviewed as required by the Listing Regulations.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 107783W/W100593



**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALQ7547



Place: Mumbai  
Date: June 26, 2021

**Reliance Communications Limited**

website: [www.rcom.co.in](http://www.rcom.co.in)

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

CIN - L45309MH2004 PLC147531

**Standalone audited Financial Results for the Quarter and Year ended March 31, 2021**

		(Rs. in Crore)				
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	102	112	156	483	818
	(b) Other Income	-	-	-	-	-
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>102</b>	<b>112</b>	<b>156</b>	<b>483</b>	<b>818</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, Licence Fees and Network Expenses	67	79	146	415	714
	(b) Employee Benefits Expenses	17	17	2	82	105
	(c) Finance Costs	-	-	-	-	-
	(d) Depreciation and Amortisation expenses	34	34	13	132	183
	(e) Sales and General Administration Expenses	30	23	1,249	106	1,428
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>148</b>	<b>153</b>	<b>1,410</b>	<b>735</b>	<b>2,430</b>
<b>3</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]</b>	<b>(46)</b>	<b>(41)</b>	<b>(1,254)</b>	<b>(252)</b>	<b>(1,612)</b>
4	Exceptional Items (Refer Note 6)	-	-	-	-	(15,251)
<b>5</b>	<b>Profit / (Loss) before Tax [ 3 - 4 ]</b>	<b>(46)</b>	<b>(41)</b>	<b>(1,254)</b>	<b>(252)</b>	<b>(16,863)</b>
<b>6</b>	<b>Tax Expenses</b>					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax Charge/ (Credit)	-	-	-	-	-
	<b>(c) Tax Expenses (net) [ (a) to (b) ]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Profit/ (Loss) after Tax from continuing operations [ 5 - 6 ]</b>	<b>(46)</b>	<b>(41)</b>	<b>(1,254)</b>	<b>(252)</b>	<b>(16,863)</b>
8	Profit/ (Loss) before Tax and Exceptional Item from Discontinued Operations	(108)	(93)	(93)	(396)	(654)
9	Exceptional Items (Refer Note 7)					
	Provision of Liability on account of License & Spectrum fee	(1,118)	(1,078)	(1,182)	(4,241)	(27,821)
10	Profit/ (Loss) before Tax from Discontinued Operations [8-9]	(1,226)	(1,171)	(1,275)	(4,637)	(28,475)
11	Tax Expenses of Discontinued Operations	-	-	-	-	-
<b>12</b>	<b>Profit/ (Loss) after Tax from Discontinued Operations [10-11]</b>	<b>(1,226)</b>	<b>(1,171)</b>	<b>(1,275)</b>	<b>(4,637)</b>	<b>(28,475)</b>
13	Other Comprehensive Income/ (Expense) for the period / year	1	-	5	1	5
<b>14</b>	<b>Total Comprehensive Income / (loss) for the period / year [ 7+ 12 + 13 ]</b>	<b>(1,271)</b>	<b>(1,212)</b>	<b>(2,524)</b>	<b>(4,888)</b>	<b>(45,333)</b>
<b>15</b>	<b>Earnings per Share (EPS) Basic and Diluted (Rs.)</b>					
	<b>(before exceptional items) (Not annualised for the quarter ended)</b>					
	(a) Continuing Operations	(0.17)	(0.33)	(4.57)	(0.92)	(5.87)
	(b) Discontinued Operations	(0.39)	(0.39)	(0.34)	(1.44)	(2.38)
	<b>(c) Continuing Operations and Discontinued Operations</b>	<b>(0.56)</b>	<b>(0.72)</b>	<b>(4.91)</b>	<b>(2.36)</b>	<b>(8.25)</b>
	<b>(after exceptional items) (Not annualised for the quarter ended)</b>					
	(a) Continuing Operations	(0.17)	(0.33)	(4.57)	(0.92)	(61.45)
	(b) Discontinued Operations	(4.47)	(4.05)	(4.64)	(16.90)	(103.76)
	<b>(c) Continuing Operations and Discontinued Operations</b>	<b>(4.64)</b>	<b>(4.38)</b>	<b>(9.21)</b>	<b>(17.82)</b>	<b>(165.21)</b>
16	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,383	1,383	1,383
17	Debt Equity Ratio (Refer Note 13)				-	-
18	Debt Service Coverage Ratio (DSCR) (Refer Note 13)				-	-
19	Interest Service Coverage Ratio (ISCR) (Refer Note 13)				-	-



Standalone Statement of Assets and Liabilities		(Rs. in Crore)	
	Particulars	As at	As at
		31-Mar-21	31-Mar-20
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	1,364	1,484
	(b) Capital Work in Progress	100	97
	(c) Intangible Assets	5	11
	(d) Financial Assets		
	(i) Investments	7,450	7,450
	(ii) Other Financial Assets	2	2
	(e) Income Tax Asset (net) (Rs. 35,61,101)	-	261
	(g) Other Non Current Assets	699	699
	<b>Sub-total Non-Current Assets</b>	<b>9,620</b>	<b>10,004</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	28	32
	(b) Financial Assets		
	(i) Investments	4,046	4,046
	(ii) Trade Receivables	145	253
	(iii) Cash and Cash Equivalents	216	234
	(iv) Bank Balances other than (iii) above	39	40
	(v) Loans	6,545	6,556
	(vi) Other Financial Assets	211	205
	(c) Other Current Assets	4,205	4,116
	(d) Assets Held for Sale	19,731	19,731
	<b>Sub-total - Current Assets</b>	<b>35,166</b>	<b>35,213</b>
	<b>Total Assets</b>	<b>44,786</b>	<b>45,217</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	1,383	1,383
	(b) Other Equity	(39,217)	(34,329)
	<b>Total Equity</b>	<b>(37,834)</b>	<b>(32,946)</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Other Non-Current Liabilities	129	156
	(b) Provisions	3	5
	<b>Sub-total Non-Current Liabilities</b>	<b>132</b>	<b>161</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	28,340	28,340
	(ii) Trade Payables		
	Due to Micro Enterprises & Small Enterprises	34	35
	Due to Creditors other than Micro Enterprises & Small Enterprises	2,810	2,979
	(iii) Other Financial Liabilities	45,000	40,711
	(b) Other Current Liabilities	258	307
	(c) Provisions	1,217	1,217
	(d) Liabilities directly related to Assets held for Sale	4,829	4,413
	<b>Sub-total - Current Liabilities</b>	<b>82,488</b>	<b>78,002</b>
	<b>Total Equity and Liabilities</b>	<b>44,786</b>	<b>45,217</b>

Cash Flow Statement for the year ended		(Rs.in Crore)	
Sr. No.	Particulars	For the year ended	
		31-Mar-21	31-Mar-20
		Audited	Audited
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before tax from Continuing Operations	(252)	(16,858)
	Profit / (Loss) before tax from Discontinued Operations	(4,637)	(28,475)
	<b>Profit before tax -Continuing and Discontinuing Operation</b>	<b>(4,889)</b>	<b>(45,333)</b>
	Adjusted for:		
	Provision for Doubtful Debts and Advances	13	1,131
	Write off other non current assets / (Write back) of old Liabilities	-	233
	Depreciation and Amortisation Expenses	132	183
	Provision for diminution in the Value/ (profit)on fair Value of Investments	-	15,251
	Effect of change in Foreign Exchange Rate (net)	(38)	111
	Finance Costs (net)	440	397
	Interest Income	(45)	(2)
		<b>502</b>	<b>17,304</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>(4,387)</b>	<b>(28,029)</b>
	Adjusted for:		
	Receivables and Other Advances	15	215
	Inventories	4	29
	Trade Payables and Other Liabilities	4,095	27,932
		<b>4,114</b>	<b>28,176</b>
	<b>Cash Generated from Operations</b>	<b>(273)</b>	<b>147</b>
	Income Tax Refund	273	-
	Income Tax Paid	(12)	(80)
	<b>Net Cash from Operating Activities</b>	<b>(12)</b>	<b>67</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible Assets under Developments (including Creditors for Capital Expenditure and realised loss capitalised)	(9)	(8)
	Investment in Bank deposits (having original maturity for more than 3 months) (Rs. 20,00,000; Previous year Rs. Nil)	-	-
	Interest Income	3	2
	<b>Net Cash from / (Used in) Investing Activities</b>	<b>(6)</b>	<b>(6)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Net Proceeds from/ (Repayment ) of Borrowings - Current	-	5
	Finance Costs	-	(17)
	<b>Net Cash from / (used in) Financing Activities</b>	<b>-</b>	<b>(12)</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(18)</b>	<b>49</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>234</b>	<b>185</b>
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>216</b>	<b>234</b>



## Notes:

1. Pursuant to an application filed by Ericsson India Pvt. Ltd before the National Company Law Tribunal, Mumbai Bench ("**NCLT**") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("**Code**"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("**CIRP**") of Reliance Communications Limited ("**Corporate Debtor**", "**the Company**") vide its order dated May 15, 2018. The NCLT had appointed Mr. Pardeep Kumar Sethi as the interim resolution professional for the Corporate Debtor vide its order dated May 18, 2018. However, the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") by an order dated May 30, 2018 had stayed the order passed by the Hon'ble NCLT for initiating the CIRP of the Corporate Debtor and allowed the management of the Corporate Debtor to function. In accordance with the order of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi handed over the control and management of the Corporate Debtor back to the erstwhile management of the Corporate Debtor on May 30, 2018. Subsequently, by order dated April 30, 2019, the Hon'ble NCLAT allowed stay on CIRP to be vacated. On the basis of the orders of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi, wrote to the management of the Corporate Debtor on May 02, 2019 requesting the charge, operations and management of the Corporate Debtor to be handed over back to IRP. Therefore, Mr. Pardeep Kumar Sethi had in his capacity as IRP taken control and custody of the management and operations of the Corporate Debtor from May 02, 2019. Subsequently, the committee of creditors of the Corporate Debtor pursuant to its meeting held on May 30, 2019 resolved, with requisite voting share, to replace the existing interim resolution professional, i.e. Mr. Pardeep Kumar Sethi with Mr. Anish Niranjnan Nanavaty as the resolution professional for the Corporate Debtor in accordance with Section 22(2) of the Code. Subsequently, upon application by the CoC in terms of Section 22(3) of the Code, the NCLT appointed Mr. Anish Niranjnan Nanavaty as the resolution professional for the Corporate Debtor ("**RP**") vide its order dated June 21, 2019, which was published on June 28, 2019 on the website of the NCLT. Accordingly, the IRP handed over the matters pertaining to the affairs of the Corporate Debtor to the RP as on June 28, 2019 who assumed the powers of the board of directors of the Corporate Debtor and the responsibility of conducting the CIRP of the Corporate Debtor.

Further, pursuant to the meeting of the committee of creditors of the Corporate Debtor dated March 2, 2020, a resolution plan, submitted by a resolution applicant in respect of the Corporate Debtor, has been approved by the committee of creditors. The application under Section 31 of the Code filed by the RP for approval of resolution plan is currently pending adjudication before the NCLT.

With respect to the financial results for the quarter and year ended March 31, 2021, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

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- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
  - (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
  - (iii) The RP, in review of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter and year ended March 31, 2021 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial results.
  - (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
  3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) has been re-commenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries has been confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

Further, during the previous year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019.

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, has approved the resolution plan submitted by Reliance Projects and Property Management

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Services Limited, in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty has ceased to be the resolution professional of RITL, and RITL is currently under the supervision of a Monitoring Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the RA and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). The implementation of the approved resolution plan is subject to fulfillment of certain conditions precedent which is currently pending.

Certain lenders had appointed an auditor for conducting forensic audit on the affairs of the Corporate Debtor, RTL and RITL, and a forensic audit report has been purportedly issued by the auditor to such lenders (however, a copy of the report has not been provided to the relevant corporate debtors or their RP/erstwhile RP as it was a report prepared only for the benefit of the lenders). An application has been filed by Reliance Projects and Property Management Services Limited, the successful resolution applicant of RITL before the NCLT, Mumbai Bench seeking inter alia copies of the forensic audit report on the basis of which certain banks have declared the accounts of RITL (and that of the Corporate Debtor and RTL) as "fraud" in terms of the Master Directions on Frauds dated July 01, 2018 issued by the Reserve Bank of India, and other information and documents in respect thereof. RITL has not been arraigned as a party to the said application. The matter is currently sub-judice before the NCLT.

Certain applications had been filed by Doha Bank and other banks before the NCLT, Mumbai Bench challenging the constitution of the CoC of RITL basis certain corporate guarantees issued by RITL in respect of facilities availed by the Corporate Debtor, allegedly without consent of the applicant lenders. The NCLT vide order dated March 2, 2021 has partly allowed the appeal and directed "*R2 to R7 are not recognised as Financial Creditors of the Corporate Debtor. R1 (RP) is directed to re-constitute the CoC...*" An appeal has been filed by certain lenders against the order of the NCLT before NCLAT. On April 12, 2021, the NCLAT has stayed the operation of the impugned order until next date. The matter remains *sub judice* before the NCLAT.

An application had been filed by Doha Bank before the NCLT, Mumbai Bench challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of deed of hypothecation. The NCLT has, vide order dated March 2, 2021, dismissed the application. An appeal has been filed by Doha Bank against the order of the NCLT before the NCLAT, which is currently *sub judice*.

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Corporate Debtor, the Corporate Debtor and its subsidiary companies; RTL and RITL, with the permission of and on the basis of suggestions of the lenders, had entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) for monetization of certain specified assets on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). During an earlier year, the said asset sale agreements were terminated by mutual consent on account

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of various factors and developments including *inter alia* non receipt of consents from lenders and permission/ approvals from Department of Telecommunication.

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments and balances lying in Goods and Service Tax, liabilities and accordingly provide for impairment of assets and write back of liabilities, if any. The Auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2021.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) *inter alia* with the objective of running them as going concerns, the financial results continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. However, since the Corporate Debtor continues to incur loss, current liabilities exceed current assets and Corporate Debtor has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Corporate Debtor's ability to continue as a going concern. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2021.

4. Considering various factors including admission of the Corporate Debtor and its three subsidiaries; RTL RITL and RCIL to CIRP under the Code, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.

Further, prior to May 15, 2018, the Corporate Debtor was under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Corporate Debtor has not provided Interest of Rs. 991 crore and Rs. 3,916 crore calculated based on basic rate of interest as per terms of loan for the quarter and year ended March 31, 2021 respectively and foreign exchange Loss aggregating to Rs 8 crore and Gain Rs. 515 crore for the quarter and year ended March 31, 2021 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 999 crore and Rs. 3,401 crore for the quarter and year ended March 31, 2021 respectively. The Net worth of the Company as on March 31, 2021 and as on March 31, 2020 would have been lower by Rs. 16,691 crore and Rs. 13,290 crore respectively. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Audit Report for the quarter and year ended March 31, 2021. During the previous years, Interest of Rs.11,174 crore and foreign exchange loss (net) aggregating to Rs. 2,116 crore were not provided and the Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020.

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5. Assets held for sale including Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs) continue to be classified as held for sale at the value ascertained at the end of March 31, 2018, along with liabilities, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”.

In this regard it is pertinent to note that the due pertaining to the spectrum (including entire deferred payments) have been claimed by DoT and the same have been admitted by the RP, and accordingly, the dues shall be dealt with in accordance with provisions of the IBC. In accordance with the aforesaid and admission of deferred spectrum installments as claims, the Corporate Debtor and its subsidiary RTL have not paid the installments.

The financial result of discontinued operations is as under:

(Rs in crore)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Total Income	-	20	(7)	47	2
Total Expenses	108	113	86	443	656
Profit / (Loss) before Exceptional Item tax	108	(93)	(93)	(396)	(654)
Exceptional Item	(1,118)	(1,078)	(1,182)	(4,241)	(27,821)
Tax	-	-	-	-	-
Profit/ (Loss) after tax	(1,226)	(1,171)	(1,275)	(4,637)	(28,475)

Cash Flow from	31-Mar-21	31-Mar-20
- Operating activities	169	(24)
- Investing Activities	-	2
- Financing Activities	-	(12)

6. During the previous year, GCX Limited, a step down subsidiary of the Corporate Debtor, along with its subsidiaries/affiliates (collectively, “GCX”) had filed for voluntary pre-packaged restructuring under Chapter 11 of the US Bankruptcy Code before Delaware court, USA. Objections were filed on behalf of the Corporate Debtor which were not accepted by the court. The plan filed by GCX had been confirmed by the court on December 4, 2019.

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the “Effective Date” of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective). Impact on profitability is Rs. Nil and Rs. 6,250 crore for the year ended March 31,

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2021 and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items.

Pursuant to the order dated February 25, 2020, the court had granted a motion filed by GCX Limited along with the other debtors aimed at addressing the issues they have been having in completing the steps to make their plan effective *inter alia* seeking approval for process whereby a bifurcation had been created wherein debtors not requiring regulatory approvals could complete their processes and arrive at effective date, while others could wait for occurrence of their effective date upon fulfillment of regulatory approvals. Accordingly, on April 14, 2020, a notice has been issued intimating occurrence of "Effective Date" of certain "non-regulated debtors" while the "*Effective Date of the Plan with respect to Debtors GCX Limited, FLAG Telecom Network USA Limited, Reliance Globalcom Limited, and Vanco US, LLC (collectively, the "Regulated Debtors") is expected to occur at a later date*". The court confirmed the aforesaid and entered order on April 21, 2020.

A notice of occurrence of Effective Date for the Regulated Debtors dated December 31, 2020 has been issued by counsel to GCX (and served on Corporate Debtor). The said notice *inter alia* provides that the Effective Date of the Plan for the Regulated Debtors has occurred on December 31, 2020.

In light of the aforesaid development, the Plan having now being effective in respect of the Regulated Debtors and the Non-Regulated Debtors, the Corporate Debtor has been divested of its indirect equity interest in GCX and there is no impact on the financial results of the Corporate Debtor.

7. The Hon'ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license

On September 01, 2020, the Supreme Court pronounced the judgment in the AGR matter ("**SC Judgement**"). It has framed various questions in respect of companies under insolvency and in respect of such questions, the Court has held that the same should be decided first by the NCLT by a reasoned order within 2 months, and that it has not gone into the merits in this decision.

The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgment. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court, which are currently *sub judice*. Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that

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DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor has not received any such demand in this regard till date.

The DoT had during the pendency of the various proceedings simultaneously directed Special Audit in relation to the computation of License fee, Spectrum fee, applicable interest and penalties thereon, which is under progress for the financial year 2015-16 onwards. In this regard, the Corporate Debtor had provided for estimated liability aggregating to Rs. 27,821 crore up to the previous year ended March 31, 2020 and has provided additional charge of Rs. 1,118 crore and Rs. 4,241 crore during the quarter and year ended March 31, 2021 respectively and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings). This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2021.

8. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on March 31, 2021 are secured by way of first pari passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of Rs. 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.

9. Additional details as required in relation to Non Convertible Debentures (NCDs):

<b>Nature of Instruments</b>	<b>11.20% NCDs</b>	<b>11.25% NCDs</b>
Amount outstanding (Rs in crore)	3,000	750
Previous due date for Principal Repayment and whether paid	01.03.2019 unpaid	07.02.2019 unpaid
Previous due date for payment of Interest	01.03.2019	07.02.2019
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	Not Applicable	Not Applicable

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Credit Rating and change in credit rating, if any	ICRA D earlier ICRA BB	CARE D earlier CARE BB
Due Date for Principal Repayment	Rs. 3,000 crore on 01.03.2019 (Unpaid)	Rs. 375 crore each on 07.02.2018 and 07.02.2019 (Unpaid)
Interest Unpaid up to March 31, 2021 (Rs in crore)	1,343	336

10. Debenture Redemption Reserve (DRR) : Rs 590 crore as on March 31, 2021
11. Net worth: (-) Rs. 39,231 crore, as on March 31, 2021  
Includes Rs. 5,538 crore created pursuant to the Scheme of Amalgamation approved by Hon'ble High courts which shall for all regulatory purposes be considered to be part of owned funds of the Company. The above Net worth is without considering the impact of the above qualification given by the auditors in their audit report.
12. Figures for the quarter ended March 31, 2021 and March 31, 2020 are balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial years.
13. Formula used for the computation of ratios:
  - i) Debt Equity Ratio = Debt/ Equity;
  - ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax/ (Interest + Principal repayment);
  - iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax/ (Interest expense).
14. The Corporate Debtor where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2021.
15. Disclosure as per Ind AS 108 "Operating Segments" is reported in consolidated financial results of the Company. Therefore, the same has not been separately disclosed in line with the provisions of Ind AS.
16. During the year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. The resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL. The necessary effect in the financial statements of RTSL and the consequential impact in the

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financial statements of the Corporate Debtor will be given basis the decision of the NCLT on the application.

17. Provision for Income Tax (Normal Tax/Minimum Alternative Tax) has been calculated as per Income tax Act 1961 after adjusting carried forward losses, write off of earlier years provisions.
18. It is hereby declared that the Auditors have issued audit reports with qualification on the annual audited standalone financial result for the year ended March 31, 2021. Impact of the qualification is given in Annexure 1.
19. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. COVID-19 has impacted businesses globally and in India. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. The Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown.

The Corporate Debtor has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government of India, various state governments and local bodies to ensure safety of workforce across all its offices.

Further, the resurgence had led to imposition of various restrictions and lockdowns in various states. Accordingly, there exists uncertainty over the impact of the pandemic on future business performance of the Corporate Debtor, and the extent of effect of the pandemic will depend, among other things, on any action to contain its spread or mitigate its impact, whether government mandated or elected by the Corporate Debtor. However, in view of telecommunication services being considered as essential activity, the Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown and the Corporate Debtor has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID19.

As the Corporate Debtor is undergoing CIRP, it is relevant to note that the period of lockdown has been exempted from the calculation of the timeline of CIRP as per the order of the NCLAT in *Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020* dated March 30, 2020. This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2021.

20. The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on

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Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016 (“Circular”) and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited (“RITL”) and Reliance Telecom Limited (“RTL”) being fraudulent in terms of the Circular.

The Corporate Debtor, RITL and RTL have been represented through their advocates and accepted notice in the petitions. The respective respondent-banks have been directed, on various dates of hearing, to maintain status quo until the next date of hearing by the High Court. The said petitions have been listed on various dates and are presently sub judice before the Hon’ble High Court of Delhi. Since the matter is pending before the Hon’ble High Court of Delhi, presently there is no impact of such declaration by the banks, in the standalone financial results.

21. During the year ended March 31, 2021 and subsequent to the year end, a bank has served notice intimating about the classification of the Corporate Debtor and certain directors as willful defaulters in terms of applicable RBI regulations. The Corporate Debtor has responded back to the bank highlighting that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 (Code) and requested the bank to withdraw the notice of classification as a willful defaulter. No further response has been received by the bank since then.

Further, during quarter ended March 31, 2021, a bank has issued show cause notice to the Corporate Debtor and certain subsidiaries and certain directors seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. The Corporate Debtor and its subsidiaries have responded to the show cause notice. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a wilful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the bank to withdraw the notice. No further response has been received by the bank since then. Since the matter is pending before the banks, presently there is no impact of such notices issued by banks, in the standalone financial results.

22. The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Corporate Debtor will assess the impact once the subject rules under the Code are notified and will give appropriate impact in the financial statements when the Code becomes effective.

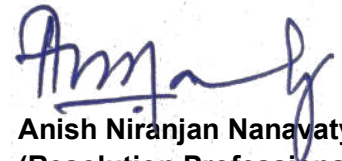
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23. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors. The Statutory Auditors have done Audit of the Financial Results for the quarter and year ended March 31, 2021.

**For Reliance Communications Limited**



**Anish Niranjana Nanavaty  
(Resolution Professional)**



**Viswanath Devaraja Rao  
(Executive Director and Chief Financial Officer)**

Place: Mumbai  
Date: June 26, 2021

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# RELIANCE

## ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

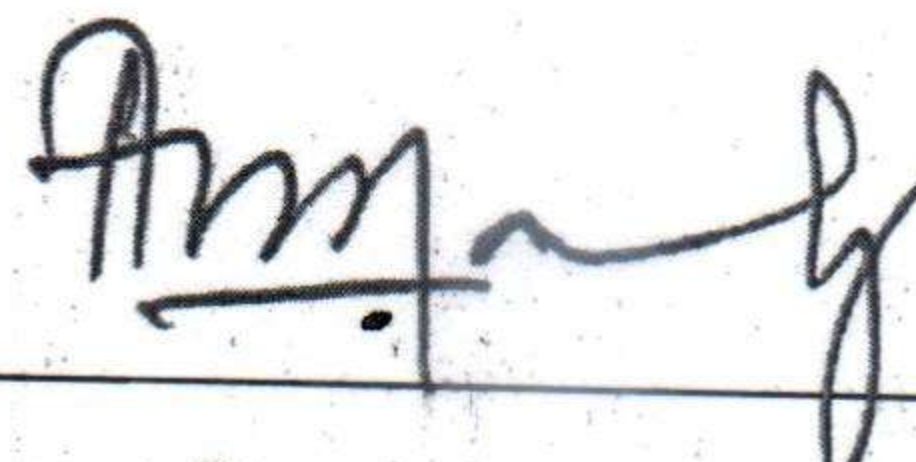


I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	483	483
	2	Total Expenditure	735	735
	3	Net Profit/(Loss) before Exceptional items	(252)	(252)
	4	Exceptional Item (Refer Note 5 & 7 above)	-	-
	5	Net Profit/(Loss) after Exceptional items	(252)	(252)
	6	Net Profit / (Loss) from Discontinued Operations	(4,637)	(8,038)
	7	Earnings Per Share (Rs.)	(17.82)	(30.21)
	8	Total Assets	44,786	44,786
	9	Total Liabilities	82,620	99,311
	10	Net worth	(37,834)	(54,525)
	11	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	Non Provision of Interest and Foreign Exchange variation (Refer Note 4)	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Fourth time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is not ascertainable as the Company is under IBC and CIR process initiated	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	Impairment review of tangible and intangible assets, assets held for sale, investments and other assets and reconciliation of credits relating to GST and TDS, Going concern (Refer Note 3 and 5), Lease (Refer Note 14)	

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# RELIANCE

	(i) Management's estimation on the impact of audit qualification:	Impact is not ascertainable as the Company is under IBC and CIR process initiated
	(ii) If management is unable to estimate the impact, reasons for the same:	Impact is not ascertainable as the Company is under IBC and CIR process initiated
	(iii) Auditors' Comments on (i) or (ii) above:	Refer 'Basis for Qualified Opinion' in audit report read with relevant notes in the financial results, the same is self explanatory.
III	Signatories:	
	Anish Niranjana Nanavaty Resolution Professional	
	Vishwanath Devaraja Rao Executive Director and Chief Financial Officer	
	Statutory Auditor	For Pathak H. D. & Associates LLP Chartered Accountants Firm Registration No. 107783WW100593  Vishal D. Shah Partner Membership No. 119303 UDIN: 21119303AAAALS2349
	Place	Mumbai
	Date	June 26, 2021

**Registered Office:**

Reliance Communications Limited. H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710  
CIN No.: L45309MH2004PLC147531

**Independent Auditor's Report on the Audited consolidated financial results of Reliance Communications Limited for the quarter and year ended March 31, 2021 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**The Board of Directors / Resolution Professional (RP) of Reliance Communications Limited**

**Report on the Audit of Consolidated Financial Results**

**Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)**

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Reliance Communications Limited and its four subsidiaries appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

### **Qualified Opinion**

We have audited the accompanying consolidated financial results of Reliance Communications Limited ('the Holding Company') and its subsidiaries (hereinafter referred to as "Group") and its associates for the quarter and year ended March 31, 2021 ("the consolidated financial results") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

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 on separate audited financial statements/financial information of the subsidiaries and associates as referred to in Paragraph C of other matters below and except for the possible effects of the matters described in the Basis for Qualified Opinion section below of our report, the consolidated financial results:

- a. includes the financial results of entities mentioned in attached Annexure A
- b. is presented in accordance with the requirements of Regulations 33 and Regulations 52 of the Listing regulations as amended in this regard; and
- c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of consolidated net loss, total comprehensive loss (comprising of net loss and other comprehensive loss) and other financial information of the Group for the quarter and the year ended March 31, 2021.





**Basis for Qualified Opinion**

- a. We draw attention to Note no 3 & 5 of the consolidated financial results regarding, “Assets Held for Sale (AHS)” regarding Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs) alongwith liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of fair value as on the reporting date is not in compliance with Ind AS 105 “Non Current Assets Held for Sale and Discontinued Operations”. Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter and the year ended March 31, 2021.
- b. We draw attention to Note no. 4 of the consolidated financial results regarding admission of the Holding Company and its four subsidiaries into Corporate Insolvency Resolution Process (“CIRP”) and pending determination of obligations and liabilities including various claims submitted by the Operational/financial/ other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact thereof pending reconciliation and determination of final obligation. The Holding Company and some of it’s subsidiaries have not provided interest on borrowings amounting to Rs. 1,106 crore & Rs. 4,362 crore for the quarter and year ended March 31, 2021 respectively and Rs. 12,746 crore up to the previous financial year based on the basic rates of interest as per the terms of the borrowings. The Holding Company and some of its subsidiaries further has not provided for foreign exchange gain / (loss) amounting to Rs. (10) crore and Rs. 630 crore respectively for the quarter and year ended March 31, 2021 and Rs. 2,593 crore foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation gain/ (loss) as mentioned above been provided, the reported loss for the quarter and year ended March 31, 2021 would have been higher by Rs. 1,116 crore & Rs. 3,732 crore respectively and the Net worth of the Group would have been lower by Rs. 19,071 crore as at March 31, 2021 and Rs. 15,339 crore as at March 31, 2020. Non provision of interest and non recognition of foreign exchange variation (gain)/loss is not in compliance with Ind AS 23 “Borrowing Costs” and Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” respectively.
- c. We draw attention to Note no 3 and 21 of the consolidated financial results, regarding the pending comprehensive review of all assets (including investments, receivables and balances lying in Goods and Service Tax) & liabilities, impairment of goodwill on consolidation and non provision for impairment of carrying value of assets and write back of liabilities if any, has not been made in the books of account by the Group pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all other assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended March 31, 2021. Non determination of fair value of financial assets & liabilities and impairment in carrying amount of other assets & liabilities are not in compliance with Ind AS 109 “Financial Instrument”, Ind AS 36 “Impairment of Assets” and Ind AS 37 “Provisions, Contingent Liabilities & Contingent Assets”.



- d. We draw attention to Note no 15 of the consolidated financial results, regarding non adoption of Ind AS 116 i.e. "Leases" effective from April 01, 2019 and the impact thereof. The Holding Company and some of its subsidiaries have not applied Ind AS 116. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
- e. We draw attention to Note no 3, 6 & 7 of the consolidated financial results regarding termination of definitive binding agreement for monetization of assets of the Holding Company and two of its subsidiaries namely RTL & RITL and the ongoing CIRP, the outcome of which cannot be presently ascertained. Further the Holding Company's subsidiary namely Reliance Communication Infrastructure Limited (RCIL) and Reliance Tech Services Private Limited (RTSL) has also been admitted under Code with effect from September 25, 2019 and August 4, 2020 respectively. The group has continued to incur losses, its current liabilities exceed current assets and defaulted in repayment of its borrowings and payment of statutory dues. Further, auditors of material subsidiaries of the Holding Company have qualified their reports with respect to Going Concern of the company's on account of reasons mentioned above.

This situation indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The accounts, however, has been prepared by the management on a going concern basis for the reason stated in the aforesaid note. However we are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the financial results, in view of ongoing CIRP, the outcome of which cannot be presently ascertained.

- f. We draw attention to Note no. 16 of the consolidated financial results regarding unbilled revenue recognized by one of the Holding Company's subsidiary amounting to Rs. 917 Crore with respect to services provided, which has not been billed by the subsidiary for the reasons mentioned in the aforesaid note. We are unable to comment on the ultimate outcome of reconciliation and its impact on the revenue recognized during the year and in earlier years and its realisation.
- g. We draw attention to Note no. 20 of the consolidated financial results regarding non receipt of balance confirmation from balance with Industrial and Commercial bank of China in Fixed Deposit account amounting to Rs. 31.62 crore as at March 31, 2021 in respect of one of the subsidiary. Pending receipt of balance confirmation as on reporting date, we are unable to comment on the consequential impact if any, on the consolidated financial results.

The Networth of the Group excludes the effect of qualification under (a), (c), (d), (e), (f) and (g) above which are non-quantifiable as referred therein.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Results section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of

their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Emphasis of Matter Paragraph**

1. We draw attention to Note no. 8 of the consolidated financial results, regarding provision of license fee and spectrum usage charges, based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter.
2. We draw attention to Note no. 24 of the consolidated financial results, as regards to the management evaluation of impact of COVID - 19 on the future performance of the Group. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of the above matters.

#### **Board of Directors' Responsibilities for the Consolidated Financial Results**

The consolidated financial results, which is the responsibility of the Holding Company's Management and is relied upon by the Resolution Professional based on the assistance provided by the Directors and taken on record by the Resolution Professional as fully described in Note no. 1 of consolidated financial results, has been prepared on the basis of the consolidated financial statements. The Holding Company's Management are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group including its associates in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. The respective Management/Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors/Resolution Professional/Monitoring Committee of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Resolution Professional/Monitoring Committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors/Resolution Professional/Monitoring Committee of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors / Resolution Professional / Monitoring Committee.
- Conclude on the appropriateness of the Board of Directors / Resolution Professional / Monitoring Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- a. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Reliance Communications Limited ("the Holding Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the resolution professional ("RP") for the Corporate Debtor, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).
- b. Further, Pursuant to an application filed by State Bank of India before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("CIRP") of the its subsidiary namely Reliance Communications Infrastructure Limited (RCIL) ("the Company") ("Corporate Debtor") vide its order dated September 25, 2019 which has been received by the IRP (as defined hereinafter) on September 28, 2019 ("CIRP Order"). The NCLT has appointed Mr. Anish Niranjana Nanavaty as the interim resolution professional for the Holding Company ("IRP") vide the CIRP Order who has been confirmed as the resolution professional of the Company ("RP") by the committee of creditors.



- c. Further, during the year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Holding Company, has been admitted by NCLT on August 04, 2020 for CIRP under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the Hon'ble NCLT.
- d. As per Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated financial results of the Group submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Holding Company who is duly authorized by the Board of Directors to sign the consolidated financial results. As mentioned in Note no. 1 of the consolidated financial results, In view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the RP.
- e. The consolidated financial results include financial results of twelve subsidiaries considered in the preparation of the consolidated financial results, whose financial results / financial information reflect total assets of Rs. 2,344 crore, total revenues of Rs. 9 crore & Rs. 50 crore for the quarter and year ended March 31, 2021 respectively and total net profit/(loss) after tax of Rs. 12 crore and Rs. 1 crore and total comprehensive income/((loss) of Rs. 12 crore and Rs. 1 crore for the quarter and year ended March 31, 2021 respectively and net cash outflow of Rs. 1 crore for the year ended March 31, 2021 as considered in the consolidated financial results, which have been audited by the respective independent auditors. The consolidated financial results also includes financial results of 2 associates considered in the consolidated financial results, whose financial results reflect Group's share of net profit / (loss) of Rs. Nil and Rs. (1) crore for the quarter and year ended March 31, 2021 respectively which have been audited by the respective independent auditors. The independent auditors' reports on financial results / financial information of these entities and associates have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- f. The consolidated financial results include unaudited financial results of sixteen subsidiaries considered in the preparation of the consolidated financial results, whose financial results reflect total assets of Rs. 3,657 crore, total revenues of Rs. 3 crore & Rs. 14 crore for the quarter and year ended March 31, 2021 respectively and total profit/(loss) after tax of Rs. 1 crore and Rs. (3) crore and total comprehensive income/(loss) of Rs. 1 crore and Rs. (3) crore from operations for the quarter and year ended March 31, 2021 respectively and net cash outflow of Rs. 2 crore for the year ended March 31, 2021 as considered in the consolidated financial results. These unaudited financial results / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial results / financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial results / financial information are not material to the Group.

Our Opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial results certified by the respective management.



- g. Attention is drawn to the fact that the figures for the quarter ended March 31, 2021 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the end of the third quarter of current and previous financial year respectively. Also the figures upto the end of third quarter for the current and previous financial year had only been reviewed as required by Listing Regulations.

For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 107783W/W100593



**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALR7146



Date: June 26, 2021  
Place: Mumbai

**Annexure A Forming part of Audit Report on Audited Consolidated Financial Results of Reliance Communications Limited for the quarter and year ended March 31, 2021**

A.	List of Subsidiaries (including Step down subsidiaries)
<b>Sr. No.</b>	<b>Name of the Company</b>
1.	Reliance WiMax Limited
2.	Reliance Bhutan Limited
3.	Reliance Webstore Limited
4.	Campion Properties Limited
5.	Reliance Tech Services Limited
6.	Reliance Telecom Limited
7.	Reliance Communication Infrastructure Limited
8.	Globalcom IDC Limited
9.	Reliance Infratel Limited
10.	Globalcom Mobile Commerce Limited
11.	Reliance BPO Private Limited
12.	Reliance Realty Limited
13.	Reliance Globalcom B.V.
14.	Reliance Communications (UK) Limited
15.	Reliance Communications (Hong Kong) Limited
16.	Reliance Communications (Singapore) Pte. Limited
17.	Reliance Communications (New Zealand) Pte. Limited
18.	Reliance Communications (Australia) Pty Limited
19.	Anupam Global Soft (U) Limited
20.	Gateway Net Trading Pte Limited
21.	Reliance FLAG Pacific Holdings Limited
22.	Reliance Infocom Inc
23.	Reliance Communications Inc.
24.	Reliance Communications International Inc.
25.	Reliance Communications Canada Inc.
26.	Bonn Investment Inc.
27.	Reliance Communications Tamilnadu Limited
28.	Globalcom Realty Limited
29.	Worldtel Tamilnadu Private Limited
30.	Realsoft Cyber Systems Private Limited
31.	Internet Exchangenext.com Limited
32.	Largewood Investments Limited
33.	Reliance Telecom Infrastructure (Cyprus) Holding Limited
34.	Aircom Holdco B.V.
35.	Towercom Infrastructure Private Limited
36.	Reliance Infra Projects Limited
<b>B.</b>	<b>Associates:</b>
1.	Warf Telecom International Private Limited
2.	Mumbai Metro Transport Private Limited





**Reliance Communications Limited**  
website: www.rcom.co.in

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710  
CIN - L45309MH2004 PLC147531

**Audited Consolidated Financial Results for the quarter and year ended March 31, 2021**

(Rs. in Crore)						
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	177	174	257	760	1,685
	(b) Other Income	14	-	43	19	49
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>191</b>	<b>174</b>	<b>300</b>	<b>779</b>	<b>1,734</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, Licence Fees and Network Expenses	107	111	162	562	1,102
	(b) Employee Benefits Expenses	19	19	(9)	91	210
	(c) Finance Costs	12	13	6	48	62
	(d) Depreciation and Amortisation Expenses	39	40	21	154	354
	(e) Sales and General Administration Expenses	42	21	251	124	589
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>219</b>	<b>204</b>	<b>431</b>	<b>979</b>	<b>2,317</b>
<b>3</b>	<b>Profit/ (Loss) before Share of Profit/ (Loss) of Associates, Exceptional Items and Tax [ 1 (c) - 2 (f) ]</b>	<b>(28)</b>	<b>(30)</b>	<b>(131)</b>	<b>(200)</b>	<b>(583)</b>
4	Share of Profit / (Loss) of Associates	-	-	2	(1)	4
<b>5</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [ 3 + 4 ]</b>	<b>(28)</b>	<b>(30)</b>	<b>(129)</b>	<b>(201)</b>	<b>(579)</b>
6	Exceptional Items (Refer Note 6)	-	-	-	-	(10,214)
<b>7</b>	<b>Profit/ (Loss) before Tax [ 5 + 6 ]</b>	<b>(28)</b>	<b>(30)</b>	<b>(129)</b>	<b>(201)</b>	<b>(10,793)</b>
<b>8</b>	<b>Tax Expenses</b>					
	(a) Current Tax	2	4	2	15	14
	(b) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	(5)	-	-	(5)	-
	<b>(c) Tax Expenses (net) [ (a) + (b) ]</b>	<b>(3)</b>	<b>4</b>	<b>2</b>	<b>10</b>	<b>14</b>
<b>9</b>	<b>Profit/ (Loss) after Tax for the period / year [ 7 - 8 ]</b>	<b>(25)</b>	<b>(34)</b>	<b>(131)</b>	<b>(211)</b>	<b>(10,807)</b>
10	Profit/ (Loss) before Tax and Exceptional Items from Discontinued Operations	(263)	(235)	(244)	(939)	(1,142)
11	Exceptional Items relating to Discontinued Operations					
	Provision of liability on account of License and Spectrum Fee (Refer Note 8)	(1,242)	(1,199)	(1,278)	(4,713)	(30,837)
12	Profit/ (Loss) before Tax from Discontinued Operations [10-11]	(1,505)	(1,434)	(1,522)	(5,652)	(31,979)
13	Tax Expenses of Discontinued Operations	(4)	(16)	(109)	(51)	(109)
<b>14</b>	<b>Profit/ (Loss) after Tax from Discontinued Operations for the period / year [12-13]</b>	<b>(1,501)</b>	<b>(1,418)</b>	<b>(1,413)</b>	<b>(5,601)</b>	<b>(31,870)</b>
15	Other Comprehensive Income/ (Loss) for the period / year	(7)	16	(43)	41	(25)
<b>16</b>	<b>Total Comprehensive Income/ (Loss) for the period/ year [ 9 + 14 + 15 ]</b>	<b>(1,533)</b>	<b>(1,436)</b>	<b>(1,587)</b>	<b>(5,771)</b>	<b>(42,702)</b>
<b>17</b>	<b>Profit/ (Loss) for the period / year attributable to</b>					
	(a) Equity holders of the company	(1,518)	(1,446)	(1,549)	(5,791)	(42,671)
	(b) Non Controlling Interest	(8)	(6)	5	(21)	(6)
<b>18</b>	<b>Total Comprehensive Income/ (Loss) attributable to</b>					
	(a) Equity holders of the company	(1,525)	(1,430)	(1,592)	(5,750)	(42,696)
	(b) Non Controlling Interest	(8)	(6)	5	(21)	(6)
<b>19</b>	<b>Earnings per Share (EPS) (Basic and Diluted) (Rs.)</b>					
	<b>(before exceptional items) (Not annualised for the quarter ended)</b>					
	(a) Continuing Operations	(0.09)	(0.12)	(0.48)	(0.77)	(2.16)
	(b) Discontinued Operations	(0.91)	(0.78)	(0.51)	(3.16)	(3.74)
	(c) Continuing and Discontinued Operations	(1.00)	(0.90)	(0.99)	(3.93)	(5.90)
	<b>(after exceptional items) (Not annualised for the quarter)</b>					
	(a) Continuing Operations	(0.09)	(0.12)	(0.48)	(0.77)	(39.38)
	(b) Discontinued Operations	(5.44)	(5.15)	(5.17)	(20.33)	(116.11)
	(c) Continuing and Discontinued Operations	(5.53)	(5.27)	(5.65)	(21.10)	(155.49)
20	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,383	1,383	1,383
21	Debt Equity Ratio (Refer Note 14)				-	-
22	Debt Service Coverage Ratio (DSCR) (Refer Note 14)				-	-
23	Interest Service Coverage Ratio (ISCR) (Refer Note 14)				-	-

Segment wise Revenue, Results , Segment Assets and Segment Liabilities					(Rs. in Crore)	
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>					
	(a) India Operation	188	170	229	758	1,075
	(b) Global Operation	7	9	62	41	726
	<b>(c) Total [ (a) + (b) ]</b>	<b>195</b>	<b>179</b>	<b>291</b>	<b>799</b>	<b>1,801</b>
	(d) Less: Inter segment revenue	(4)	(5)	9	(20)	(67)
	<b>(e) Income from Operations [ (c) - (d) ]</b>	<b>191</b>	<b>174</b>	<b>300</b>	<b>779</b>	<b>1,734</b>
<b>2</b>	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Finance Cost from each segment					
	(a) India Operation	(14)	(16)	(159)	(142)	(477)
	(b) Global Operation	(2)	(1)	34	(10)	(44)
	<b>(c) Total [ (a) + (b) ]</b>	<b>(16)</b>	<b>(17)</b>	<b>(125)</b>	<b>(152)</b>	<b>(521)</b>
	(d) Less : Finance Costs (net)	12	13	6	48	62
	(e) Add : Exceptional Items	-	-	-	-	(10,214)
	<b>Total Profit/ (Loss) before Tax and share in Profit / (Loss) of Associates</b>	<b>(28)</b>	<b>(30)</b>	<b>(131)</b>	<b>(200)</b>	<b>(10,797)</b>
	<b>Total Profit/ (Loss) before Tax from Discontinued Operations</b>	<b>(1,505)</b>	<b>(1,434)</b>	<b>(1,522)</b>	<b>(5,652)</b>	<b>(31,979)</b>
<b>3</b>	<b>Segment Assets</b>					
	(a) India Operation	47,688	47,682	47,884	47,688	47,884
	(b) Global Operation	830	830	860	830	860
	(c) Others/ Unallocable	1,273	1,331	1,271	1,273	1,271
	(d) Inter segment Eliminations	(1,965)	(2,087)	(2,015)	(1,965)	(2,015)
	<b>(e) Total [ (a) to (d) ]</b>	<b>47,826</b>	<b>47,756</b>	<b>48,000</b>	<b>47,826</b>	<b>48,000</b>
<b>4</b>	<b>Segment Liabilities</b>					
	(a) India Operation	1,00,375	98,874	94,710	1,00,375	94,710
	(b) Global Operation	1,536	1,559	1,605	1,536	1,605
	(c) Others/ Unallocable	1,194	1,210	1,257	1,194	1,257
	(d) Inter segment Eliminations	(1,667)	(1,807)	(1,732)	(1,667)	(1,732)
	<b>(e) Total [ (a) to (d) ]</b>	<b>1,01,438</b>	<b>99,836</b>	<b>95,840</b>	<b>1,01,438</b>	<b>95,840</b>

Consolidated Statement of Assets and Liabilities

(Rs. in Crore )

	Particulars	As at	
		31-Mar-21 Audited	31-Mar-20 Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	2,078	2,222
	(b) Capital Work in Progress	196	193
	(c) Goodwill	1,470	1,472
	(d) Other Intangible Assets	13	19
	(e) Intangible Assets under Development	-	-
	(f) Financial Assets		
	(i) Investments	57	55
	(ii) Other Financial Assets	2	2
	(g) Deferred Tax Asset (net)	10	8
	(h) Income Tax Asset (net)	380	653
	(i) Other Non Current Assets	1,031	1,025
	<b>Sub-total Non-Current Assets</b>	<b>5,237</b>	<b>5,649</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	29	32
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade Receivables	448	490
	(iii) Cash and Cash Equivalents	709	442
	(iv) Bank Balances other than (iii) above	117	113
	(v) Loans	-	-
	(v) Other Financial Assets	385	386
	(c) Other Current Assets	5,580	5,567
	(d) Asset held for sale	35,321	35,321
	<b>Sub-total - Current Assets</b>	<b>42,589</b>	<b>42,351</b>
	<b>Total Assets</b>	<b>47,826</b>	<b>48,000</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	1,383	1,383
	(b) Other Equity	(55,289)	(49,539)
	<b>Equity Attributable to Shareholders</b>	<b>(53,906)</b>	<b>(48,156)</b>
	Non-Controlling Interest	294	316
	<b>Total Equity</b>	<b>(53,612)</b>	<b>(47,840)</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	463	468
	(b) Other Non-Current Liabilities	129	156
	(c) Deferred Tax Liabilities (net)	1,193	1,257
	(d) Provisions	11	12
	<b>Sub-total Non-Current Liabilities</b>	<b>1,796</b>	<b>1,893</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	30,269	30,269
	(ii) Trade Payables		
	Due to Micro Enterprises and Small Enterprises	79	80
	Due to Creditors Other than Micro Enterprises and Small Enterprises	4,027	4,103
	(iii) Other Financial Liabilities	52,943	47,909
	(b) Deferred Revenue	2,048	1,930
	(c) Other Current Liabilities	971	1,042
	(d) Income Tax Liabilities (net)	2	-
	(d) Provisions	1,466	1,466
	(e) Liabilities directly related to Assets held for Sale	7,837	7,148
	<b>Sub-total - Current Liabilities</b>	<b>99,642</b>	<b>93,947</b>
	<b>Total Equity and Liabilities</b>	<b>47,826</b>	<b>48,000</b>

## Statement of Consolidated Cash Flow for the year ended

(Rs. in Crore )

Sr	Particulars	For the Year ended	
		31-Mar-21	31-Mar-20
		Audited	Audited
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before tax from Continuing Operations	(201)	(10,793)
	Profit / (Loss) before tax from Discontinued Operations	(5,652)	(31,979)
	<b>Profit before tax -Continuing and Discontinuing Operation</b>	<b>(5,853)</b>	<b>(42,772)</b>
	Adjusted for:		
	Provision for Doubtful Debts, Loans and Advances	29	115
	Depreciation, Impairment and Amortisation	156	355
	Impact of deconsolidation of subsidiaries	-	1,250
	Provision for Impairment (net)		8,968
	Effect of change in Foreign Exchange Rate (Net)	(43)	132
	Finance Costs	769	717
	Share of Profit/ (Loss) on investment in associates	1	(4)
	Write off other non current asset/Write back of old liabilities	(8)	232
	Interest Income	(60)	(9)
		<b>844</b>	<b>11,756</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>(5,009)</b>	<b>(31,016)</b>
	Adjusted for:		
	Receivables and Other Advances	64	34
	Inventories	3	31
	Trade Payables and Other Liabilities	5,039	31,154
		<b>5,106</b>	<b>31,219</b>
	<b>Cash Generated from Operations</b>	<b>97</b>	<b>203</b>
	Income Tax Refund	312	46
	Income Tax Paid	(81)	(230)
	<b>Net Cash from Operating Activities</b>	<b>328</b>	<b>19</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible under Development (including Creditors for Capital Expenditure and realised loss capitalised)	(9)	(11)
	Investment in Bank deposits (having original maturity for more than 3 months)	(4)	-
	Interest Income	7	16
	<b>Net Cash from / (Used in) Investing Activities</b>	<b>(6)</b>	<b>5</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Net Proceeds from / (Repayment) of Borrowings Current (net)	(7)	(2)
	Finance Cost	(48)	(52)
	<b>Net Cash from / (used in) Financing Activities</b>	<b>(55)</b>	<b>(54)</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>267</b>	<b>(30)</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>442</b>	<b>832</b>
	Decrease on account of deconsolidation of Subsidiaries	-	(360)
	Effect of Exchange Gain/ (Loss)(net) on Cash and Cash Equivalents	-	-
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>709</b>	<b>442</b>



## Notes:

1. Pursuant to an application filed by Ericsson India Pvt. Ltd before the National Company Law Tribunal, Mumbai Bench (“**NCLT**”) in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder (“**Code**”), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process (“**CIRP**”) of Reliance Communications Limited (“**Corporate Debtor**”, “**the Company**”) vide its order dated May 15, 2018. The NCLT had appointed Mr. Pardeep Kumar Sethi as the interim resolution professional for the Corporate Debtor vide its order dated May 18, 2018. However, the Hon'ble National Company Law Appellate Tribunal (“**NCLAT**”) by an order dated May 30, 2018 had stayed the order passed by the Hon'ble NCLT for initiating the CIRP of the Corporate Debtor and allowed the management of the Corporate Debtor to function. In accordance with the order of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi handed over the control and management of the Corporate Debtor back to the erstwhile management of the Corporate Debtor on May 30, 2018. Subsequently, by order dated April 30, 2019, the Hon'ble NCLAT allowed stay on CIRP to be vacated. On the basis of the orders of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi, wrote to the management of the Corporate Debtor on May 02, 2019 requesting the charge, operations and management of the Corporate Debtor to be handed over back to IRP. Therefore, Mr. Pardeep Kumar Sethi had in his capacity as IRP taken control and custody of the management and operations of the Corporate Debtor from May 02, 2019. Subsequently, the committee of creditors of the Corporate Debtor pursuant to its meeting held on May 30, 2019 resolved, with requisite voting share, to replace the existing interim resolution professional, i.e. Mr. Pardeep Kumar Sethi with Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor in accordance with Section 22(2) of the Code. Subsequently, upon application by the CoC in terms of Section 22(3) of the Code, the NCLT appointed Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor (“**RP**”) vide its order dated June 21, 2019, which was published on June 28, 2019 on the website of the NCLT. Accordingly, the IRP handed over the matters pertaining to the affairs of the Corporate Debtor to the RP as on June 28, 2019 who assumed the powers of the board of directors of the Corporate Debtor and the responsibility of conducting the CIRP of the Corporate Debtor.

Further, pursuant to the meeting of the committee of creditors of the Corporate Debtor dated March 2, 2020, a resolution plan, submitted by a resolution applicant in respect of the Corporate Debtor, has been approved by the committee of creditors. The application under Section 31 of the Code filed by the RP for approval of resolution plan is currently pending adjudication before the NCLT.

With respect to the financial results for the quarter and year ended March 31, 2021, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;

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- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
  - (iii) The RP, in review of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter and year ended March 31, 2021 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial results.
  - (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) has been re-commenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries has been confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

Further, during the previous year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019.

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, has approved the resolution plan submitted by Reliance Projects and Property Management Services Limited, in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty has ceased to be the resolution professional of RITL, and RITL is currently under the supervision of a Monitoring

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Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the Resolution Applicant (RA) and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). The implementation of the approved resolution plan is subject to fulfillment of certain conditions precedent which is currently pending.

Certain lenders had appointed an auditor for conducting forensic audit on the affairs of the Corporate Debtor, RTL and RITL, and a forensic audit report has been purportedly issued by the auditor to such lenders (however, a copy of the report has not been provided to the relevant corporate debtors or their RP/erstwhile RP as it was a report prepared only for the benefit of the lenders). An application has been filed by Reliance Projects and Property Management Services Limited, the successful resolution applicant of RITL before the NCLT, Mumbai Bench seeking inter alia copies of the forensic audit report on the basis of which certain banks have declared the accounts of RITL (and that of the Corporate Debtor and RTL) as "fraud" in terms of the Master Directions on Frauds dated July 01, 2018 issued by the Reserve Bank of India, and other information and documents in respect thereof. RITL has not been arraigned as a party to the said application. The matter is currently sub-judice before the NCLT.

Certain applications had been filed by Doha Bank and other banks before the NCLT, Mumbai Bench challenging the constitution of the CoC of RITL basis certain corporate guarantees issued by RITL in respect of facilities availed by the Corporate Debtor, allegedly without consent of the applicant lenders. The NCLT vide order dated March 2, 2021 has partly allowed the appeal and directed "*R2 to R7 are not recognised as Financial Creditors of the Corporate Debtor. R1 (RP) is directed to re-constitute the CoC...*" An appeal has been filed by certain lenders against the order of the NCLT before NCLAT. On April 12, 2021, the NCLAT has stayed the operation of the impugned order until next date. The matter remains *sub judice* before the NCLAT.

An application had been filed by Doha Bank before the NCLT, Mumbai Bench challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of deed of hypothecation. The NCLT has, vide order dated March 2, 2021, dismissed the application. An appeal has been filed by Doha Bank against the order of the NCLT before the NCLAT, which is currently *sub judice*.

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Corporate Debtor, the Corporate Debtor and its subsidiary companies; RTL and RITL, with the permission of and on the basis of suggestions of the lenders, had entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) for monetization of certain specified assets on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). During an earlier year, the said asset sale agreements were terminated by mutual consent on account of various factors and developments including *inter alia* non receipt of consents from lenders and permission/ approvals from Department of Telecommunication.

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On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, liabilities and Impairment of goodwill on Consolidation and accordingly provide for impairment of assets and write back of liabilities, if any. The Auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2021.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the financial results continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. However, since the Group continues to incur loss, current liabilities exceed current assets and Group has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2021.

4. Considering various factors including admission of the Corporate Debtor and its three subsidiaries; RTL RITL and RCIL to CIRP under the Code, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.

Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Corporate Debtor and some of its subsidiaries have not provided Interest of Rs.1,106 crore and Rs.4,362 crore calculated based on basic rate of interest as per terms of loan for the quarter and year ended March 31, 2021 respectively and foreign exchange gain / (loss) aggregating to Rs. (10) crore and Rs. 630 crore for the quarter and year ended March 31, 2021 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs.1,116 crore and Rs.3,732 crore for the quarter and year ended March 31, 2021 respectively. The Net worth as on March 31, 2021 and as on March 31, 2020 would have been lower by Rs. 19,071 crore and Rs.15,339 crore respectively. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Audit Report for the quarter and year ended March 31, 2021. During the previous years, Interest of Rs.12,746 crore and foreign exchange loss (net) aggregating to Rs. 2,593 crore were not provided and the Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020.

5. Assets held for sale including Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs) continue to be classified as held for sale at the value ascertained at the end

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of March 31, 2018, along with liabilities, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”.

In this regard it is pertinent to note that the due pertaining to the spectrum (including entire deferred payments) have been claimed by DoT and the same have been admitted by the RP, and accordingly, the dues shall be dealt with in accordance with provisions of the IBC. In accordance with the aforesaid and admission of deferred spectrum installments as claims, the Corporate Debtor and its subsidiary RTL have not paid the installments.

The financial result of discontinued operations is as under:

(Rs in crore)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Total Income	274	291	274	1,142	1,109
Total Expenses	537	526	518	2,081	2,251
Profit/ (Loss) before Exceptional Item tax	(263)	(235)	(244)	(939)	(1,142)
Exceptional Item	(1,242)	(1,199)	(1,278)	(4,713)	(30,837)
Tax	(4)	(16)	(109)	(51)	(109)
Profit/ (Loss) after tax	(1,501)	(1,418)	(1,413)	(5,601)	(31,870)

Cash Flow from	31-Mar-21	31-Mar-20
- Operating activities	284	237
- Investing Activities	(3)	13
- Financing Activities	(2)	(54)

6. During the previous year, GCX Limited, a step down subsidiary of the Corporate Debtor, along with its subsidiaries/affiliates (collectively, “GCX”) had filed for voluntary pre-packaged restructuring under Chapter 11 of the US Bankruptcy Code before Delaware court, USA. Objections were filed on behalf of the Corporate Debtor which were not accepted by the court. The plan filed by GCX had been confirmed by the court on December 4, 2019.

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the “Effective Date” of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective). Impact on profitability was Rs. Nil and Rs. 1,250 crore for the year ended

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March 31, 2021 and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items.

Pursuant to the order dated February 25, 2020, the court had granted a motion filed by GCX Limited along with the other debtors aimed at addressing the issues they have been having in completing the steps to make their plan effective *inter alia* seeking approval for process whereby a bifurcation had been created wherein debtors not requiring regulatory approvals could complete their processes and arrive at effective date, while others could wait for occurrence of their effective date upon fulfillment of regulatory approvals. Accordingly, on April 14, 2020, a notice has been issued intimating occurrence of "Effective Date" of certain "non-regulated debtors" while the "*Effective Date of the Plan with respect to Debtors GCX Limited, FLAG Telecom Network USA Limited, Reliance Globalcom Limited, and Vanco US, LLC (collectively, the "Regulated Debtors") is expected to occur at a later date*". The court confirmed the aforesaid and entered order on April 21, 2020.

A notice of occurrence of Effective Date for the Regulated Debtors dated December 31, 2020 has been issued by counsel to GCX (and served on Corporate Debtor). The said notice *inter alia* provides that the Effective Date of the Plan for the Regulated Debtors has occurred on December 31, 2020.

In light of the aforesaid development, the Plan having now being effective in respect of the Regulated Debtors and the Non-Regulated Debtors, the Corporate Debtor has been divested of its indirect equity interest in GCX and there is no impact on the financial results of the Corporate Debtor.

7. In case of Four overseas subsidiaries and two domestic subsidiaries, it indicates the existence of material uncertainty due to loss during quarter and year ended March 31, 2021, total liabilities exceeding total assets and holding company Reliance Communications Limited is undergoing insolvency proceeding. The above has been qualified by respective Auditors in their Audit Reports of these subsidiaries. Further, in case of two other overseas subsidiaries the Auditors have given Qualification and Emphasis of Matter paragraph for Material Uncertainty on Going Concern in their respective audit reports. The matter has been referred by the auditors in their Audit Report.
8. The Hon'ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license

On September 01, 2020, the Supreme Court pronounced the judgment in the AGR matter ("**SC Judgement**"). It has framed various questions in respect of companies under insolvency and in respect of such questions, the Court has held that the same should be decided first by the NCLT by a reasoned order within 2 months, and that it has not gone into the merits in this decision.

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The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgment. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court, which are currently *sub judice*. Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor has not received any such demand in this regard till date.

The DoT had during the pendency of the various proceedings simultaneously directed Special Audit in relation to the computation of License fee, Spectrum fee, applicable interest and penalties thereon, which is under progress for the financial year 2015-16 onwards. In this regard, the Corporate Debtor had provided for estimated liability aggregating to Rs.30,837crore upto the previous year ended March 31, 2020 and has provided additional charge of Rs. 1,242crore and Rs. 4,713 crore during the quarter and year ended March 31, 2021 respectively and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings). This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2021.

9. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on March 31, 2021 are secured by way of first pari passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of Rs. 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.

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10. Additional details as required in relation to Non-Convertible Debentures (NCDs):

Nature of Instruments	11.20% NCDs	11.25% NCDs
Amount outstanding (Rs in crore)	3,000	750
Previous due date for Principal Repayment and whether paid	01.03.2019 Unpaid	07.02.2019 unpaid
Previous due date for payment of Interest	01.03.2019	07.02.2019
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	Not Applicable	Not Applicable
Credit Rating and change in credit rating, if any	ICRA D earlier ICRA BB	CARE D earlier CARE BB
Due Date for Principal Repayment	Rs. 3,000 crore on 01.03.2019 (Unpaid)	Rs. 375 crore each on 07.02.2018 and 07.02.2019 (Unpaid)
Interest Unpaid up to March 31, 2021 (Rs in crore)	1,343	336

11. Debenture Redemption Reserve (DRR) : Rs 590 crore as on March 31, 2021.

12. Networth: Rs.(-) 55,468 crore, as on March 31, 2021 excluding Capital Reserve and Exchange Fluctuation Reserve amounting to Rs. 1,562 crore.

The above Net worth is without considering the impact of the above qualification given by the auditors in their audit report.

13. Figures for the quarter ended March 31, 2021 and March 31, 2020 are balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial years.

14. Formula used for the computation of ratios:

- i) Debt Equity Ratio = Debt/ Equity;
- ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax/ (Interest + Principal repayment);
- iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax/ (Interest expense).

15. The Corporate Debtor and some of its subsidiaries where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2021.

16. A Subsidiary of the Corporate Debtor is in the process of reconciliation of unbilled revenue with customers on account of various business parameters and any GST applicable thereon

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shall be paid upon completion of pending reconciliation and billing thereof. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2021.

17. The Corporate Debtor is operating with India Operations, Global Operations and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of Ind AS 108 "Operating Segments".
18. The Corporate Debtor has opted to publish consolidated financial results for the financial year 2020-21. Standalone financial results, for the quarter and year ended March 31, 2021 can be viewed on the website of the Corporate Debtor, National Stock Exchange of India Limited and BSE Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
19. Additional information on standalone basis is as follows:

**(Rs. in crore)**

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Total Income	102	112	156	483	818
Profit/ (Loss) before tax	(46)	(41)	(1,254)	(252)	(16,863)
Profit/ (Loss) before tax from Discontinued Operations	(1,226)	(1,171)	(1,275)	(4,637)	(28,475)
Total Comprehensive Income/(Loss)	(1,271)	(1,212)	(2,524)	(4,888)	(45,333)

20. During the previous year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor had written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of Rs. 31.62crore and transfer of the entire amount lying in fixed deposit account including all interest monies accruing thereon up to the date of remittance to the designated TRA account of RCIL. The Auditors and RCIL have not received confirmation from ICBC and hence, the auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2021.
21. During the year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. The resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL. The necessary effect in the financial statements of RTSL and the consequential impact in the consolidated financial results will be given basis the decision of the NCLT on the application.

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22. Provision for Income Tax (Normal Tax/Minimum Alternative Tax) has been calculated as per Income tax Act 1961 after adjusting carried forward losses, write off of earlier years provisions.
23. It is hereby declared that the Auditors have issued audit reports with qualification on the annual audited consolidated financial result for the year ended March 31, 2021. Impact of the qualification is given in Annexure 1.
24. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. COVID-19 has impacted businesses globally and in India. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. The Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown.

The Corporate Debtor has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government of India, various state governments and local bodies to ensure safety of workforce across all its offices.

Further, the resurgence had led to imposition of various restrictions and lockdowns in various states. Accordingly, there exists uncertainty over the impact of the pandemic on future business performance of the Corporate Debtor, and the extent of effect of the pandemic will depend, among other things, on any action to contain its spread or mitigate its impact, whether government mandated or elected by the Corporate Debtor. However, in view of telecommunication services being considered as essential activity, the Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown and the Corporate Debtor has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID19.

As the Corporate Debtor is undergoing CIRP, it is relevant to note that the period of lockdown has been exempted from the calculation of the timeline of CIRP as per the order of the NCLAT in *Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020* dated March 30, 2020. This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2021.

25. The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016

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("Circular") and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited ("RITL") and Reliance Telecom Limited ("RTL") being fraudulent in terms of the Circular.

The Corporate Debtor, RITL and RTL have been represented through their advocates and accepted notice in the petitions. The respective respondent-banks have been directed, on various dates of hearing, to maintain status quo until the next date of hearing by the High Court. The said petitions have been listed on various dates and are presently sub judice before the Hon'ble High Court of Delhi. Since the matter is pending before the Hon'ble High Court of Delhi, presently there is no impact of such declaration by the banks, in the consolidated financial results.

26. During the year ended March 31, 2021 and subsequent to the year end, a bank has served notice intimating about the classification of the Corporate Debtor and certain directors as willful defaulters in terms of applicable RBI regulations. The Corporate Debtor has responded back to the bank highlighting that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016(Code) and requested the bank to withdraw the notice of classification as a wilful defaulter. No further response has been received by the bank since then.

Further, during quarter ended March 31, 2021, a bank has issued show cause notice to the Corporate Debtor and certain subsidiaries and certain directors seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. The Corporate Debtor and its subsidiaries have responded to the show cause notice. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a wilful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the bank to withdraw the notice. No further response has been received by the bank since then. Since the matter is pending before the banks, presently there is no impact of such notices issued by banks, in the consolidated financial results.

27. The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Corporate Debtor will assess the impact once the subject

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rules under the Code are notified and will give appropriate impact in the financial statements when the Code becomes effective.

28. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors. The Statutory Auditors have done Audit of the Consolidated Financial Results for the quarter and year ended March 31, 2021.

**For Reliance Communications Limited**

**Anish Niranjana Nanavaty  
(Resolution Professional)**

**Viswanath Devaraja Rao  
(Executive Director and Chief Financial Officer)**

Place: Mumbai  
Date: June 26, 2021

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# RELIANCE

## ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	779	779
	2	Total Expenditure	979	979
	3	Net Profit/(Loss)	(211)	(211)
	4	Net Profit/ (Loss) from Discontinued Operations	(5,601)	(9,333)
	5	Earnings Per Share	(21.10)	(34.78)
	6	Total Assets	47,826	47,826
	7	Total Liabilities	101,438	120,509
	8	Net worth	(53,612)	(72,683)
	9	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	Non Provision of Interest and Foreign Exchange variation (Refer Note 4)	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Fourth Time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is not ascertainable as the Company is under IBC and CIR process initiated	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	(i) Impairment review of tangible and intangible assets, assets held for sale, investments ,balances lying in Goods and Service Tax, liabilities and Impairment of goodwill on Consolidation(Refer Note3, 5 & 21), Lease (Refer Note 15) (ii) Qualification on Going Concern (Refer Note 6 &7) (iii) Non receipt of FD Confirmation from Bank. (Refer Note 20)	

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			(iv) Reconciliation of Unbilled Revenue (Refer Note 16)
		(i) Management's estimation on the impact of audit qualification:	Impact is not ascertainable as the Company is under IBC and CIR process initiated
		(ii) If management is unable to estimate the impact, reasons for the same:	Impact is not ascertainable as the Company is under IBC and CIR process initiated
		(iii) Auditors' Comments on (i) or (ii) above:	Refer 'Basis for Qualified Opinion' in audit report read with relevant notes in the financial results, the same is self explanatory.
III	Signatories:		
		Anish Niranjana Nanavaty Resolution Professional	
		Vishwanath Devaraja Rao Executive Director and Chief Financial Officer	
		Statutory Auditor	For Pathak H. D. & Associates LLP Chartered Accountants Firm Registration No. 107783WW100593  Vishal D. Shah Partner Membership No. 119303 UDIN: 21119303AAAALT1335
	Place	Mumbai	
	Date	June 26, 2021	

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