



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

Tel : +91 022 3038 6286  
Fax: +91 022 3037 6622  
www.rcom.co.in

January 08, 2020

**Listing Compliance**

**BSE Limited ("BSE")**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001  
Fax No.: 2272 2037/39/41/61/3121/3719

**BSE Scrip Code: 532712**

**Sub: Clarification sought on media report captioned "SBI declares accounts of Anil Ambani's three Reliance Group firms fraud"**

Dear Sir,

The undersigned is in receipt of e-mail dated January 7, 2021 issued by BSE with respect to the referenced subject matter.

In terms of Regulation 30(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to the clarification sought by your good office, please note that Reliance Communications Limited ("**Company**") has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being erstwhile directors of the Company 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 ("**Circular**") and the declaration by State Bank of India ("**SBI**") and certain other banks classifying the loan accounts of the Company, / Reliance Infratel Limited ("**RITL**") and Reliance Telecom Limited ("**RTL**") being fraudulent in terms of the Circular, as reported in various media reports.

Please note that the said petitions are presently *sub judice* before the Hon'ble High Court of Delhi.

In one of the petitions filed as referred to above, being WP (C) No. 11179/2020, in the hearing held on January 6, 2020, the Company, RITL and RTL were represented through their advocates and accepted notice in the said matter. In terms of the order passed in the said hearing, which was made available on the website of the Court today, i.e. on January 8, 2021, please note that the respondent-banks have been directed to maintain *status quo* until the next date of hearing, which is January 13, 2021. Please see attached for your reference a copy of the said order (*annexed herewith*).

Please note that the Company has not received any formal intimation from the SBI, other banks or RBI in this regard.

**Registered Office:**

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



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This is for your information and records.

Thanking you,

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.)*

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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 11179/2020

PUNIT GARG & ORS. .... Petitioners

Through: Mr. J.J. Bhatt, Sr. Advocate with Ms.  
Niyati Kohli, Advocate

versus

STATE BANK OF INDIA & ORS. .... Respondents

Through: Mr. Akshit Kapur, Adv. for R-1/SBI  
Mr. Shantanu Tyagi, Advocate for  
R-3, 4 and 5.

**CORAM:  
HON'BLE MR. JUSTICE PRATEEK JALAN**

**ORDER**

% **06.01.2021**

The proceedings in the matter have been conducted through video conferencing.

**CM APPLs. 34881-34882/2020 (exemption)**

Exemption allowed, subject to all just exceptions.

The applications are disposed of.

**W.P.(C) 11179/2020 with CM APPL. 34880/2020 (interim relief)**

1. Issue notice. Mr. Akshit Kapur, learned counsel, accepts notice on behalf of respondent no.1. Mr. Shantanu Tyagi, learned counsel, accepts notice on behalf of respondent nos. 3, 4 and 5. Notice be issued to respondent no. 2, through Standing Counsel in addition.

2. The challenge in the present petition is to a circular dated 01.07.2016 (updated on 03.07.2017), issued by respondent no. 2/Reserve Bank of India (“RBI”) regarding declaration of accounts as “fraud accounts” by banks. The petitioners are erstwhile directors of respondent nos. 3 to 5 companies, in respect of which Corporate Insolvency Resolution Proceedings are pending before the National Company Law Tribunal. The petitioners submit that the accounts of respondent nos. 3 to 5 have been declared as “fraud” accounts pursuant to the aforesaid circular.

3. Pursuant to the order dated 24.12.2020, Mr. Kapur, learned counsel for respondent no. 1/bank, states that he has been instructed that the accounts have indeed been declared as “fraud” accounts.

4. Mr. J. J. Bhatt, learned Senior Counsel for the petitioners, points out that several writ petitions have been filed challenging the same circular of RBI. The challenge is primarily on the ground that the process of declaration of an account as a “fraud” account is violative of the principles of natural justice, as it does not require any prior notice or communication to the account holder. He submits that in similar circumstances, this Court has passed interim orders in several writ petitions, protecting the account holders. Copies of such orders have also been annexed with the writ petition (Annexure P-3 to the writ petition). Mr. Bhatt refers me to the detailed order dated 15.02.2019, passed in W.P.(C) 306/2019 [*Apple Sponge and Power Ltd. and Ors. vs. Reserve Bank of India and Anr.*], which has been followed in a further order dated 16.06.2020 passed in the same writ petition, and in petitions filed by other petitioners.

5. In fact, the petitioners themselves have challenged the very same circular and action taken by other banks in respect of the accounts of

respondent nos. 3 and 4 herein in those banks. In the said petition [W.P.(C) 11216/2020], an order dated 28.12.2020 has been passed, the operative portion whereof reads as follows:

*“4. In the meantime, the respondents shall maintain status quo as of today till the next date of hearing. It is clarified that the respondents are free to issue a show cause notice to the petitioner and the respondents No. 4 & 5 and thereafter to give necessary hearing through video conferencing. A reasoned order be thereafter passed as per law which may be communicated to the affected parties. It is also clarified that the respondents No. 1-3 are free to take any steps/investigation/file any complaint proceedings against the petitioners/respondents No. 4 & 5 independent of the aforesaid order declaring the account of the respondents No. 4 & 5 a fraud account.”*

6. Learned counsel for the respondents do not dispute that the circumstances prevailing in the present case are substantially similar to the cases in which the cited orders have been passed.

7. In view of the above, it is directed that the respondents shall maintain *status quo* until the next date of hearing. The respondents are free to issue a show cause notice to the petitioners and respondent nos. 3 to 5, and to give them a hearing, through video conferencing, if necessary. The respondents may also pass a reasoned order in accordance with law. The respondent nos. 1 and 2 are also at liberty to take any steps in the nature of investigation by filing complaint proceedings against the petitioners or respondent nos. 3 to 5, independent of the impugned action declaring the accounts of respondent nos. 3 to 5 as “fraud” accounts.

8. I am informed that W.P.(C) 306/2019 and other connected matters are heard in part before Hon’ble Jayant Nath, J and are next listed on

13.01.2021.

9. The respondents are at liberty to file their counter affidavits to the petition by 11.01.2021.

10. List the present petition alongwith W.P.(C) 306/2019 and connected matters on 13.01.2021.

**PRATEEK JALAN, J**

**JANUARY 6, 2021**

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