



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

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July 31, 2020

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

**The Manager**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051  
**NSE Symbol: RCOM**

Dear Sirs,

**Sub: Statement of Audited (Standalone and Consolidated) Financial Results for the quarter and financial year ended on March 31, 2020**

In furtherance of the letter dated July 24, 2020, Reliance Communications Limited (the "**Company**") hereby informs you that the Directors of the Company have at the meeting held today i.e. on July 31, 2020, *inter alia*, considered and approved the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2020.

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 year ended March 31, 2020;
- 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, 2020.

The above mentioned meeting of the Directors of the Company commenced at 12.45 P.M. and concluded at 07.30 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 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, DhirubhaiAmbani 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, 2020 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

To

**The Resolution Professional (RP) of  
Reliance Communications Limited (A Company under Corporate Insolvency resolution process vide NCLT Order)**

**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 ("the Company") 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, 2020 ('the Statement') 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 effect 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

- b. 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 the net loss, total comprehensive loss and other financial information for the quarter and year ended March 31, 2020.

#### **Basis for Qualified Opinion**

#### **We draw attention to following notes to the accompanying standalone financial results for the quarter and year ended March 31, 2020:-**

- a. Note no. 6 & 3, “Assets Held for Sale (AHS)” 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, 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 2020.
- b. Note no. 4 regarding admission of the Company and its three 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.1,148 Crore & Rs.4,212 Crore respectively for the quarter and year ended March 31, 2020 and Rs.6,962 Crore up to 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 variance (gain)/ loss amounting to Rs.863 Crore & Rs.1,313 Crore respectively for the quarter and year ended March 31, 2020 and Rs.803 Crore of 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 & year ended March 31, 2020 would have been higher by Rs.2,011 Crore & Rs.5,525 Crore respectively 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. Note no. 3 , regarding pending comprehensive review of carrying amount of all other assets including investment in subsidiaries & liabilities and non provision for impairment of carrying value of assets and write back of liabilities if any, pending completion of the corporate insolvency resolution process. Further Goods & Service Tax (GST) and Tax Deducted at source are pending reconciliation. In the absence of Comprehensive review as

mentioned above for the carrying value of all the assets and liabilities and pending reconciliation of Goods & Service Tax (GST) and Tax Deducted at Source (TDS), 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 2020. Non determination of fair value of financial assets & liabilities and carrying amount for other assets and liabilities are not in compliance with Ind AS 109- Financial Instruments and Ind AS 37- Provisions, Contingent Liabilities & Contingent Assets.

- d. Note no.15, regarding non adoption of Ind AS 116 “Leases” effective from April 01, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
- e. Note no 3, 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 has 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 financial results, in view of ongoing Corporate Insolvency Resolution Process, the outcome of which cannot be presently ascertained.

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 financial results under the provisions of the Companies Act, 2013 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. 8 of the statement, 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.

- b. We draw attention to Note no. 19 of the statement, relating to remuneration paid to the CFO and Executive Director of the Company amounting to Rs. 0.49 Crore for the financial year ended March 31, 2020, being in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by Rs. 0.27 Crore, which is subject to the approval of the shareholders.
- c. We draw attention to Note no 20 of the statement, as regards to the management's evaluation of COVID - 19 impact 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 1 of financial statements, has been prepared on the basis of standalone financial statements. The Company's Management are responsible for the preparation of these 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 Ind AS 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 Resolution Professional is also responsible for overseeing the Company's financial reporting process read together with Note no 1 of Statement of 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.
- Conclude on the appropriateness of the Board of Directors' 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 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. The entire audit finalisation process was carried from remote locations i.e. other than the office of the Company, where books of account and other records are kept, based on the data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Central Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the alternative audit procedures to obtain sufficient and appropriate audit evidence for significant matters in course of our audit. Our report is not modified in respect of this matter.
- b. 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).

As per Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 statement of financial results, in view of the on going Corporate Insolvency Resolution Process, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

# Pathak H.D. & Associates LLP

Chartered Accountants

- c. Attention is drawn to the fact that the figures for quarter ended March 31, 2020 and corresponding quarter ended in previous year as reported in these 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 and not subjected to audit.

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

*Parimal Kumar Jha*

**Parimal Kumar Jha**  
*Partner*  
Membership No: 124262

July 31, 2020  
Mumbai  
UDIN: 20124262AAAADA2828





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 Financial Results (Standalone) for the quarter and year ended March 31, 2020

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
		( ₹ in Crore)				
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	156	201	300	818	1,379
	(b) Other Income	-	-	61	-	86
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>156</b>	<b>201</b>	<b>361</b>	<b>818</b>	<b>1,465</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, Licence Fees and Network Expenses	146	178	78	714	901
	(b) Employee Benefits Expenses	2	32	64	105	105
	(c) Finance Costs	-	-	-	-	-
	(d) Depreciation, Amortisation and Provision for Impairment	13	56	111	183	277
	(e) Sales and General Administration Expenses	1,249	61	218	1,428	489
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>1,410</b>	<b>327</b>	<b>471</b>	<b>2,430</b>	<b>1,772</b>
<b>3</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]</b>	<b>(1,254)</b>	<b>(126)</b>	<b>(110)</b>	<b>(1,612)</b>	<b>(307)</b>
4	Exceptional Items (Refer Note 5 & 7)	-	(12,643)	-	(15,251)	8,964
<b>5</b>	<b>Profit / (Loss) before Tax [ 3 + 4 ]</b>	<b>(1,254)</b>	<b>(12,769)</b>	<b>(110)</b>	<b>(16,863)</b>	<b>8,657</b>
<b>6</b>	<b>Tax Expenses</b>					
	(a) Current Tax	-	-	-	-	-
	(b) Short/(Excess) provision of earlier years	-	-	-	-	-
	(c) Deferred Tax Charge/ (Credit)	-	-	1,470	-	3,558
	<b>(d) Tax Expenses (net) [ (a) to (c) ]</b>	<b>-</b>	<b>-</b>	<b>1,470</b>	<b>-</b>	<b>3,558</b>
<b>7</b>	<b>Profit/ (Loss) after Tax [ 5 - 6 (d) ]</b>	<b>(1,254)</b>	<b>(12,769)</b>	<b>(1,580)</b>	<b>(16,863)</b>	<b>5,099</b>
8	Profit/ (Loss) before Tax and Exceptional Item from Discontinued Operations	(93)	(109)	(235)	(654)	(485)
9	Exceptional Items from Discontinued Operations (Refer Note 8)	-	-	-	-	-
	Provision of liability on account of License & Spectrum fee	(1,182)	(1,051)	-	(27,821)	-
	Provision for Impairment of Assets / Diminution in the value of Investments	-	-	(1,767)	-	(1,767)
10	Profit/ (Loss) before Tax from Discontinued Operations [ 8-9 ]	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)
11	Tax Expenses of Discontinued Operations	-	-	-	-	-
<b>12</b>	<b>Profit/ (Loss) after Tax from Discontinued Operations [10-11]</b>	<b>(1,275)</b>	<b>(1,160)</b>	<b>(2,002)</b>	<b>(28,475)</b>	<b>(2,252)</b>
13	Other Comprehensive Income/ (Expense) for the period	5	-	-	5	-
<b>14</b>	<b>Total Comprehensive Income / (loss) for the period [ 7+ 12 + 13 ]</b>	<b>(2,524)</b>	<b>(13,929)</b>	<b>(3,582)</b>	<b>(45,333)</b>	<b>2,847</b>
<b>15</b>	<b>Earnings per Share (EPS) Basic and Diluted (Rs.)</b>					
	<b>(before exceptional items)</b>					
	(a) Continuing Operations	(4.57)	(0.46)	(5.76)	(5.87)	(6.48)
	(b) Discontinued Operations	(0.34)	(0.40)	(0.86)	(2.38)	(1.77)
	(c) Continuing Operations and Discontinued Operations	(4.91)	(0.86)	(6.62)	(8.25)	(8.25)
	<b>(after exceptional items)</b>					
	(a) Continuing Operations	(4.57)	(46.53)	(5.76)	(61.45)	18.58
	(b) Discontinued Operations	(4.64)	(4.23)	(7.30)	(103.76)	(8.21)
	(c) Continuing Operations and Discontinued Operations	(9.21)	(50.76)	(13.06)	(165.21)	10.37
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 14)				-	3.25
18	Debt Service Coverage Ratio (DSCR) (Refer Note 14)				-	-
19	Interest Service Coverage Ratio (ISCR) (Refer Note 14)				-	-

Standalone Statement of Assets and Liabilities		( in Crore)	
	Particulars	As at	As at
		31-Mar-20	31-Mar-19
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	1,484	1,645
	(b) Capital Work in Progress	97	98
	(c) Intangible Assets	11	24
	(d) Investment in Subsidiaries and Associates	7,450	22,524
	(e) Financial Assets		
	(i) Other Financial Assets	2	2
	(f) Income Tax Asset (net)	261	181
	(g) Deferred Tax Asset (net)	-	-
	(h) Other Non Current Assets	699	932
	<b>Sub-total Non-Current Assets</b>	<b>10,004</b>	<b>25,406</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	32	61
	(b) Financial Assets		
	(i) Investments	4,046	4,218
	(ii) Trade Receivables	253	1,527
	(iii) Cash and Cash Equivalents	234	185
	(iv) Bank Balances other than (iii) above	40	40
	(v) Loans	6,556	6,528
	(vi) Other Financial Assets	205	311
	(c) Other Current Assets	4,116	4,075
	(d) Assets Held for Sale	19,731	19,731
	<b>Sub-total - Current Assets</b>	<b>35,213</b>	<b>36,676</b>
	<b>Total Assets</b>	<b>45,217</b>	<b>62,082</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	(34,329)	11,003
	<b>Total Equity</b>	<b>(32,946)</b>	<b>12,386</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(b) Other Non-Current Liabilities	156	83
	(c) Provisions	5	22
	<b>Sub-total Non-Current Liabilities</b>	<b>161</b>	<b>105</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	28,340	28,335
	(ii) Trade Payables		
	Due to Micro Enterprises & Small Enterprises	35	30
	Due to Others	2,979	2,700
	(iii) Other Financial Liabilities	40,711	12,830
	(b) Other Current Liabilities	305	446
	(c) Provisions	1,219	1,217
	(d) Liabilities directly related to Assets held for Sale	4,413	4,033
	<b>Sub-total - Current Liabilities</b>	<b>78,002</b>	<b>49,591</b>
	<b>Total Equity and Liabilities</b>	<b>45,217</b>	<b>62,082</b>

Statement of Cash Flow for the year ended		( in Crore)	
Sr. No	Particulars	For year ended	
		31-Mar-20	31-Mar-19
		Audited	Audited
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before tax from Continuing Operations	(16,858)	8,657
	Profit / (Loss) before tax from Discontinued Operations	(28,475)	(2,252)
	<b>Profit before tax -Continuing and Discontinuing Operation</b>	<b>(45,333)</b>	<b>6,405</b>
	Adjusted for:		
	Provision for Doubtful Debts and Advances	1,131	243
	Write off other non current assets / (Write back) of old Liabilities	233	(86)
	Depreciation and Amortisation Expenses	183	277
	Provision for diminution in the Value/ (profit)on fair Value of Investments	15,251	(8,964)
	Impairment of Assets	-	1,767
	Effect of change in Foreign Exchange Rate (net)	111	(1)
	(Profit) / Loss on Sale of Property, Plant and Equipments and Capital Work in Progress (net)	-	(473)
	Finance Costs (net)	397	831
	Interest Income	(2)	(37)
		<b>17,304</b>	<b>(6,443)</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>(28,029)</b>	<b>(38)</b>
	Adjusted for:		
	Receivables and Other Advances	215	541
	Inventories	29	3
	Trade Payables and Other Liabilities	27,932	(251)
		<b>28,176</b>	<b>293</b>
	<b>Cash Generated from Operations</b>	<b>147</b>	<b>255</b>
	Income Tax Refund	-	106
	Income Tax Paid	(80)	(90)
	<b>Net Cash from Operating Activities</b>	<b>67</b>	<b>270</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	(8)	(78)
	Proceeds from Sale of Property, Plant and Equipments	-	562
	Refund of Loans given to Subsidiaries	-	120
	Loans given to Subsidiaries	-	(541)
	Investment in Bank deposits (having original maturity for more than 3 months)	-	23
	Interest Income	2	9
	<b>Net Cash from / (Used in) Investing Activities</b>	<b>(6)</b>	<b>95</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Realised Foreign Exchange variation	-	(14)
	Net Proceeds from/ (Repayment ) of Borrowings - Current	5	249
	Finance Costs	(17)	(562)
	<b>Net Cash from / (used in) Financing Activities</b>	<b>(12)</b>	<b>(327)</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>49</b>	<b>38</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>185</b>	<b>147</b>
	Effect of Exchange Gain/ (Loss)(net) on Cash and Cash Equivalents	-	-
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>234</b>	<b>185</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 there under (“**Code**”), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process (“**CIRP**”) of Reliance Communications Limited (“**Corporate Debtor**”) 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 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, 2020, 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, 2020 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 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.

During the earlier quarter, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT for resolution process under the Code.

- 2. Figures of the previous period 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 Niranjan 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.

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 the previous financial 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 investment in subsidiaries and liabilities and accordingly provide for impairment of assets and write back of liabilities, if any. Further, the Corporate Debtor is in the process of reconciling Goods & Service Tax (GST) and Tax Deducted at source. The Auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2020.

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. 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, 2020.

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 has not provided Interest of Rs.1,148 crore and Rs. 4,212 crore calculated based on basic rate of interest as per terms of loan for the quarter and year ended March 31, 2020 respectively and foreign exchange variation aggregating to Rs. 863 crore loss and Rs. 1,313 crore loss for the quarter and year ended March 31, 2020 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 2,011 crore and Rs.5, 525 crore for the quarter and year ended March 31, 2020 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, 2020. During the previous years, Interest of Rs 6,962 crore and foreign exchange variation loss aggregating to Rs. 803 crore were not provided and the Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 and March 31, 2019.
5. During the previous year ended March 31, 2019, the Corporate Debtor was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Corporate Debtor's real estate development plan and restructuring of Debt. Accordingly as required by the lenders and also to safeguard the development of real estate and the business taken up by RRL, it was felt necessary that control of RRL be conferred on ADA Group. However, in view of the monetization plan having failed and the resumption of the corporate insolvency resolution process, the control of RRL has now been transferred from

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ADA Group to the Corporate Debtor. However RP has highlighted that the Corporate Debtor shall not be responsible for any actions undertaken by ADA Group in control of RRL prior to the vesting of control of RRL with the Corporate Debtor.

During the previous quarter, pursuant to amendment of the Articles of Association in the Extra Ordinary General Meeting of Reliance Realty Limited (RRL), held on December 10, 2019, the control of RRL, a subsidiary of the Corporate Debtor, was conferred on the Corporate Debtor, with effect from December 10, 2019. Consequently RRL Investments previously fair valued was recorded at cost. Impact on profitability for the quarter and year ended March 31, 2020 is Rs Nil and Rs 8,964 crore loss represented as exceptional items as part of continuing operations.

6. 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 has not paid the installments

The financial result of discontinued operations is as under:

(Rs in Crore)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
Total Income	(7)	3	537	2	635
Total Expenses	86	112	772	656	1,120
Profit/ (Loss) before Exceptional items and tax	(93)	(109)	(235)	(654)	(485)
Exceptional items	(1,182)	(1,051)	(1,767)	(27,821)	(1,767)
Profit/ (Loss) after tax	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)

Cash Flow from	31-Mar-20	31-Mar-19
- Operating activities	(24)	200
- Investing Activities	2	147
- Financing Activities	(12)	(327)

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7. During the previous quarter, GCX Limited, an overseas step-down subsidiary of the Corporate Debtor, defaulted in payment to 7% Senior Secondary Notes (Notes) amounting to USD 350 million that had fallen due for repayment on August 01, 2019. An ad hoc group of the Senior Secured Noteholders agreed not to exercise their full rights on default in exchange for placement of an independent director on the GCX board, the retention of a Chief Restructuring Officer for GCX, and the filing of a Chapter 11 plan for GCX and subsidiaries under which the equity interests in GCX would be extinguished and new shares would be issued to the Senior Note holders. More than 75% of Bond holders have committed their support for the said plan. GCX and certain subsidiaries (the “Debtors”) filed their voluntary Chapter 11 petitions on September 15, 2019, and on the same date, they filed a proposed plan of reorganization and disclosure statement. Over Corporate Debtor’s objections, the Plan was confirmed by the bankruptcy 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). As of the present date, the Debtors have not filed any such Notice of Effective Date, and the Plan has not become “effective.” As a result, although the Debtors and the Noteholders continue to work towards satisfying the various Plan requirements, technically, Corporate Debtor has not yet been divested of its indirect equity interest in GCX and the other Debtors. Impact on profitability is Rs Nil and Rs 6,287 crore for the quarter and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items. Hence the figures for the quarter and year ended March 31, 2020 are not comparable with the previous corresponding period.
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. Vide order dated March 18, 2020, the Supreme Court has directed that self-assessment/re-assessment of AGR dues by telecom companies will not be permitted and the dues are to be paid along with interest and penalty as per the AGR judgment dated October 24, 2019. An application filed by DoT seeking permission from the Supreme Court to *inter alia* recover the AGR dues from the telecom companies in a staggered manner is currently undergoing adjudication and reserved for orders. During the proceedings before the Supreme Court, affidavits have been placed by the Company and its subsidiary Reliance Telecom Limited to put on record the current status of the insolvency resolution process and other details as required to be submitted by the Supreme Court including the audited financials of the last 10 years as well as the Income Tax Returns and the particulars of AGR deposited during the last 10 years.

On July 20, 2020, the Supreme Court *inter alia* has recorded the amounts payable by each telecom operator to the DOT and directed the telecom companies undergoing insolvency proceedings to place on record all documents regarding insolvency and orders passed in the proceeding within 10 days from date of order so that bona fides of initiation of the insolvency proceedings and actions taken may be examined by the Supreme Court and so that it can examine how to ensure that the AGR related dues may be recovered .

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In the aforesaid order of the Hon'ble Supreme Court dated July 20, 2020, an amount of Rs. 221.4 crore on account of AGR dues pertaining to Sistema Shyam Teleservices Limited ("SSTL") has been reflected in the AGR dues of the Corporate Debtor. As per the scheme of arrangement between SSTL and the Corporate Debtor dated October 7, 2016 (approved by the Rajasthan High Court), the aforesaid AGR dues also form a part of the liabilities of identified disputes of the undertaking of SSTL that had been transferred to the Corporate Debtor as on the appointed date of merger i.e., 31st October 2017. Pursuant to the aforesaid, the Corporate Debtor has provided for an amount of Rs. 312.58 Cr (including interest thereof on the principal amount) on account of additional AGR dues in the financial statements for the Quarter and Year ended 31st March 2020.

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 has provided for estimated liability aggregating to Rs 26,639 crore up to the previous quarter ended December 31, 2019 and has provided additional charge of Rs. 1,182 crore (including that of SSTL) during the quarter ended March 31, 2020 thereby aggregating to Rs. 27,821 crore for the year ended March 31, 2020 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. This matter has been referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

9. The listed Redeemable Non Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs 3,750 crore as on March 31, 2020 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.
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	02.03.2019	07.03.2019
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

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Due Date for Principal Repayment	Rs3,000 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, 2020 (Rs in crore)	1,007	252

11. Debenture Redemption Reserve (DRR) : Rs 590 crore as on March 31, 2020
12. Net worth : Rs, (-) 34,344 Crore, as on March 31, 2020.  
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 consolidated to be part owned funds of the Company and excludes Capital Reserve Rs. 1,397 crore.
13. Figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year and published year to date figures up to 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 assets are held for sale as per Ind AS 105 and 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, 2020.
16. 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.
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, 2020. Impact of the qualification is given in Annexure 1.
19. The managerial remuneration paid to the Executive Director and CFO of the Corporate Debtor amounting to Rs. 0.49 crore for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by Rs. 0.27 crore. His appointment and remuneration has been approved by the Committee of Creditors. The excess amount of Rs 0.27 crore has been reflected as Advance receivable in the financial statements and as per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Corporate Debtor proposes to obtain in the forthcoming Annual General Meeting. This matter has been

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referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

20. While the Corporate Debtor is sensitive about the impact of the pandemic (Covid 19), not only on the human life but on businesses and industrial activity across the globe, however, its effect will only be realized and ascertained over the next few months..

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.

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak and same had been extended for additional period. However, 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 extent to which the COVID-19 pandemic will impact the Corporate Debtor's future financial results will depend on upcoming developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and the action to mitigate its spread as advised by local authorities.

As the Corporate Debtor is undergoing CIRP, it is relevant to note that the period of lockdown is notified to be exempt under the Code for the purpose of timeline to complete the CIRP. This matter has been referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

21. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on July 31, 2020 which was chaired by Mr. Anish Niranjan Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors.

**For Reliance Communications Limited**

  
**Anish Niranjan Nanavaty**  
**Resolution Professional**



**Viswanath D.**  
**Executive Director and Chief Financial Officer**

Place: Mumbai

Date: July 31, 2020

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CIN No.: L45309MH2004PLC147531



**ANNEXURE I**

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



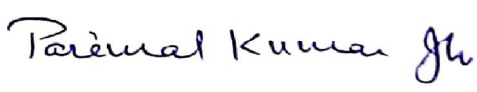
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

<b>I</b>	<b>Sr. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Audited Figures (audited figures after adjusting for qualifications)</b>
	1	Turnover / Total income	818	818
	2	Total Expenditure	2,430	2,430
	3	Net Profit/(Loss) before Exceptional items	(1,612)	(1,612)
	4	Exceptional Item (Refer Note 5 & 7 above)	15,251	15,251
	5	Net Profit/(Loss) after Exceptional items	(16,863)	(16,863)
	6	Net Profit / (Loss) from Discontinued Operations	(28,475)	(34,000)
	7	Earnings Per Share (Rs.)	(165.21)	(185.35)
	8	Total Assets	45,217	45,217
	9	Total Liabilities	78,163	91,453
	10	Net worth	(32,946)	(46,236)
	11	Any other financial item(s) (as felt appropriate by the management)		
<b>II</b>	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	Third 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 6), Lease (Refer Note 15)	
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the	Impact is not ascertainable as the	

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			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 Niranjn Nanavaty Resolution Professional	
		Viswanath D Executive Director and Chief Financial Officer	
		Parimal Kumar Jha Statutory Auditor  UDIN:20124262AAAACZ1130	
	Place	Mumbai	
	Date	July 31, 2020	



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**Independent Auditor's Report on the Audited consolidated financial results of Reliance Communications Limited for the quarter and year ended March 31, 2020 pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**The Resolution Professional (RP) of  
Reliance Communications Limited (A Company under Corporate Insolvency resolution process vide NCLT Order)**

**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 ("the Company") and its two 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 Ind AS financial results of Reliance Communications Limited ('the Company' or 'the Holding Company') and its subsidiaries (hereinafter referred to as "Group") and its associates for the quarter and year ended March 31, 2020 (the "Statement") 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, 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 results of the subsidiaries as referred to in Paragraph C of other matters below and except for the possible effect of the matters described in the Basis for Qualified Opinion section below of our report, the aforesaid Statement:

- a. includes the financial results of entities mentioned in attached Annexure 1
- b. is presented in accordance with the requirements of Regulations 33 and Regulations 52 of the Listing regulations 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 and other financial information for the quarter and the year ended March 31, 2020.

#### **Basis for Qualified Opinion**

We draw attention to following notes to the accompanying Consolidated financial results for the quarter and year ended March 31, 2020:

- a. Note no 6 & 3 regarding, “Assets Held for Sale (AHS)” 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, a 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, 2020.
- b. Note no. 4 regarding admission of the Company and its three 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 Company and some of it’s subsidiaries accordingly have not provided interest on borrowings amounting to Rs.1,299 Crore & Rs.4,748 Crore respectively for the quarter and year ended March 31, 2020 and Rs. 7,998 Crore up to the previous financial year as per the terms of the borrowings. The Company further has not credited/ provided for foreign exchange variance (gain)/loss amounting to Rs.1,057 Crore & Rs.1,609 Crore respectively for the quarter and year ended March 31, 2020 and Rs. 984 Crore 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, 2020 would have been higher by Rs.2,356 Crore & Rs.6,357 Crore respectively. 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. Note no 3, regarding the pending comprehensive review of all other assets including investments & 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 corporate insolvency

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resolution process. Further Goods & Service Tax (GST) and Tax Deducted at source are pending reconciliation. In the absence of Comprehensive review as mentioned above for the carrying value of all other assets and liabilities and pending reconciliation of Goods and Service Tax (GST) and Tax Deducted at Source(TDS), 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, 2020. Non determination of fair value of financial assets & liabilities are not in compliance with Ind AS 109- Financial Instruments & non determination of carrying amount of non-financial assets & liabilities are not in compliance, Ind AS 36- Impairment of Assets and Ind AS 37- Provisions, Contingent Liabilities & Contingent Assets.

- d. Note no 16, regarding non adoption of Ind AS 116 i.e. “Leases” effective from April 01, 2019 and the impact thereof. The Company and some of it’s 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. Note no 3,7 & 8 regarding termination of definitive binding agreement for monetization of assets of the Company and two of its subsidiaries namely RTL & RITL and the ongoing CIRP, the outcome of which cannot be presently ascertained. Company’s subsidiary namely Reliance Communications Infrastructure Limited (RCIL) has also been admitted under Code with effect from September 25, 2019. Further one of the Company’s foreign step-down subsidiaries namely GCX Limited has ceased to be the subsidiary on initiation of a voluntary application under Chapter 11 of US States Bankruptcy Code on account of default in payment to 7% Senior Secured Notes amounting to USD 350 million due for payment on August 01, 2019 which has been confirmed by the Delaware Court order as explained in Note No 7. The group has continued to incur losses, it’s current liabilities exceed current assets and defaulted in repayment of its borrowings and payment of statutory dues. Further, auditors of material subsidiaries of the Company have qualified their reports with respect to Going Concern of the Company 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 Corporate Insolvency Resolution Process, the outcome of which cannot be presently ascertained.

- f. Note no 17 regarding unbilled revenue recognized by one of the Company’s subsidiary amounting to Rs.917 Crore with respect to services provided , which has not been billed by the Company for the reasons mentioned in the aforesaid note. We are unable to comment on the ultimate outcome of reconciliation and it’s impact on the revenue recognized during the period and in earlier periods and its realisation.

- g. Note No 23 regarding non receipt of balance confirmation from balance with Industrial and Commercial bank of China in Fixed Deposit (FD) account amounting to Rs. 31.62 Crores as at March 31, 2020 in respect of one of the Company's Subsidiary. The Company further, has recognised Interest income on the said FD amounting to Rs. 1.06 Crores on the basis of Confirmation received as at September 30, 2019. Pending receipt of balance confirmation as on reporting date, we are unable to comment on the consequential impact if any, on the financial statements of the company.

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 Companies Act, 2013 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. 9 of the statement, 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.
2. We draw attention to Note 24 to the statement, relating to remuneration paid to the Executive Director and CFO of the Company amounting to Rs.0.49 Crore for the financial year ended March 31, 2020, being in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by Rs. 0.27 Crore, which is subject to the approval of the shareholders.
3. We draw attention to Note no. 25 to the statement, as regards to the management evaluation of COVID - 19 impact 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 the above matters.

### **Management 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 1 of 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 profit/ loss and other comprehensive income/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 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 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 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.
- Conclude on the appropriateness of the Board of Directors 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 Ind AS 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. The entire audit finalisation process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on the data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Central Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the alternative audit procedures to obtain sufficient and appropriate audit evidence for significant matters in course of our audit. Our report is not modified in respect of this matter.
- b. 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 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).

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 Company ("IRP") vide the CIRP Order who has been confirmed as the resolution professional of the Company ("RP") by the committee of creditors.

As per Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated AS financial results of a 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 consolidated financial results. As mentioned in Note no. 1 of the statement, In view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the RP.

- c. The consolidated financial results include financial results of Sixty six subsidiaries considered in the preparation of the Statement (including four subsidiaries classified as discontinued operations), whose financial results reflect total assets of Rs. 2,828 Crore, total revenues from continuing operations of Rs. 43 Crore & Rs.750 Crore and total revenues from discontinued operations of Rs 3 Crore & Rs 11 Crore for the quarter and year ended March 31, 2020 respectively and total net profit/(loss) after tax from continuing operations of Rs. (159) Crore and Rs.(311) Crore and total profit/(loss) after tax from discontinued operations of Rs.(7) Crore and Rs (13) Crore, Total Comprehensive income/((loss) from continuing operations of Rs. (159) Crore and Rs.(311) Crore and Total Comprehensive income/((loss) from discontinuing operations of Rs. (7) Crore and Rs. (12) Crore for the quarter and year ended March 31, 2020 respectively and net cash outflow of Rs.73 Crore for the year ended March 31,2020 as considered in the consolidated financial results, which have been audited/reviewed by the respective independent auditors. The consolidated financial results also includes financial results of 2 associates considered in the Statement, whose financial results reflect Group's share of net profit of Rs. 4 Crore for the year ended March 31, 2020. The independent auditors' reports on financial statements / 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.
- d. The consolidated financial results include unaudited financial results of Sixteen subsidiaries considered in the preparation of the Statement, whose financial results reflect total assets of Rs. 3,436 Crore, total revenues from operations of Rs. 38 Crore & Rs. 97 Crore for the quarter and year ended March 31, 2020 respectively and total profit/(loss) after tax of Rs. (10) Crore and Rs.(2,385) Crore, total comprehensive income/(loss) of Rs.6 Crore and

# Pathak H.D. & Associates LLP

Chartered Accountants

Rs.(2,369) Crore for the quarter and year ended March 31, 2020 respectively and net cash outflow of Rs. 2 Crore for the year ended March 31,2020 as considered in the consolidated financial results. These unaudited financial statements / 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 statements / financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / 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.

- e. Attention is drawn to the fact that the figures for the quarter ended March 31, 2020 and the corresponding quarter ended in the previous year as reported in these 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 and not subjected to audit.

**For Pathak H.D. & Associates LLP**

*Chartered Accountants*

Firm's Registration No:107783W/W100593

*Parimal Kumar Jha*

**Parimal Kumar Jha**

*Partner*

Membership No:124262

Mumbai

July 31, 2020

UDIN: 20124262AAAADB4976



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**Annexure A Forming part of Audit Report on Audited Consolidated Financial Results of Reliance Communications Limited for the quarter and year ended March 31, 2020 dated July 31, 2020**

**List of Subsidiaries:**

<b>Sr.No.</b>	<b>Name of 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 Communications Infrastructure Limited
8	Globalcom IDC Limited
9	Reliance Infratel Limited
10	Globalcom Mobile Commerce Limited
11	Reliance BPO Private Limited
12	Reliance Globalcom Limited, India (ceased w.e.f. 1-7-2019)*
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 Globalcom Limited, Bermuda (ceased w.e.f. 1-7-2019)*
22	FLAG Telecom Singapore Pte. Limited (ceased w.e.f. 1-7-2019)*
23	FLAG Atlantic UK Limited (ceased w.e.f. 1-7-2019)*
24	Reliance FLAG Atlantic France SAS (ceased w.e.f. 1-7-2019)*
25	FLAG Telecom Taiwan Limited (ceased w.e.f. 1-7-2019)*
26	Reliance FLAG Pacific Holdings Limited
27	FLAG Telecom Group Services Limited (ceased w.e.f. 1-7-2019)*
28	FLAG Telecom Deutschland GmbH (ceased w.e.f. 1-7-2019)*
29	FLAG Telecom Hellas AE (ceased w.e.f. 1-7-2019)*
30	FLAG Telecom Asia Limited (ceased w.e.f. 1-7-2019)*
31	FLAG Telecom Nederland B.V. (ceased w.e.f. 1-7-2019)*
32	Reliance Globalcom (UK) Limited (ceased w.e.f. 1-7-2019)*
33	Yipes Holdings Inc. (ceased w.e.f. 1-7-2019)*
34	Reliance Globalcom Services Inc. (ceased w.e.f. 1-7-2019)*
35	YTV Inc. (ceased w.e.f. 1-7-2019)*
36	Reliance Infocom Inc.
37	Reliance Communications Inc.
38	Reliance Communications International Inc.

39	Reliance Communications Canada Inc.
40	Bonn Investment Inc.
41	FLAG Telecom Development Limited (ceased w.e.f. 1-7-2019)*
42	FLAG Telecom Development Services Company LLC (ceased w.e.f. 1-7-2019)*
43	FLAG Telecom Network Services DAC (ceased w.e.f. 1-7-2019)*
44	Reliance FLAG Telecom Ireland DAC (ceased w.e.f. 1-7-2019)*
45	FLAG Telecom Japan Limited (ceased w.e.f. 1-7-2019)*
46	FLAG Telecom Ireland Network DAC (ceased w.e.f. 1-7-2019)*
47	FLAG Telecom Network USA Limited (ceased w.e.f. 1-7-2019)*
48	FLAG Telecom Espana Network SAU (ceased w.e.f. 1-7-2019)*
49	Reliance Vanco Group Limited (ceased w.e.f. 1-7-2019)*
50	Euronet Spain SA (ceased w.e.f. 1-7-2019)*
51	Net Direct SA (Proprietary) Ltd. (Under liquidation) (ceased w.e.f. 1-7-2019)*
52	Vanco (Shanghai) Co Ltd. (ceased w.e.f. 1-7-2019)*
53	Vanco (Asia Pacific) Pte. Limited (ceased w.e.f. 1-7-2019)*
54	Vanco Australasia Pty. Ltd. (ceased w.e.f. 1-7-2019)*
55	Vanco Sp Zoo (ceased w.e.f. 1-7-2019)*
56	Vanco Gmbh (ceased w.e.f. 1-7-2019)*
57	Vanco Japan KK (ceased w.e.f. 1-7-2019)*
58	Vanco NV (ceased w.e.f. 1-7-2019)*
59	Vanco SAS (ceased w.e.f. 1-7-2019)*
60	Vanco South America Ltda (ceased w.e.f. 1-7-2019)*
61	Vanco Srl (ceased w.e.f. 1-7-2019)*
62	Vanco Sweden AB (ceased w.e.f. 1-7-2019)*
63	Vanco Switzerland AG (ceased w.e.f. 1-7-2019)*
64	Vanco Deutschland GmbH (ceased w.e.f. 1-7-2019)*
65	Vanco BV (ceased w.e.f. 1-7-2019)*
66	Vanco UK Ltd (ceased w.e.f. 1-7-2019)*
67	Vanco International Ltd (ceased w.e.f. 1-7-2019)*
68	Vanco Row Limited (ceased w.e.f. 1-7-2019)*
69	Vanco Global Ltd (ceased w.e.f. 1-7-2019)*
70	VNO Direct Ltd (ceased w.e.f. 1-7-2019)*
71	Vanco US LLC (ceased w.e.f. 1-7-2019)*
72	Vanco Solutions Inc (ceased w.e.f. 1-7-2019)*
73	Seoul Telenet Inc. (ceased w.e.f 1-7-2019)*
74	FLAG Holdings (Taiwan) Limited (ceased w.e.f 1-7-2019)*
75	Reliance Communications Tamilnadu Limited
76	Global Cloud Xchange Limited (ceased w.e.f. 1-7-2019)*
77	GCX Limited (ceased w.e.f. 1-7-2019)*
78	Globalcom Realty Limited
79	Worldtel Tamilnadu Private Limited
80	Realsoft Cyber Systems Private Limited
81	Internet Exchangenext.com Limited

82	Lagerwood Investments Limited
83	Reliance Telecom Infrastructure (Cyprus) Holding Limited
84	Aircom Holdco B.V. and
85	Towercom Infrastructure Private Limited
86	Reliance Reality Limited ( Consolidated w.e.f December 10, 2019)
87	Reliance Infra Projects Limited ( Consolidated w.e.f. December 10, 2019)

**List of Associates:**

Sr.No.	Name of Company
1	Warf Telecom International Private Limited
2	Mumbai Metro Transport Private Limited

\* Refer note no. 7 of the audited financials results(Consolidated)





**Reliance Communications Limited**  
 website: www.rcom.co.in  
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 CIN - L45309MH2004 PLC147531

**Audited Financial Results (Consolidated) for the quarter and year ended March 31, 2020**

( ` in Crore)

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>					
	(a) Revenue from Operations	257	261	962	1,685	4,015
	(b) Other Income	43	2	127	49	179
	<b>(c) Total Income [ (a) + (b) ]</b>	<b>300</b>	<b>263</b>	<b>1,089</b>	<b>1,734</b>	<b>4,194</b>
<b>2</b>	<b>Expenses</b>					
	(a) Access Charges, Licence Fees and Network Expenses	162	198	335	1,102	2,133
	(b) Employee Benefits Expenses	(9)	36	166	210	521
	(c) Finance Costs	6	8	39	62	192
	(d) Depreciation, Amortisation and Provision for Impairment	21	60	197	354	820
	(e) Sales and General Administration Expenses	251	89	462	589	980
	<b>(f) Total Expenses [ (a) to (e) ]</b>	<b>431</b>	<b>391</b>	<b>1,199</b>	<b>2,317</b>	<b>4,646</b>
<b>3</b>	<b>Profit/ (Loss) before Share of Profit/ (Loss) of Associates, Exceptional Items and Tax [ 1 (c) - 2 (f) ]</b>	<b>(131)</b>	<b>(128)</b>	<b>(110)</b>	<b>(583)</b>	<b>(452)</b>
4	Share of Profit / (Loss) of Associates	2	1	-	4	2
<b>5</b>	<b>Profit/ (Loss) before Exceptional Items and Tax [ 3 + 4 ]</b>	<b>(129)</b>	<b>(127)</b>	<b>(110)</b>	<b>(579)</b>	<b>(450)</b>
6	Exceptional Items (Refer Note 5 and 7 )	-	(8,964)	(384)	(10,214)	2,008
<b>7</b>	<b>Profit/ (Loss) before Tax [ 5 + 6 ]</b>	<b>(129)</b>	<b>(9,091)</b>	<b>(494)</b>	<b>(10,793)</b>	<b>1,558</b>
<b>8</b>	<b>Tax Expenses</b>					
	(a) Current Tax	2	5	6	14	13
	(b) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	-	-	1,458	-	2,412
	<b>(c) Tax Expenses (net) [ (a) + (b) ]</b>	<b>2</b>	<b>5</b>	<b>1,464</b>	<b>14</b>	<b>2,425</b>
<b>9</b>	<b>Profit/ (Loss) after Tax [ 7 - 8 ]</b>	<b>(131)</b>	<b>(9,096)</b>	<b>(1,958)</b>	<b>(10,807)</b>	<b>(867)</b>
10	Profit/ (Loss) before Tax and Exceptional Items from Discontinued Operations	(244)	(263)	(2,598)	(1,142)	(3,136)
11	Exceptional Items relating to Discontinued Operations (Refer Note 9)					
	Provision of liability on account of License and Spectrum Fee	(1,278)	(1,245)	-	(30,837)	
	Impairment of Assets	-	-	(3,222)	-	(3,222)
12	Profit/ (Loss) before Tax from Discontinued Operations [10-11]	(1,522)	(1,508)	(5,820)	(31,979)	(6,358)
13	Tax Expenses of Discontinued Operations	(109)	-	1	(109)	(7)
<b>14</b>	<b>Profit/ (Loss) after Tax from Discontinued Operations [12-13]</b>	<b>(1,413)</b>	<b>(1,508)</b>	<b>(5,821)</b>	<b>(31,870)</b>	<b>(6,351)</b>
15	Other Comprehensive Income/ (Loss) for the period	(43)	(6)	(184)	(25)	12
<b>16</b>	<b>Total Comprehensive Income/ (Loss) for the period [ 9 + 14 + 15 ]</b>	<b>(1,587)</b>	<b>(10,610)</b>	<b>(7,963)</b>	<b>(42,702)</b>	<b>(7,206)</b>
<b>17</b>	<b>Profit/ (Loss) for the period attributable to</b>					
	(a) Equity holders of the company	(1,549)	(10,598)	(7,767)	(42,671)	(7,206)
	(b) Non Controlling Interest	5	(6)	(12)	(6)	(12)
<b>18</b>	<b>Total Comprehensive Income/ (Loss) attributable to</b>					
	(a) Equity holders of the company	(1,592)	(10,604)	(7,951)	(42,696)	(7,194)
	(b) Non Controlling Interest	5	(6)	(12)	(6)	(12)
<b>19</b>	<b>Earnings per Share (EPS) (Basic and Diluted) (Rs.)</b>					
	<b>(before exceptional items)</b>					
	(a) Continuing Operations	(0.48)	(0.48)	(5.74)	(2.16)	(6.97)
	(b) Discontinued Operations	(0.51)	(0.93)	(9.43)	(3.74)	(11.36)
	(c) Continuing and Discontinued Operations	(0.99)	(1.41)	(15.16)	(5.90)	(18.33)
	<b>(after exceptional items)</b>					
	(a) Continuing Operations	(0.48)	(33.14)	(7.14)	(39.38)	(3.16)
	(b) Discontinued Operations	(5.17)	(5.47)	(21.17)	(116.11)	(23.10)
	(c) Continuing and Discontinued Operations	(5.65)	(38.61)	(28.30)	(155.49)	(26.26)
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 15)				-	-
22	Debt Service Coverage Ratio (DSCR) (Refer Note 15)				-	-
23	Interest Service Coverage Ratio (ISCR) (Refer Note 15)				-	-

Segment wise Revenue, Results , Segment Assets and Segment Liabilities					( ₹ in Crore )	
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>					
	(a) India Operation	229	256	475	1,075	1,808
	(b) Global Operation	62	27	751	726	2,821
	<b>(c) Total [ (a) + (b) ]</b>	<b>291</b>	<b>283</b>	<b>1,226</b>	<b>1,801</b>	<b>4,629</b>
	(d) Less: Inter segment revenue	9	(20)	(137)	(67)	(435)
	<b>(e) Income from Operations [ (c) - (d) ]</b>	<b>300</b>	<b>263</b>	<b>1,089</b>	<b>1,734</b>	<b>4,194</b>
<b>2</b>	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Finance Cost from each segment					
	(a) India Operation	(159)	(110)	(128)	(477)	(255)
	(b) Global Operation	34	(10)	57	(44)	(5)
	<b>(c) Total [ (a) + (b) ]</b>	<b>(125)</b>	<b>(120)</b>	<b>(71)</b>	<b>(521)</b>	<b>(260)</b>
		-	-	-	-	-
	(d) Less : Finance Costs (net)	6	8	39	62	192
	(e) Add : Exceptional Items	-	(8,964)	(384)	(10,214)	2,008
	<b>Total Profit before Tax and share in Profit / (Loss) of Associates</b>	<b>(131)</b>	<b>(9,092)</b>	<b>(494)</b>	<b>(10,797)</b>	<b>1,556</b>
	<b>Total Profit/ (Loss) before Tax from Discontinued Operations</b>	<b>(1,522)</b>	<b>(1,508)</b>	<b>(5,820)</b>	<b>(31,979)</b>	<b>(6,357)</b>
<b>3</b>	<b>Segment Assets</b>					
	(a) India Operation	47,884	48,283	48,300	47,884	48,300
	(b) Global Operation	860	485	7,690	860	7,690
	(c) Others/ Unallocable	1,271	1,255	13,492	1,271	13,492
	(d) Inter segment Eliminations	(2,015)	(1,601)	(1,924)	(2,015)	(1,924)
	<b>(e) Total [ (a) to (d) ]</b>	<b>48,000</b>	<b>48,421</b>	<b>67,558</b>	<b>48,000</b>	<b>67,558</b>
<b>4</b>	<b>Segment Liabilities</b>					
	(a) India Operation	94,710	93,293	63,832	94,710	63,832
	(b) Global Operation	1,605	1,638	8,909	1,605	8,909
	(c) Others/ Unallocable	1,257	1,372	1,305	1,257	1,305
	(d) Inter segment Eliminations	(1,732)	(1,634)	(2,630)	(1,732)	(2,630)
	<b>(e) Total [ (a) to (d) ]</b>	<b>95,840</b>	<b>94,669</b>	<b>71,416</b>	<b>95,840</b>	<b>71,416</b>

Consolidated Statement of Assets and Liabilities		( in Crore )	
		As at	
	Particulars	31-Mar-20 Audited	31-Mar-19 Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	2,222	7,612
	(b) Capital Work in Progress	193	191
	(c) Goodwill	1,472	1,339
	(d) Other Intangible Assets	19	756
	(e) Intangible Assets under Development	-	4
	(f) Investment in Associates	32	28
	(g) Financial Assets		
	(i) Investments	23	12,005
	(ii) Other Financial Assets	2	7
	(h) Deferred Tax Asset (net)	8	29
	(i) Income Tax Asset (net)	653	492
	(j) Other Non Current Assets	1,025	1,136
	<b>Sub-total Non-Current Assets</b>	<b>5,649</b>	<b>23,599</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	32	63
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade Receivables	490	1,346
	(iii) Cash and Cash Equivalents	442	832
	(iv) Bank Balances other than (iii) above	113	106
	(v) Other Financial Assets	386	505
	(c) Other Current Assets	5,567	5,780
	(d) Asset held for sale	35,321	35,327
	<b>Sub-total - Current Assets</b>	<b>42,351</b>	<b>43,959</b>
	<b>Total Assets</b>	<b>48,000</b>	<b>67,558</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	(49,539)	(5,563)
	<b>Equity Attributable to Shareholders</b>	<b>(48,156)</b>	<b>(4,180)</b>
	Non-Controlling Interest	316	322
	<b>Total Equity</b>	<b>(47,840)</b>	<b>(3,858)</b>
	<b>LIABILITIES</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	468	-
	(b) Deferred Revenue	-	2,940
	(c) Other Non-Current Liabilities	156	100
	(d) Deferred Tax Liabilities (net)	1,257	1,285
	(e) Provisions	12	200
	<b>Sub-total Non-Current Liabilities</b>	<b>1,893</b>	<b>4,525</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	30,269	31,244
	(ii) Trade Payables		
	Due to Micro Enterprises and Small Enterprises	80	86
	Due to Others	4,103	3,555
	(iii) Other Financial Liabilities	47,914	19,678
	(b) Deferred Revenue	1,930	3,008
	(c) Other Current Liabilities	1,036	1,310
	(d) Income Tax Liabilities (net)	-	20
	(e) Provisions	1,467	1,471
	(f) Liabilities directly related to Assets held for Sale	7,148	6,519
	<b>Sub-total - Current Liabilities</b>	<b>93,947</b>	<b>66,891</b>
	<b>Total Equity and Liabilities</b>	<b>48,000</b>	<b>67,558</b>

## Statement of Consolidated Cash Flow for the year ended

( ` in Crore )

Sr	Particulars	For the year ended	
		31-Mar-20	31-Mar-19
		Audited	Audited
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before tax from Continuing Operations	(10,793)	1,558
	Profit / (Loss) before tax from Discontinued Operations	(31,979)	(6,358)
	<b>Profit before tax -Continuing and Discontinuing Operation</b>	<b>(42,772)</b>	<b>(4,800)</b>
	Adjusted for:		
	Provision for Doubtful Debts, Loans and Advances	115	2,804
	Depreciation, Impairment and Amortisation	355	863
	Impairment of Goodwill	-	2,177
	Impact of deconsolidation of subsidiaries/ Impairment of Goodwill	1,250	(4,944)
	Provision for Impairment (net)	8,968	3,981
	Effect of Changes in Foreign Exchange Rate (net)	132	(1)
	(Profit) /Loss on Sale of Assets and Capital Work in Progress (net)	-	(826)
	Finance Costs	717	1,275
	Share of Profit/ (Loss) on investment in associates	(4)	(2)
	Write off other non current asset / Writeback of Provision for Liabilities no longer required	232	(253)
	Interest Income	(9)	(11)
		<b>11,756</b>	<b>5,063</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>(31,016)</b>	<b>263</b>
	Adjusted for:		
	Receivables and Other Advances	34	(405)
	Inventories	31	16
	Trade Payables and Other Liabilities	31,154	272
		<b>31,219</b>	<b>(117)</b>
	<b>Cash Generated from Operations</b>	<b>203</b>	<b>146</b>
	Income Tax Refund	46	411
	Income Tax Paid	(230)	(183)
	<b>Net Cash from Operating Activities</b>	<b>19</b>	<b>374</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	(11)	(284)
	Proceeds from Sale of Property Plant and Equipment	-	974
	Investment in Bank deposits (having original maturity for more than 3 months)	-	23
	Interest Income	16	6
	<b>Net Cash from / (Used in) Investing Activities</b>	<b>5</b>	<b>719</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Net Proceeds from / (Repayment) of Borrowings Current	(2)	230
	Realised foreign exchange loss variation	-	(14)
	Repayment of Borrowings - Non Current	-	(4)
	Finance Cost	(52)	(1,080)
	<b>Net Cash from / (used in) Financing Activities</b>	<b>(54)</b>	<b>(868)</b>
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(30)</b>	<b>225</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>832</b>	<b>607</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>442</b>	<b>832</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**”) 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 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. AnishNiranjanNanavaty 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. AnishNiranjanNanavaty 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 31,2020, 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 yearended March 31, 2020 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 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 .

During the quarter ended September 30, 2019, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT for resolution process under the Code.

2. Figures of the previous period 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.

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 monetisation of certain specified assets on December 28, 2017 for sale of Wireless Spectrum, Towers, Fiber and Media Convergence Nodes (MCNs). During the previous financial year, the said asset sale agreements were terminated by mutual consent on account of various factors

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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, liabilities and Impairment of goodwill on Consolidation and accordingly provide for impairment of assets and write back of liabilities, if any. Further, the Corporate Debtor and some of its subsidiaries are in the process of reconciling Goods & Service Tax (GST) and Tax Deducted at source. The Auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2020.

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. 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, 2020.

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. 1,299 crore and Rs 4,748 crore calculated based on basic rate of interest as per terms of loan for the quarter and year ended March 31, 2020 respectively and foreign exchange loss aggregating to Rs 1,057 crore loss and Rs 1,609 crore loss for the quarter and year ended March 31, 2020 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 2,356 crore and Rs. 6,357 crore for the quarter and year ended March 31, 2020 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, 2020. During the previous years, Interest of Rs 7,998 crore and foreign exchange loss aggregating to Rs 984 crore were not provided and the Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 and March 31, 2019.

5. During the previous year ended March 31, 2019, the Corporate Debtor was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the

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Corporate Debtor's real estate development plan and restructuring of Debt. Accordingly as required by the lenders and also to safeguard the development of real estate and the business taken up by RRL, it was felt necessary that control of RRL be conferred on ADA Group. However, in view of the monetization plan having failed and the resumption of the corporate insolvency resolution process, the control of RRL has now been transferred from ADA Group to the Corporate Debtor. However RP has highlighted that the Corporate Debtor shall not be responsible for any actions undertaken by ADA Group in control of RRL prior to the vesting of control of RRL with the Corporate Debtor.

During the previous quarter, pursuant to amendment of the Articles of Association in the Extra Ordinary General Meeting of Reliance Realty Limited (RRL), held on December 10, 2019, the control of RRL, a subsidiary of the Corporate Debtor, was conferred on the Corporate Debtor, with effect from December 10, 2019. Consequently RRL has been included for the preparation of consolidated financial results of the Corporate Debtor as per Ind AS 110 "Consolidated Financial Statements" and Investments previously fair valued was recorded at cost. Goodwill of Rs. 1320 crore has been recognised on consolidation of RRL in the consolidated financial statements (Refer note 3 on impairment). Impact on profitability for the quarter and year ended March 31, 2020 is Rs Nil and Rs 8,964 crore loss represented as exceptional items as part of continuing operations.

6. 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-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
Total Income	274	260	248	1,109	1,866
Total Expenses	518	523	2,846	2,251	5,002

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Profit/ (Loss) before Exceptional Item tax	(244)	(263)	(2,598)	(1,142)	(3,136)
Exceptional Item	(1278)	(1,245)	(3,222)	(30,837)	(3,222)
Tax	(109)	-	(1)	(109)	7
Profit/ (Loss) after tax	(1,413)	(1,508)	(5,821)	(31,870)	(6,351)

Cash Flow from	31-Mar-20	31-Mar-19
- Operating activities	237	382
- Investing Activities	13	1,000
- Financing Activities	(54)	(679)

7. During the previous quarter, GCX Limited, an overseas step-down subsidiary of the Corporate Debtor, defaulted in payment to 7% Senior Secondary Notes (Notes) amounting to USD 350 million that had fallen due for repayment on August 01, 2019. An ad hoc group of the Senior Secured Noteholders agreed not to exercise their full rights on default in exchange for placement of an independent director on the GCX board, the retention of a Chief Restructuring Officer for GCX, and the filing of a Chapter 11 plan for GCX and subsidiaries under which the equity interests in GCX would be extinguished and new shares would be issued to the Senior Noteholders. More than 75% of Bond holders have committed their support for the said plan.

GCX and certain subsidiaries (the “Debtors”) filed their voluntary Chapter 11 petitions on September 15, 2019, and on the same date, they filed a proposed plan of reorganization and disclosure statement. Over RCom’s objections, the Plan was confirmed by the bankruptcy 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 Noteholders 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). As of the present date, the Debtors have not filed any such Notice of Effective Date, and the Plan has not become “effective.” As a result, although the Debtors and the Noteholders continue to work towards satisfying the various Plan requirements, technically, RCom has not yet been divested of its indirect equity interest in GCX and the other Debtors. Impact on profitability is Rs Nil and Rs 1,250 crore for the quarter and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items. Hence the figures for the quarter and year ended March 31, 2020 are not comparable with the previous corresponding period.

Pursuant to the order dated February 25, 2020, the court has 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 the following: (a) that two-

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step emergence is permitted under the confirmation order and plan documents, or, alternatively, (b) deeming two-step emergence a non-material plan modification and amending the confirmation order to reflect the same. Accordingly, a bifurcation has been created wherein debtors not requiring regulatory approvals could complete their processes and arrive at effective date, while others may wait for occurrence of their effective date upon fulfillment of regulatory approvals.

Further, on April 14, 2020, a notice has been issued intimating that “the Effective Date of the Plan with respect to Debtors FLAG Telecom Development Limited, FLAG Telecom Group Services Limited, FLAG Telecom Ireland Network DAC, FLAG Telecom Network Services DAC, Reliance FLAG Atlantic France SAS, Reliance FLAG Telecom Ireland DAC, Reliance Vanco Group Limited, Vanco Australasia Pty Limited, Vanco GmbH, Vanco SAS, Vanco UK Limited, and VNO Direct Limited (collectively, the “Non-Regulated Debtors”) occurred on April 14, 2020”. Further, the notice states that “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 and, as reasonably practicable after the occurrence of such Effective Date, the Debtors will service a notice of Effective Date with respect to the Regulated Debtors on all parties who hold a Claim against, or Interest in, the Regulated Debtors in accordance with the Order”.

A certification has been filed on April 20, 2020 before the court seeking final decree confirming the aforesaid occurrence of effective date for non-regulated debtors and closure of Chapter 11 cases for such entities. The court confirmed the aforesaid and entered order on April 21, 2020

A notice has been filed on June 30, 2020 to further extend the plan effectiveness deadlines to December 31, 2020 with respect to the Regulated Debtors. A motion has been filed on July 2 seeking further extension for (a) the Plan Period through and including December 31, 2020 and (b) the Solicitation Period through and including February 8, 2021. The Debtors have further requested that entry of the Proposed Order be without prejudice to the Debtors’ rights to seek additional extensions of the Exclusive Periods.

8. In Four overseas subsidiaries and two domestic subsidiaries, it indicates the existence of material uncertainty due to loss during year ended March 31, 2020, 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, Auditors of two other overseas subsidiaries and three domestic subsidiaries have given Emphasis of Matter for Material Uncertainty on Going Concern. The matter has been referred by the auditors in their Audit Report.
9. 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. Vide order dated March 18, 2020, the Supreme Court has directed that self-assessment/re-assessment of AGR dues by telecom companies will not be permitted and the

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dues are to be paid along with interest and penalty as per the AGR judgment dated October 24, 2019. An application filed by DoT seeking permission from the Supreme Court to *inter alia* recover the AGR dues from the telecom companies in a staggered manner is currently undergoing adjudication and reserved for orders. During the proceedings before the Supreme Court, affidavits have been placed by the Company and its subsidiary Reliance Telecom Limited to put on record the current status of the insolvency resolution process and other details as required to be submitted by the Supreme Court including the audited financials of the last 10 years as well as the Income Tax Returns and the particulars of AGR deposited during the last 10 years.

On July 20, 2020, the Supreme Court *inter alia* has recorded the amounts payable by each telecom operator to the DOT and directed the telecom companies undergoing insolvency proceedings to place on record all documents regarding insolvency and orders passed in the proceeding within 10 days from date of order so that bona fides of initiation of the insolvency proceedings and actions taken may be examined by the Supreme Court and so that it can examine how to ensure that the AGR related dues may be recovered.

In the aforesaid order of the Hon'ble Supreme Court dated July 20, 2020, an amount of Rs. 221.4 crore on account of AGR dues pertaining to Sistema Shyam Teleservices Limited ("SSTL") has been reflected in the AGR dues of RCOM. As per the scheme of arrangement between SSTL and the Corporate Debtor dated October 7, 2016 (approved by the Rajasthan High Court), the aforesaid AGR dues also form a part of the liabilities of identified disputes of the undertaking of SSTL that had been transferred to the Corporate Debtor as on the appointed date of merger i.e., October 31, 2017. Pursuant to the aforesaid, the Corporate Debtor has provided for an amount of Rs. 312.58 Cr (including interest thereof on the principal amount) on account of additional AGR dues in the financial statements for the Quarter and Year ended March 31, 2020.

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. 29,559 crore upto the previous quarter ended December 31, 2019 and has provided additional charge of Rs. 1,278 crore (including that of SSTL) during the quarter ended March 31, 2020 thereby aggregating to Rs 30,837 crore for the year ended March 31, 2020 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. This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2020.

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10. The listed Redeemable Non Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs 3,750 crore as on March 31, 2020 are secured by way of first paripassu 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.

11. 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	02.03.2019	07.03.2019
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	Rs3,000 crore on 01.03.2019 (Unpaid)	Rs375 crore each on 07.02.2018 and 07.02.2019 (Unpaid)
Interest Unpaid up to March 31, 2020 (Rs in crore)	1,007	252

12. Debenture Redemption Reserve (DRR) : Rs 590 crore as on March 31, 2020

13. Networth :Rs. (49,290) crore, as on March 31, 2020 excluding Capital Reserve, Treasury Equity and Exchange Fluctuation Reserve amounting to Rs. 1,134 crore.

14. Figures for the quarter ended March 31, 2020 and March 31, 2019 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.

15. 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).

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16. 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, 2020.
17. 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 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, 2020.
18. 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".
19. The Corporate Debtor has opted to publish consolidated financial results for the financial year 2019-20. Standalone financial results, for the quarter and year ended March 31, 2020 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.
20. Additional information on standalone basis is as follows:

(Rsincrore)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
Total Income	156	201	361	818	1,465
Profit/ (Loss) before tax	(1,254)	(12,769)	(110)	(16,863)	8,657
Profit/ (Loss) before tax from Discontinued Operations	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)
Total Comprehensive Income	(2,524)	(13,929)	(3,582)	(45,333)	2,847

21. 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.

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22. 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, 2020. Impact of the qualification is given in Annexure 1.
23. Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor has written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of Rs. 31.62 crore 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 any confirmation from ICBC yet and the auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2020.
24. The managerial remuneration paid to the Executive Director and CFO of the Corporate Debtor amounting to Rs. 0.49 crore for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by Rs. 0.27 crore. His appointment and remuneration has been approved by the Committee of Creditors. The excess amount of Rs 0.27 crore has been reflected as Advance receivable in the financial statements and as per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Corporate Debtor proposes to obtain in the forthcoming Annual General Meeting. This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2020.
25. While the Corporate Debtor is sensitive about the impact of the pandemic (covid 19), not only on the human life but on businesses and industrial activity across the globe, however, its effect will only be realized and ascertained over the next few months.

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.

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak and same had been extended for additional period. However, 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 extent to which the COVID-19 pandemic will impact the Corporate Debtor's future financial results will depend on upcoming developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and the action to mitigate its spread as advised by local authorities.

As the Corporate Debtor is undergoing CIRP, it is relevant to note that the period of lockdown is notified to be exempt under the Code for the purpose of timeline to complete the CIRP. This matter has been referred to by the Auditors in their Audit report for the quarter and year ended March 31, 2020.

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26. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on July 31, 2020 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.

**For Reliance Communications Limited**

A handwritten signature in black ink, appearing to read "Anish Nanavaty".

**Anish Niranjana Nanavaty**  
**Resolution Professional**

A handwritten signature in black ink, appearing to read "Viswanath D.".

**Viswanath D.**  
**Executive Director and Chief Financial Officer**

Place: Mumbai  
Date: July 31, 2020

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**ANNEXURE I**



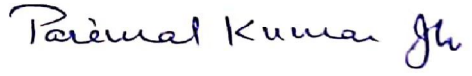
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

<b>I</b>	<b>Sr. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Audited Figures (audited figures after adjusting for qualifications)</b>
	1	Turnover / Total income	1,734	1,734
	2	Total Expenditure	12,541	12,541
	3	Net Profit/(Loss)	(10,807)	(10,807)
	4	Net Profit/ (Loss) from Discontinued Operations	(31,870)	(38,227)
	5	Earnings Per Share	(155.49)	(178.66)
	6	Total Assets	48,000	48,000
	7	Total Liabilities	95,840	111,179
	8	Net worth	(47,840)	(63,179)
	9	Any other financial item(s) (as felt appropriate by the management)		
<b>II</b>	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	Third 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 and reconciliation of credits relating to GST and TDS (Refer Note 3 and, 6), Lease (Refer Note 16), Unbilled Revenue (Refer Note 17) (ii) Qualification on Going Concern in some of Subsidiaries (Refer Note 3 and 8) (iii) Balance Confirmation of Fixed Deposit (Refer Note	

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			23)
		(i) Management's estimation on the impact of audit qualification:	
		(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 Niranjan Nanavaty Resolution Professional	
		Viswanath D Executive Director and Chief Financial Officer	
		Parimal Kumar Jha Statutory Auditor  UDIN - 20124262AAAACY7148	
	Place	Mumbai	
	Date	July 31, 2020	



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