

September 02, 2022

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

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

Dear Sir(s),

Sub: Notice of 18th Annual General Meeting and Annual Report 2021-22

This is to inform that the 18th Annual General Meeting of the members of the Company will be held on Saturday, September 24, 2022 at 11:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) ('the AGM').

The Annual Report for the financial year 2021-22, including the notice convening the AGM, is enclosed herewith.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC / OAVM and e-voting, are set out in Notice.

Thanking you.

Yours faithfully,
For **Reliance Communications Limited**

RAKESH Digitally signed by
RAKESH GUPTA
GUPTA Date: 2022.09.02
17:38:54 +05'30'

Rakesh Gupta
Company Secretary

Encl.: As above

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

Registered Office:

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

RELIANCE

Communications

Annual Report 2021-22



Profile

Reliance Communications Limited (RCOM), together with its subsidiary Globalcom IDC Limited, is a telecommunication service provider with businesses including India Data Center Business and India National Long Distance business. RCOM conducts a substantial portion of its business through subsidiary companies, including Globalcom IDC Limited and Reliance Infratel Limited.

Directors

Shri Anil Dhirubhai Ambani – Chairman
Shri Punit Garg
Shri Suresh Rangachar
Smt. Manjari Kacker
Smt. Ryna Karani
Smt. Chhaya Virani
Shri Vishwanath Devaraja Rao – Executive Director and
Chief Financial Officer

Resolution Professional

Shri Anish Niranjana Nanavaty

Company Secretary and Compliance Officer

Shri Rakesh Gupta

Statutory Auditors

M/s. Pathak H. D. & Associates, LLP, Chartered Accountants

Registered Office

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN: L45309MH2004PLC147531
Tel.: +91 22 3038 6286
E-mail: rcom.investors@relianceada.com
Website: www.rcom.co.in

Registrar and Transfer Agent

KFin Technologies Limited
(Formerly Known as KFin Technologies Private Limited),
Unit: Reliance Communications Limited,
Selenium Tower – B, Plot No. 31 & 32,
Survey No. 116/22, 115/24, 115/25,
Financial District, Nanakramguda,
Hyderabad 500 032. Telangana
Website: www.kfintech.com

Investor Helpdesk

Toll free no (India) : 1800 309 4001
Tel. : +91 40 6716 1500
Fax : +91 40 6716 1791
E-mail : rcom@kfintech.com

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**18th Annual General Meeting on Saturday, September 24, 2022 at 11.30 A.M. (IST)
through Video Conference (VC) / Other Audio Visual Means (OAVM)**

This Annual Report can be accessed at www.rcom.co.in

Reliance Communications Limited

Notice

Notice is hereby given that the 18th Annual General Meeting (**AGM**) of the Members of **Reliance Communications Limited** ("**Company**" or "**RCOM**"), a company undergoing corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016, will be held on Saturday, September 24, 2022 at 11.30 A.M. (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM) to transact the business as herein contained;

Background:

Pursuant to an application filed by Ericsson India Pvt. Ltd before the Hon'ble 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 ("**CIR process**" or "**CIRP**") of the Company vide its order dated May 15, 2018 ("**Admission Order**"). The Hon'ble NCLT had, pursuant to the Admission Order, appointed an Interim Resolution Professional ("**IRP**") for the Company vide its order dated May 18, 2018. In terms of the Admission Order, *inter alia*, the management of the affairs of the Company was vested in the IRP.

Subsequently, the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**"), while adjudicating upon an appeal preferred against the Admission Order, vide its order dated May 30, 2018, *inter alia*, stayed the Admission Order and allowed the management of the Company to function ("**Stay Order**"). On April 30, 2019, the NCLAT, upon allowing the withdrawal of the aforesaid appeal, vacated all interim orders including the Stay Order. The NCLT, vide order May 7, 2019, directed the IRP to proceed in the CIRP of the Company. Upon vacation of the Stay Order and the aforesaid order of the NCLT, the CIR process of the Company re-commenced.

Thereafter, the Committee of Creditors ("**COC**") of the Company resolved with the requisite voting share, to replace the IRP with Mr. Anish Niranjana Nanavaty, as the resolution professional for the Company ("**RP**" or "**Resolution Professional**"). Subsequently, the Hon'ble NCLT has appointed Mr. Anish Niranjana Nanavaty as the RP for the Company vide its order dated June 21, 2019, which was published on June 28, 2019. Accordingly, the management of the Company vests in the RP during the continuance of the CIR process period of the Company.

In accordance with the provisions of the Code, various resolution plans in respect of the Company were received by the RP. The COC, in their meeting held on March 02, 2020, has approved the Resolution Plan submitted by UV Asset Reconstruction Company Limited ("**Resolution Plan**") which was subsequently submitted to the Hon'ble NCLT on March 6, 2020 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the Hon'ble NCLT.

In view hereof, this Annual General Meeting is being called and convened.

Ordinary Business:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2022 and the reports of the Directors and Auditors thereon, and

- b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon.
2. To appoint Shri Punit Garg (DIN: 00004407), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Punit Garg (DIN: 00004407), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

(His appointment is a part of compliance with section 152(6) of the Companies Act, 2013. However, the powers of the Board shall continue to remain suspended during the continuance of CIR Process. The tenure of directors will be subject to the terms of the Resolution Plan as may be approved by the NCLT in terms of Section 31 of the Code).

Special Business:

3. **Ratification of remuneration payable to Cost Auditor for the financial year ending March 31, 2023.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a fee of ₹ 50,000 (Rupees fifty thousand only) excluding tax and out of pocket expenses, if any, for the financial year 2022-23 payable to M/s. N. Ritesh and Associates, Cost Accountants (Firm Registration Number R100675), appointed by the Resolution Professional as the Cost Auditors of the Company, based on recommendations of the Audit Committee and the Directors, for auditing the cost accounting records of the Company for the financial year ending March 31, 2023 be and is hereby ratified pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

RESOLVED FURTHER THAT the Resolution Professional of the Company or any other persons exercising the powers of the Board of Directors in terms of the Resolution Plan approved by the NCLT, directly or through any person authorized in this behalf be and are hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **Re-appointment of Shri Vishwanath Devaraja Rao as Executive Director.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being

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in force), listing regulations, the Articles of Association of the Company and subject to such other sanctions / consents / approvals as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Shri Vishwanath Devaraja Rao, Chief Financial Officer of the Company, as a Whole-time Director designated as an Executive Director of the Company for a period of three years commencing from November 19, 2022 as per the terms and conditions including the remuneration as set out in the statement annexed to this notice, with liberty to the Committee of Creditors/Resolution Professional of the Company or any other persons exercising the powers of the Board of Directors in terms of the Resolution Plan approved by the NCLT, directly or through any person authorized in this behalf to alter and vary the terms and conditions of said appointment including the remuneration payable to him during the tenure of his appointment in accordance with applicable law such that the remuneration payable to him shall not exceed the limits specified in the Act read with Schedule V to the Act as amended from time to time.

RESOLVED FURTHER THAT the Resolution Professional of the Company, subject to the approval of Committee of Creditors, be and is hereby authorized to increase the remuneration payable to Shri Vishwanath Devaraja Rao during tenure of his appointment based on his performance and the performance of the Company.

RESOLVED FURTHER THAT the Resolution Professional of the Company or any other persons exercising the powers of the Board of Directors in terms of the Resolution Plan approved by the NCLT, directly or through any person authorized in this behalf, be and is hereby authorized to do all such acts, deeds, attend to such matters and things and take all steps as may be necessary, proper and expedient to give effect to this resolution."

For **Reliance Communications Limited**
(Company under Corporate Insolvency Resolution Process)

Rakesh Gupta
Company Secretary & Compliance Officer
(Membership No.: F5951)

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN:L45309MH2004PLC147531
Website: www.rcom.co.in

Date : August 12, 2022

Notes:

- Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") relating to item of Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
- The Ministry of Corporate Affairs ("MCA") has vide its circulars dated May 05, 2020 read with circulars dated April 8, 2020, April 13, 2020 and May 05, 2022 (collectively referred to as "MCA Circulars") permitted the

holding of the "AGM" through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, the Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

- The AGM is being held pursuant to the MCA Circulars and SEBI Circular dated May 13, 2022, through VC / OAVM and physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

4. Re-appointment of Director:

At the ensuing AGM, Shri Punit Garg, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment.

The Resolution Professional of the Company (having the powers of the board of directors of the Company) basis the recommendation provided by the Directors of the Company in their meeting dated May 28, 2022 hereby proposes the reappointment of Shri Punit Garg.

The details pertaining to Shri Punit Garg pursuant to the requirements of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are furnished hereunder:

Shri Punit Garg, 57 years, a qualified Engineer, is part of senior management team of Reliance Group since 2001. He has held several positions in the Company, including CEO of Indian and Global Enterprise Business, Corporate Strategy and Regulatory Affairs of the Company. With rich experience of over 35 years, Shri Garg has created and led billion dollar businesses. As a visionary, strategist and team builder he has driven profitable growth through innovation and operational excellence. He was President, Telecom Business of the Company and elevated to the Board as Non-Executive Director of the Company before resigning as Executive Director of the Company on April 05, 2019.

He is also on the Board of Reliance Infrastructure Limited, BSES Yamuna Power Limited and BSES Rajdhani Power Limited.

Shri Garg is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

He is holding one equity share of the Company as on March 31, 2022.

He does not hold any relationship with other Directors, Key Managerial Personnel and Resolution Professional of the Company. Except Shri Punit Garg, none of the Director / Key Managerial Personnel and Resolution Professional of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 2 of this Notice.

- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through

Reliance Communications Limited

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- electronic mode to those Members whose email addresses are registered with the Company/ Kfintech or Central Depository Services (India) Limited (CDSL)/ National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.rcom.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and also on the website of KFin Technologies Limited (formerly known as KFin Technologies Private Limited) ("KFinTech") at www.kfintech.com.
6. Members whose email address is not registered can register the same in the following manner so that they can receive all communications from the Company electronically:
 - a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website at <https://www.rcom.co.in/investor-relations/shareholder-registration> by providing the requisite details of their holdings and documents for registering their e-mail address; and
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
 7. The Company has engaged the services of KFinTech, as the authorized agency for conducting e-AGM and providing e-voting facility.
 8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
 10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.
 11. Members are advised to refer to the section titled "Investor Information" provided in the Annual Report.
 12. Members are requested to fill in and submit online Feedback Form provided in the 'Investor Relations' section on the Company's website www.rcom.co.in to aid the Company in its constant endeavour to enhance the standards of service to investors.
 13. **Instructions for attending the AGM and e-voting are as follows:**
 - a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Saturday, September 17, 2022 only shall be entitled to avail the facility of remote e-voting / e-voting at the AGM. KFinTech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 10.00 A.M. (IST) on Tuesday, September 20, 2022 to 5.00 P.M. (IST) on Friday, September 23, 2022. At the end of remote e-voting period, the facility shall forthwith be blocked.
 - b. Pursuant to SEBI circular No. SEBI/ HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", which is effective from June 9, 2021, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - c. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
 - d. The voting rights of the Members shall be in proportion to the number of share(s) held by them in the equity share capital of the Company as on the cut-off date being Saturday, September 17, 2022.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 - e. Any person holding shares in physical form and non individual shareholders, who become a member of the Company after sending of the Notice and hold shares as of the cut-off date, may obtain the login ID and password by sending a request to KFinTech at praveendmr@kfintech.com. However, if he/she is already registered with KFinTech for remote e-Voting, then he/she can use his/her existing User ID and password for casting the e-vote.
 - f. In case of Individual Members holding securities in demat mode and who become a member of the Company after sending of the Notice and hold share(s) as of the cutoff date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
 - g. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
 - h. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

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Part A – E-voting

1. Access to Depositories e-Voting system in case of individual members holding shares in demat mode.

Type of shareholders	Login Method
Securities held in demat mode with NSDL	<p>1. User already registered for IDEAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDEAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting Service Provider (ESP) and you will be re-directed to the ESP's website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDEAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select "Register Online for IDEAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in points 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the Company and the ESP, i.e. KFinTech. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.
Securities held in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi / Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile Number & Email address as recorded in the demat Account. After successful authentication, user will be provided with the link for the respective ESP i.e. KFinTech where the e-Voting is in progress.
Login through their demat accounts/ Website of Depository Participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or ESP – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Reliance Communications Limited

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Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

2. Access to KFinTech e-Voting system in case of shareholders holding shares in physical form and non-individual shareholders in demat mode.

(a) Members whose email IDs are registered with the Company/ DPs, will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Reliance Communications Limited- AGM' and click on "Submit"
 - vii. On the voting page, enter the number of share(s) (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option
- ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
 - xii. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer's email id scrutinizerag@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(b) Members whose email IDs are not registered with the Company/DPs, and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Temporarily get their email address and mobile number provided with KFinTech, by sending an e-mail to evoting@kfintech.com. Members are requested to follow the process as guided to capture the email address and mobile number for

Notice

sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Part B – Access to join virtual meetings (e-AGM) of the Company on Kfintech system to participate in e-AGM and vote thereat.

Instructions for all the shareholders for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the time scheduled for the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid difficulties.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at <https://evoting.kfintech.com>. Queries received by the Company till Wednesday, September 21, 2022 (5.00 P.M. IST) shall only be considered and responded during the AGM.

- vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
- vii. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
- viii. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Resolution Professional, Advisors of Resolution Professional and Auditors are not restricted on first come first serve basis.
- ix. The members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit and login through the user id and password provided by Kfintech. On successful login, select 'Speaker Registration'. The Company reserves the right to restrict the speakers at the AGM to only those members who have registered themselves, depending on the availability of time for the AGM.
- x. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or at evoting@kfintech.com or call Kfintech's toll free no. 1800-309-4001.
- xi. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

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- xii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1800-309-4001 or write to them at evoting@kfinotech.com.
14. The Resolution Professional on the recommendation of Directors of the Company has appointed Mr. Anil Lohia, Partner or in his absence Mr. Khushit Jain, Partner, M/s. Dayal and Lohia, Chartered Accountants as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit their report to the Resolution Professional or any other person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.rcom.co.in and also on the website of KFinTech at <https://evoting.kfinotech.com>.
15. In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / e-voting user manual available through a dropdown menu in the "Downloads" section of KFin website for e-voting: <https://evoting.kfinotech.com> or contact "KFin", (Unit: Reliance Communications Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 at phone no. 1-800-309-4001 (toll free).

Statement pursuant to Section 102(1) of the Companies Act, 2013 and pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the accompanying Notice dated August 12, 2022

Item No. 3

Ratification of Remuneration payable to Cost Auditor

The appointment and remuneration of M/s. N. Ritesh and Associates, Cost Accountants (Firm Registration No. R100675) as the Cost Auditor to audit the cost accounting records of the Company for the financial year ending March 31, 2023, at a remuneration of ₹ 50,000 (Rupees fifty thousand only), excluding tax and out of pocket expenses, if any, was approved by the Resolution Professional (having the powers of the board of directors of the Company), based on the recommendations of the Audit Committee and the Directors of the Company at their meeting held on August 12, 2022.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel and Resolution Professional and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item no. 3 of this Notice, except to the extent of their shareholding in the Company.

Based on the recommendation of the Audit Committee and the Directors of the Company, as noted and taken on record by the Resolution Professional, the said Ordinary Resolution set out at Item No. 03 of the accompanying Notice is recommended for the approval of the Members.

Item No. 4

Re-appointment of Shri Vishwanath Devaraja Rao as Executive Director.

As the Company is under Corporate Insolvency Resolution Process, Shri Vishwanath Devaraja Rao (DIN:08607657), whose appointment as an Additional Director and designated as Whole-Time Director and Chief Financial Officer was approved by the Committee of Creditors of the Company in terms of Section 28 of the Insolvency and Bankruptcy Code, 2016, in its meeting held on November 13, 2019 and Shri Vishwanath Devaraja Rao, chief financial officer, was appointed as a Whole-time Director designated as an Executive Director and Chief Financial Officer of the Company, by the members of the Company in their annual general meeting held on September 26, 2020, for a period of three years effective November 19, 2019 whose term expires on November 18, 2022. His appointment and remuneration had been approved by the Committee of Creditors. The notice period of Shri Vishwanath Devaraja Rao was 3 months.

As per provisions of the Companies Act, 2013 ("the Act"), the tenure of office of Shri Vishwanath Devaraja Rao as Whole-time Director designated as an Executive Director and Chief Financial Officer of the Company expires on November 18, 2022. Re-appointment of Shri Vishwanath Devaraja Rao for further term of 3 years is proposed for the approval of Members of the Company on the same remuneration and term and conditions as already approved by Committee of Creditors and Members of the Company for the previous term of appointment with liberty to the Committee of Creditors/Resolution Professional of the Company or any other persons exercising the powers of the Board of Directors in terms of the Resolution Plan approved by the NCLT, directly or through any person authorized in this behalf to alter and vary the terms and conditions of said appointment

including the remuneration payable to him during the tenure of his appointment.

Shri Vishwanath Devaraja Rao has given his consent for the re-appointment at the ensuing Annual General Meeting and has also confirmed that he is not in any way disqualified from appointment as per the provisions of the Act.

Shri Vishwanath Devaraja Rao is functioning in a professional capacity and he does not have any interest in the capital of the Company or in any of its subsidiary companies either directly or indirectly or through any other statutory structures. He is not related to the Directors, Promoters or Key Managerial Personnel of the Company or any of its subsidiaries at any time during the last two years before his re-appointment except he is a Director in Globalcom Mobile Commerce Limited, a wholly owned subsidiary of the Company.

Shri Vishwanath Devaraja Rao fulfils the conditions for eligibility of the appointment as contained in Part I of Schedule V of the Act.

The details pertaining to Shri Vishwanath Devaraja Rao pursuant to the requirements of Schedule V of the Act, Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings are given as under:

General Information:

- (i) **Nature of industry** – Telecom
- (ii) **Date or expected date of commencement of commercial production:** – July 15, 2004
- (iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** – Not Applicable.
- (iv) **Financial performance based on given indicator (Continuing Operation)**

(₹ in crore)

Particular (Standalone)	2021-22	2020-21	2019-20
Total Income	349	483	818
Profit before Tax	(262)	(252)	(16,863)
Provision for Tax	-	-	-
Profit /(Loss) After Tax	(262)	(252)	(16,863)

- (v) **Foreign investments or collaborations, if any** – None.

The foreign shareholding was 2.26% as on March 31, 2022.

Information about the appointee:

- (i) **Background details:**

Shri Vishwanath Devaraja Rao, aged 63 years, is a member of The Institute of Chartered Accountants of India, with a degree in Commerce. He was Joint President of Reliance Communications Limited. He has over 39 years of experience. He is with Reliance Group since more than

Reliance Communications Limited

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20 years. He has varied and rich experience in corporate, finance and managerial functions. Prior to Reliance, he has also worked in PepsiCo India, Hindustan Unilever and other listed companies handling accounts and finance functions.

(ii) Past remuneration:

In the financial year 2021-22, the total remuneration paid to Shri Vishwanath Devaraja Rao as Whole- Time Director and Chief Financial Officer of Reliance Communications Limited was as follow:

₹ In Crore

Fixed Component (Including contribution to PF and Provision of Gratuity which shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013)	1.56
Perquisites (shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013)	0.06
Total Remuneration paid	1.62

(iii) Recognition or awards:

Nil.

(iv) Job profile and his suitability:

As Shri Vishwanath Devaraja Rao has the requisite professional qualification and experience, he is eminently suited for the position.

(v) Remuneration proposed:

The proposed remuneration is same as mentioned in above table of past remuneration which was approved by the Committee of Creditors and members of the company for his previous term of appointment. Shri Vishwanath Devaraja Rao is entitled for annual increment, as may be decided by the Committee of Creditors based on his performance and the performance of the Company and as per the Company Policy.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The remuneration proposed to the appointee is comparable with persons holding similar positions in the industry. The proposed remuneration is commensurate to the size and operation of the Company.

(vii) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any – None

Other information:

(i) **Reasons of loss or inadequate profits** – The Corporate Insolvency Resolution Process of the Company resumed from April 30, 2019 and the Company has further suffered loss during the year owing to drop in revenues, decline in EBITDA margin for the year and provision for liability on

account of license and spectrum fees pursuant to the order of Hon'ble Supreme Court.

(ii) Steps taken or proposed to be taken for improvement

– At present your Company is under corporate insolvency and resolution process (CIRP). The Resolution Professional is endeavoring to operate the business of the company in most beneficial manner for the company's long term sustainability and growth.

(iii) Expected increase in productivity and profits in measurable terms – Same as above point no. (ii).

(iv) Particulars of remuneration to Shri Vishwanath Devaraja Rao in terms of Schedule V has been provided under the Corporate Governance report forming part of this Annual Report.

Disclosures

The disclosures required under Schedule V of the Act have been incorporated in the Directors' Report under Corporate Governance section.

Shri Rao is also a Director in Globalcom Mobile Commerce Limited, a wholly owned subsidiary of the Company as the Non Executive Director.

Further, Shri Rao is a member of the Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

Shri Rao does not hold any share in the Company as on March 31, 2022.

He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.

Shri Rao will be liable to retire by rotation in accordance with the provisions of the Act. The relatives of Shri Rao may be deemed to be interested in the resolution set out in Item No. 4 of the Notice, to the extent of their equity shareholding interest, if any, in the Company.

Save and except Shri Vishwanath Devaraja Rao none of the Directors, Key Managerial Personnel and Resolution Professional of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. The Resolution Professional based on the recommendation of Directors, recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

For **Reliance Communications Limited**
(Company under Corporate Insolvency Resolution Process)

Rakesh Gupta
Company Secretary & Compliance Officer
(Membership No.: F5951)

Registered Office:

H Block, 1st Floor
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710
CIN:L45309MH2004PLC147531
Website: www.rcom.co.in
Date: August 12, 2022

Directors' Report

Dear Shareowners,

Your Directors present the 18th Annual Report and the audited financial statements for the financial year ended March 31, 2022.

Pursuant to an application filed by Ericsson India Pvt. Ltd before the Hon'ble 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 ("**CIR process or CIRP**") of the Reliance Communication Limited ("**Company**" / "**RCOM**") vide its order dated May 15, 2018 ("**Admission Order**"). The NCLT had, pursuant to the Admission Order, appointed an Interim Resolution Professional ("**IRP**") for the Company vide its order dated May 18, 2018. In terms of the Admission Order, *inter alia*, the management of the affairs of the Company was vested with the IRP.

Subsequently, the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**"), while adjudicating upon an appeal preferred against the admission of the insolvency application against the Company, vide its order dated May 30, 2018, *inter alia*, stayed the Admission Order and allowed the management of

the Company to function ("**Stay Order**"). On April 30, 2019, the NCLAT, upon allowing the director and shareholder of the Company to withdraw its aforesaid appeal, vacated all interim orders including the Stay Order. The NCLT, vide order May 7, 2019, directed the IRP to proceed in the CIRP of the Company.

Thereafter, the Committee of Creditors ("**CoC**") of the Company resolved with the requisite voting share, to replace the IRP with Mr. Anish Niranjana Nanavaty, as the resolution professional for the Company ("**RP**" or "**Resolution Professional**"). Subsequently, the Hon'ble NCLT has appointed Mr. Anish Niranjana Nanavaty as the RP for the Company vide its order dated June 21, 2019, which order was published on June 28, 2019. Accordingly, the management of the Company vests in the RP during the continuance of the CIR process period of the Company.

In accordance with the provisions of the Code, various resolution plans in respect of the Company were received by the RP. The CoC of the Company in their meeting held on March 02, 2020, had approved a resolution plan submitted by UV Asset Reconstruction Company Limited ("**Resolution Plan**") which was subsequently submitted to the NCLT on March 6, 2020 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the NCLT.

Financial performance and state of the Company's affairs

The standalone financial performance of the Company for the year ended March 31, 2022 is summarised below:

Particulars	Financial Year ended March 31, 2022		* Financial Year ended March 31, 2021	
	₹ in crore	US\$ in million**	₹ in crore	US\$ in million**
Total income	349	46	483	66
Gross profit / (Loss) before depreciation, Amortisation and exceptional items	(132)	(18)	(120)	(16)
Less:				
Depreciation and amortization	130	17	132	18
Profit/ (Loss) before Exceptional items and Tax	(262)	(35)	(252)	(34)
Exceptional items:				
(Loss) / Profit on Fair Value of Investments Profit/ (Loss) before Tax	(262)	(35)	(252)	(34)
Current tax / Excess provision for Tax of earlier years	-	-	-	-
Deferred Tax charge/ (credit)	-	-	-	-
Profit / (Loss) after tax	(262)	(35)	(252)	(34)
Profit / (Loss) after tax from Discontinued Operations	(5,355)	(706)	(4,637)	(635)
Other Comprehensive Income				
Re-measurement Gain/ (Loss) of defined benefit plans (Net of tax)	-	-	1	0
Total Comprehensive Income	(5,617)	(741)	(4,888)	(669)
Add : Balance brought forward from previous year	(64,404)	(8,497)	(59,516)	(8,140)
Profit available for appropriation				
Balance carried to Balance Sheet	(70,021)	(9,238)	(64,404)	(8,809)

*Figures of previous year have been regrouped and reclassified, wherever required.

** Exchange Rate ₹ 75.793 = US\$ 1 as on March 31, 2022 (₹73.110 = US\$ 1 as on March 31, 2021).

Directors' Report

Financial Performance

During the year under review, your Company has earned from Continuing Operations income of ₹ 349 crore against ₹ 483 crore in the previous year. The Company has incurred an operational loss of ₹ 5,617 crore (including loss from discontinuation of wireless business of ₹ 5,355 crore) and there is a Loss of ₹ 5,617 crore for the year as compared to loss of ₹ 4888 crore in the previous year.

COVID-19 pandemic had impacted businesses across the globe causing significant disturbance and slowdown of economic activities. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. Your Company has continued to provide services to its Enterprise customers without any interruptions and honour its commitments, despite facing all odds during lockdown.

The Company 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.

As the Company is undergoing CIRP, it is relevant to note that the period of lockdown has been exempted from the calculation of the timeline of CIRP as per the order of the NCLAT in *Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020* dated March 30, 2020.

The performance and financial position of the subsidiary companies and associate companies are included in the consolidated financial statements of the Company and presented in the Management Discussion and Analysis Report forming part of this Annual Report.

Dividend

During the year under review, no dividend on the equity shares of the Company has been recommended. The dividend distribution policy of the Company is uploaded on the Company's website at the link <https://www.rcm.co.in/our-company/investor-relations/corporate-governance/>

Reserve

Due to losses and ongoing CIR process, the company has not proposed to carry any amount in reserve.

Business Operations

The Company provides wireline & wireless telecom services to the business and government segments. These include a comprehensive portfolio spanning Network Connectivity, Cloud Networking, Data Center Services, Enterprise Voice, Cloud Telephony, Access Number Services, Collaboration Services, Wholesale Voice & Value Added Service (VAS). The Company serves nearly 10,000 businesses of all sizes—from multinational conglomerates to SMEs—belonging to almost every vertical: BFSI, Manufacturing, Logistics, Healthcare, IT & ITeS, OTT and New Media, to name just a few.

With nine world-class data centers spread across key business markets in India (Mumbai, Bengaluru, Chennai & Hyderabad), we are a leading provider of data center services in the region to hundreds of enterprise customers, including many of India's marquee brands in the BFSI, FMCG, new media and e-commerce industry segments. These services cover Colocation, Shared IT Infrastructure and IT Managed Services."

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section forming part of this Annual Report.

Issue and Redemption of Non-Convertible Debentures

The Company has not carried out any fresh issue of Non-Convertible Debentures ("NCDs") in the current financial year.

NCDs issued during the earlier years matured for final redemption during the financial year 2018-19, but remains unpaid in view of the ongoing CIR Process.

Deposits

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits, unclaimed/unpaid interest, refunds due to the deposit holders or to be deposited with the Investor Education and Protection Fund as on March 31, 2022.

Particulars of Loans, Guarantees or Investments

The Company has complied with provisions of Section 186 of the Act, to the extent applicable with respect to Loans, Guarantees or Investments during the year.

Pursuant to the provisions of Section 186 of the Act, the details of the Investments made by the Company are provided in the standalone financial statements under Notes No. 2.03 and 2.07.

Subsidiary and Associate Companies

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

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the "Effective Date" of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective).

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

Directors' Report

US, LLC (collectively, the "**Regulated Debtors**") is expected to occur at a later date". The court confirmed the aforesaid and entered order on April 21, 2020.

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

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

During the year, disclosure as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015 regarding disposal of indirect equity interest in GCX Companies was intimated to the Stock Exchange.

Pursuant to an application filed by Ericsson India Pvt. Ltd before the Hon'ble NCLT in terms of Section 9 of the Code, the NCLT had admitted the application and ordered the commencement of CIR process of the Reliance Infratel Limited and Reliance Telecom Limited, subsidiary companies of the Company, vide its order dated May 15, 2018. Mr. Anish Niranjan Nanavaty had been appointed as the resolution professional of Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL).

For RTL, in accordance with the provisions of the Code, various resolution plans were received by the RP. The Committee of Creditors (CoC) of RTL, in their meeting held on March 02, 2020, had approved a resolution plan submitted by UV Asset Reconstruction Company Limited, which was subsequently submitted to the NCLT on March 6, 2020 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the Hon'ble NCLT.

For RITL, in accordance with the provisions of the Code, various resolution plans were received by the RP. The CoC of RITL, in their meeting held on March 02, 2020, had approved a resolution plan submitted by Reliance Projects & Property Management Services Limited (earlier known as Reliance Digital Platform & Project Services Limited) through its division Infrastructure Projects in respect of RITL which was subsequently submitted to the Hon'ble NCLT in accordance with Section 30(6) of the Code. On December 03, 2020 Hon'ble NCLT pronounced its order approving the Resolution Plan of RITL. The Resolution Plan as approved by Hon'ble NCLT shall be binding on RITL, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan. The approved Resolution Plan is yet to be implemented and once implemented RITL will cease to be subsidiary of the Company. RITL is currently under the supervision of a Monitoring Committee ("MC") constituted under the provisions of the resolution plan.

Further, pursuant to an application filed by State Bank of India under Section 7 of the Code, the Hon'ble NCLT vide order dated September 25, 2019, had ordered the commencement of CIR process in terms of the Code in respect of Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Company and had appointed Mr. Anish Niranjan Nanavaty as the resolution professional of Reliance Communications Infrastructure Limited. RCIL continues to be under the CIRP.

A resolution plan submitted for the RCIL by a resolution applicant, Reliance Projects and Property Management Services Limited, had been approved by the COC pursuant to the meeting dated August 5, 2021 and in this regard, an application had been filed by the RP under Section 30(6) of the Code on August 31, 2021, which is pending adjudication before NCLT.

Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Company, has been admitted by Hon'ble NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the Hon'ble NCLT. The resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT.

The summary of the performance and financial position of the each of the subsidiary and associate companies are presented in Form AOC - 1 and in Management Discussion and Analysis Report forming part of the Annual Report. Also, a report on the performance and financial position of each of the subsidiary companies and associate companies as per the Act is provided in the consolidated financial statements.

The Policy for determining material subsidiary companies can be accessed on the Company's website at the link <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>.

Standalone and Consolidated Financial Statements

The audited financial statements of the Company are drawn up, both on standalone and consolidated basis, for the financial year ended March 31, 2022, in accordance with the requirements of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) notified under Section 133 of the Act, read with relevant rules and other accounting principles. The Consolidated Financial Statements has been prepared in accordance with Ind-AS and relevant provisions of the Act based on the financial statements received from subsidiaries, associates as approved by their respective Board of Directors.

As Reliance Telecom Limited, Reliance Tech Services Limited and Reliance Communications Infrastructure Limited, subsidiaries of the Company are under CIR Process, financial statements of these companies are approved and received from these companies and accordingly the Consolidated Financial Statements are prepared.

In the case of Reliance Infratel Limited, the financial statements are approved by Monitoring Committee of the Company on basis of recommendation of the Director and Chief Financial Officer of the Company.

Directors

During the year under review, there was no change in Directors of the Company.

The members are requested to note that in FY 2019-20, Shri Anil D Ambani, Smt. Chhaya Virani and Smt. Manjari Kacker had resigned with effect from 15th November, 2019; Smt. Ryna Karani has resigned with effect from 14th November, 2019 and Shri Suresh Rangachar had resigned with effect from 13th November, 2019 as Directors of the Company. Certain directors being Shri Anil D Ambani, Shri Suresh Rangachar and Smt. Manjari Kacker also filed their respective DIR-11 forms with the Registrar of Companies. The aforementioned resignations were put up to the CoC of the Company for their consideration in

Directors' Report

accordance with Section 28(1)(j) of the Code. However, CoC of the Company at its meeting held on November 20, 2019 considered the resignations tendered by the above directors and expressed a unanimous view that the resignations cannot be accepted and instructed the Resolution Professional to convey to the directors to continue with their duties and responsibilities as directors and provide all cooperation in the Corporate Insolvency Resolution Process, at least until the completion of the Corporate Insolvency Resolution Process of the Company.

In light of the above, it was duly communicated to the aforesaid directors of the Company that their resignations have not been accepted and they are advised to continue to perform their duties and responsibilities as the directors of the Company and provide all cooperation to Resolution Professional in the CIR process.

Accordingly, Shri Anil D Ambani, Smt. Chhaya Virani, Smt. Manjari Kacker, Smt. Ryna Karani and Shri Suresh Rangachar continue to be on the composition of the Board of Directors and the respective committees of the Company.

Due to abovementioned events, Company has not received necessary annual disclosures as required under section 164(2) and Section 184(1) of the Companies Act, 2013 from Shri Anil D Ambani, Smt. Chhaya Virani, Smt. Ryna Karani, Smt. Manjari Kacker and Shri Suresh Rangachar, Directors of the Company.

In terms of the provisions of the Companies Act, 2013, Shri Punit Narendra Garg, Non-Executive – Non Independent Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

A brief profile of Shri Punit Narendra Garg along with requisite details as stipulated under Regulation 36(3) of the Listing Regulations are provided in this Annual Report.

The details of programme for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates and related matters are placed on the website of the Company at the link <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>.

Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel of the Company.

Evaluation of Directors, Board and Committee:

The Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016. With effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in, the Resolution Professional, Mr. Anish Niranjana Nanavaty, appointed by Hon'ble National Company Law Tribunal, Mumbai Bench.

Hence no formal annual evaluation has been done for the directors performance and that of the committees and individual directors as required under the provisions of Section 134 read with Rule 8(4) of the Companies (Accounts) Rules, 2014.

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee of the Board has devised a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on the Company's website at <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>.

Currently, as the Company is under CIR Process, the approval of CoC is necessary for the appointment and remuneration of Directors and Key Managerial personnel of the Company.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i In preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit/loss of the Company for the year ended on that date;
- iii The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv The Directors had prepared the annual financial statements for the financial year ended March 31, 2022 on a 'going concern' basis;
- v The Directors had laid down internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively, and
- vi The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Note: Since the Company is under CIR Process, the management of the affairs of the Company is vested with Resolution Professional and the Directors of the Company are required to continue performing their duties and roles and extend necessary cooperation and support to the RP. Accordingly, the above mentioned duties and responsibility of Directors have been performed by directors under the overall supervision/direction of RP of the Company.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

During the year under review, the Company has not entered in to any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions.

During the year under review, as the Company is under CIR Process, in terms of Section 28(1)(f) of the Code, approval of the CoC was taken for all new related party transactions in CoC meeting(s).

The new transactions entered into were reviewed and statements giving details of all new related party transactions were placed

Directors' Report

before the Audit Committee on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

During the year under review, there are no transactions entered by the Company with persons / entities as mentioned in Regulation 34 (3), 53 (f) and in Part A, Part 2A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Material Changes and Commitments, if any, affecting the financial position of the Company

Except as disclosed in this report, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Meetings of Directors

A calendar of Meetings is prepared and circulated in advance to the Directors. During the financial year ended March 31, 2022, the Directors held 5 meetings on June 26, 2021, August 14, 2021, November 27, 2021, December 28, 2021 and February 12, 2022. The maximum gap between two meetings of Directors was 104 days and minimum gap between two meetings of Directors was 30 days.

The additional details about aforesaid meetings are given in the Corporate Governance Report forming part of this report.

Audit Committee

During the year under review, there was no change in the composition of the Audit Committee of the Company.

The Audit Committee of the Directors consists of Independent Directors namely Smt. Manjari Kacker, Chairperson, Smt. Ryna Karani, Smt. Chhaya Virani and Non Independent Directors, Shri Punit Garg, Shri Vishwanath Devaraja Rao, as members.

During the year, all the recommendations made by the Audit Committee were accepted by the Directors and noted and taken on record by the RP of the Company.

Auditors and Auditors' Report

At the 17th Annual General Meeting (AGM) of the Company held on September 25, 2021, M/s. Pathak H.D. & Associates LLP, Chartered Accountants were appointed as the statutory auditors of the Company to hold office for a term of 5 consecutive years until the conclusion of the 22nd AGM of the Company. Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Pathak H.D. & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company have been appointed as Auditors for a term of 5 consecutive years.

The Auditors in their report to the members have given a qualified opinion and the response of the Company with respect to it is as follows:

Attention is drawn on the standalone financial statement, regarding "Assets Held for Sale (AHS)" pertaining to Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) along with liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018 and impact of the non payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of

fair value of Assets Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

Attention is drawn on the standalone financial statement regarding admission of the Company and its four subsidiaries into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the Operational/financial/other creditors and employees including interest payable on loans during CIRP. Auditors 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 ₹ 4,491 crore (₹ 4,995 crore in case of consolidated) for the year ended March 31, 2022 and ₹ 15,090 crore (₹ 17,108 crore in case of consolidated) 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 loss amounting to ₹ 541 crore (₹ 663 crore in case of consolidated) for the year ended March 31, 2022 and ₹ 1,601 crore (₹ 1,963 crore in case of consolidated) of foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the year ended March 31, 2022 would have been higher by ₹ 5,032 crore (₹ 5,658 crore in case of consolidated) and Net worth of the Company would have been lower by ₹ 21,723 crore (₹ 24,729 crore in case of consolidated) as at March 31, 2022 and ₹ 16,691 crore (₹ 19,071 crore in case of consolidated) as at March 31, 2021. Non provision of interest and non recognition of foreign exchange variation is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

Attention is drawn on the standalone financial statement, regarding pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying under Goods & Service Tax) & liabilities and non provision for impairment of carrying value of the assets and write back of liabilities if any, pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, auditors 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 year ended March 31, 2022. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".

Attention is drawn on the standalone financial statement, regarding non adoption of Ind AS 116 "Leases" effective from April 1, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.

Attention is drawn on the standalone financial statement, 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 and pending application of renewal of Telecom License. These situation indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated

Directors' Report

in the aforesaid note. Auditors are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the standalone financial statement, in view of ongoing CIRP and matters pending before regulatory authorities, the outcome of which cannot be presently ascertained.

Attention is drawn on the consolidated financial statement regarding unbilled revenue recognized by one of the Holding Company's subsidiary amounting to ₹ 1,021 Crore with respect to services provided during the period and earlier years, which has not yet billed by the subsidiary for the reasons mentioned in the aforesaid note. Auditors are unable to comment on the ultimate outcome of reconciliation and its realizability and its impact on the revenue recognized during the year and in earlier years.

Attention is drawn on the consolidated financial statement regarding non receipt of balance confirmation from balance with Industrial and Commercial bank of China in Fixed Deposit account amounting to ₹ 31.62 crore as at March 31, 2022 in respect of one of the subsidiary. Pending receipt of balance confirmation as on reporting date, auditors are unable to comment on the consequential impact if any, on the consolidated financial statement.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory particularly Note No. 2.14, 2.31, 2.47, 2.48 and 2.53 (standalone financials) and Note No. 2.15, 2.35, 2.40, 2.51, 2.52, 2.59 and 2.60 (consolidated financials) and hence the same to be treated as explanation provided under Section 134 of the Act.

The audited financial statements are drawn up both on standalone and consolidated basis for the financial year ended March 31, 2022, in accordance with the requirements of the Ind-AS Rules.

As per the provisions of Clause (ca) of Sub-section (3) of Section 134 of the Act, the auditors of the Company have not reported any fraud under sub-section (12) of Section 143 of the Act.

Cost Auditors

Pursuant to the provisions of the Act and the Companies (Cost Records and Audit) Rules, 2014, the Resolution Professional on the recommendation of directors, have appointed M/s N. Ritesh and Associates, Cost Accountants, as the Cost Auditors to conduct cost audit for the telecommunications businesses of the Company for the financial year ending March 31, 2023 and their remuneration is subject to ratification by the Members at the ensuing Annual General Meeting of the Company.

The Provisions of Section 148(1) of the Act are applicable to the Company and accordingly the Company has maintained cost accounts and records in respect of the applicable products for the year ended March 31, 2022.

Secretarial Standards

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Secretarial Audit & Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Resolution Professional on the recommendation of Directors in the meeting held on June 26, 2021 had appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the

Company. The Secretarial Audit Report is attached herewith as **Annexure A**.

Pursuant to Regulation 24A of the Listing Regulations, the Company has obtained Annual Secretarial Compliance Report from a M/s. Ashita Kaul & Associates, Company Secretaries in Practice (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued there under and the copy of the same shall be submitted with the Stock Exchanges within the prescribed due date.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2021-22 is put up on the Company's website and can be accessed at <https://www.rcom.co.in/our-company/investor-relations/annual-return/>

Particulars of Employees and related disclosures

Pursuant to the provisions of second proviso to Section 136(1) of the Act, the Annual Report, excluding the information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules), as amended, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining the same may write to the Company Secretary and the same will be furnished on request.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company does not carry on any manufacturing activity, being a telecommunications service provider, most of the information of the Company as required under Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. However, the information as applicable has been given in the **Annexure B** forming part of this Report.

Corporate Governance

The Company has adopted the "Reliance Group-Corporate Governance Policies and Code of Conduct" which sets out the systems, process and policies conforming to the international standards. The report on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from, M/s. Ashita Kaul & Associates, Practicing Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

Whistle Blower Policy (Vigil Mechanism)

In accordance with Section 177 of the Act and the Listing Regulations, The Company has formulated an Vigil Mechanism to address the genuine concern, if any of the directors and employees. The details of the same have been stated in the Report on Corporate Governance and the policy can also be accessed on the Company's website at <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>

Risk Management

The Board of the Company had constituted a Risk Management Committee in their meeting held on 14th November, 2014 consisting of majority of directors and senior managerial personnel

Directors' Report

of the Company; however, due to ongoing corporate insolvency resolution process ("CIR process"), provisions of Regulation 21 of Listing Regulations are not applicable to the Company. The Board of Directors of the Company has previously dissolved the Risk Management Committee in its meeting held on 3rd November, 2018. The Audit Committee of Directors looks after the functions of the Risk Management Committee.

The Company is currently under CIR process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and considering these developments including, in particular, the respective Resolution Professionals having taken over the management and control of the Company and its subsidiaries (Group) which are under CIR process *inter alia* with the objective of running them as going concerns. The Company continues to incur loss, current liabilities exceed current assets and the Group has defaulted in repayment of borrowings, payment of regulatory and statutory dues. The Auditors have drawn qualification in their Audit Report for the year ended March 31, 2022 that these events indicate material uncertainty on the Group's ability to continue as a going concern.

Further, the Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhances Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The risk framework has different risk models which helps in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

Compliance with provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year no such complaint was received. The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. However, Section 135 of the Companies Act, 2013 and rules made there under are not applicable to the Company for the financial year 2022.

The CSR policy may be accessed on the Company's website at the link; <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>

The CSR Committee as on March 31, 2022, comprised Smt. Manjari Kacker as Chairperson and Shri Punit Garg, Shri Vishwanath Devaraja Rao, Smt. Ryna Karani and Smt. Chhaya Virani as members.

Orders, if any, passed by Regulators or Courts or Tribunals

Except as disclosed in this report, no orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation.

Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the Internal Audit Cell and by the Audit Committee for its effectiveness. Except as disclosed in auditors report, during the year under review, such controls were tested and no further reportable material weaknesses in the design or operation were observed.

Business Responsibility Report

Business Responsibility Report for the year under review as stipulated under the Listing Regulations is presented under separate section forming part of this Annual Report.

Proceedings under the Insolvency and Bankruptcy Code, 2016

The Company is under Corporate Insolvency Resolution Process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016. Various resolution plans in respect of the Company were received by the Resolution Professional of the Company. The Committee of Creditors ("COC") of the Company in their meeting held on March 02, 2020, had approved a resolution plan submitted by UV Asset Reconstruction Company Limited which was subsequently submitted to the NCLT on March 6, 2020 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the NCLT. The detailed background of the proceeding is provided at the beginning of this report.

General

Except as disclosed in this report, during the year under review, there were no reportable event in relation to issue of equity shares with differential right as to dividend, voting or otherwise, issue of sweat equity shares to Director or Employee and one time settlement with any bank or financial institution.

Acknowledgement

Your Directors express their sincere appreciation for the cooperation and assistance received from Shareholders, Debenture Holders, Bankers, Financial Institutions, Regulatory Bodies, government Authorities, debenture trustee, customers and other business constituents during the year under review. The Directors express their sincere thanks to the Resolution Professional and Committee of Creditors of the Company for continuous support during the year. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff and look forward to their continued support in future.

By the Order of the Resolution Professional

Punit Garg

Non Executive Director
(DIN: 00004407)

Vishwanath Devaraja Rao

Executive Director and
Chief Financial Officer
(DIN: 08607657)

Place : Mumbai

Date : May 28, 2022

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Reliance Communications Limited
H Block, 1st Floor,
Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Reliance Communications Limited** (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has followed proper Board processes and have required compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Reliance Communications Limited** for the financial year ended on March 31, 2022 according to the provisions of the:

- i. Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the company during the audit period);

- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the company during the audit period);
- e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the company during the audit period);
- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period); and
- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent of its applicability.

We have also examined compliance with applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India;
2. Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited, Luxembourg Stock Exchange and Singapore Stock Exchange.

We report that the Company is under Corporate Insolvency Resolution Process (CIRP) pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016. With effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in, the Resolution Professional, Mr. Anish Niranjana Nanavaty, appointed by Hon'ble National Company Law Tribunal, Mumbai Bench, vide order dated June 21, 2019.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as applicable mentioned above except the following:

Unaudited financial results for the Quarter and half year ended September 30, 2021 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was filed with Stock Exchange on 27th November, 2021 i.e. there was a delay of 12 days as per the timelines of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

Directors' Report

- a. The Indian Telegraph Act, 1885 and Rules made there under and as amended from time to time;
- b. The Telecom Regulatory Authority of India Act, 1997 and Rules made there under and as amended from time to time.
- c. The Insolvency and Bankruptcy Code, 2016 and Regulations made thereunder and as amended from time to time.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were also sent to the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions of Board Meetings and Committee Meetings are carried out and recorded in the minutes of meetings of the Board of Directors and Committee of the Board accordingly.

We further report that, there are adequate systems and processes in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period no special Resolution was passed.

For Ashita Kaul & Associates

Company Secretaries

Proprietor

FCS 6988/ CP 6529

Date: May 20, 2022

Place: Thane

UDIN: F006988D000349132

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

I. Conservation of Energy:

The steps taken or impact on conservation of energy

The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews of the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / up gradation of energy saving devices.

The steps taken by the Company for utilizing alternate sources of energy

The capital investment on energy conservation equipments

II. Technology Absorption, Adoption and Innovation:

- i. The efforts made towards technology absorption
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a. The details of technology imported
 - b. The year of import
 - c. Whether technology been fully absorbed ?
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.
- iv. The expenditure incurred on Research and development

The Company uses latest technology and equipments in its business. Further the Company is not engaged in any manufacturing activities.

The Company has not spent any amount towards research and developmental activities and has been active in harnessing and tapping the latest and the best technology in the industry.

III. Total foreign exchange earnings and outgo:

- a. Total Foreign Exchange earnings : ₹ 50 Crore
- b. Total Foreign Exchange outgo : ₹ 35 Crore

Management Discussion and Analysis

Forward-looking statements

Statements in this Management Discussion and Analysis of Financial Conditions and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of the future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statements. Important factors that could influence the Company's operations include interconnect usage charges, determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Communications Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect, in a true and fair manner, the state of affairs for the year.

The following discussions on our financial conditions and results of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Reliance", "RCOM", "RCOM Group" or "Reliance Communications" are to Reliance Communications Limited and its subsidiary companies, joint ventures and associate companies.

The Company is currently undergoing Corporate Insolvency Resolution Process ("CIR Process" or "CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 hence outlook, opportunity and threats, developments, risk and concerns has not been provided separately as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Details of significant changes in Key Financial Ratios and Return on Network

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and Return on Net worth along with detailed explanations therefore are given in Note no 2.50 to the standalone financial statement which is part of this annual report.

Indian Telecom Industry - Structure and Developments

India continues to be the one of the largest telecommunications market in the world with 1170.73 Million subscribers. During FY 2021-22 we saw the continuation of the consolidation of the Indian mobile telecommunications market into three private players, besides the two PSUs. India has transformed from multi-player hyper competitive market to an Oligopoly and

possibly moving towards a duopoly. Given the legal and financial complications around selling of spectrum, pending AGR dues, and the ongoing tax disputes with the government authorities, the industry players balance sheet is stretched with unsustainable debt, continued hyper price competition and upcoming demands for high capex on account of 5G and fibre expansion.

The consolidation has also led to the coming of specialist B2B strengths into sharp focus. Now that Reliance Communications is a pure play B2B operator, the Company is able to better utilize its resources towards focused delivery of its services to the enterprise segment.

Industry statistics

- Total number of telephone subscribers (Wireless and Wireline) in India is 1170.73 million at the end of March 2022, against 1201.20 million at the end of March 2021.
- Wireless subscribers accounted for 97.86% of the overall telecom subscriber base.
- Wireless tele-density slightly decreased to 85.03% in March 2022, compared to 86.68% at the end of March 2021.
- The Internet subscriber base showed growth and at the end of March 2022 the total was at 794.68 million against 778.09 million in March 2021. Wireless internet continued to remain the preferred medium of access and accounted for nearly 97% of the subscriber base.

Company Overview

Business Areas

Reliance Communications Limited (RCOM), together with its subsidiary Globalcom IDC Limited (GIDC), is a telecommunication service provider with businesses including India Data Center Business (IDC) and India National Long Distance (NLD) business.

RCOM currently serves nearly 5000 Indian corporations, including, regional and domestic carriers. RCOM conducts a substantial portion of its business through subsidiary companies, including Globalcom IDC Limited and Reliance Infratel Limited (RITL).

India Operations

India Enterprise services

In India, RCOM provides wireline telecom services to the business and government segments. These include a comprehensive portfolio spanning Network Connectivity, Cloud Networking, Data Center Services, Enterprise Voice, Cloud Telephony, Access Number Services, Collaboration Services, Wholesale Voice & Value Added Service (VAS). The Company currently serves nearly 5000 businesses of all sizes—from multinational conglomerates to SMEs—belonging to almost every vertical: BFSI, Manufacturing, Logistics, Healthcare, IT & ITeS, OTT and New Media, to name just a few.

With nine world-class data centers spread across key business markets in India (Mumbai, Bengaluru, Chennai & Hyderabad), we are a leading provider of data center services in the region to hundreds of enterprise customers, including many of India's marquee brands in the BFSI, FMCG, new media and e-commerce industry segments. These services cover Colocation, Shared IT Infrastructure and IT Managed Services.

Reliance Communications Limited

Management Discussion and Analysis

Global Operations

Overview

RCOM provides Wholesale Voice services to Mobile Network Operators (MNOs), Fixed Network Operators (FNOs), Tier 1 Carriers, Calling Card Companies and Over-the-Top (OTT) players across the world. Using our global Next-Generation Network (NGN), multiple international Voice PoPs, and established relationships with Carriers across the globe, we help carry Voice to almost every possible destination on the planet.

Analysis Business Strategy

a. Network Infrastructure Enhancement

We will continue to enhance our network infrastructure and data center footprint across India in order to master the combination of Cloud Orchestration, Network Ubiquity. Doing so will establish our strategic building blocks as we continue to move towards becoming the technology infrastructure company of the next decade. Our infrastructure plan will focus on three key areas:

- Data Center Centric Networks- We will continue to operate and expand distributed, focused compute and diverse compute centers at strategic locations across key markets in India.
- High-Speed Trunking between Data Centers - We have built high speed data links between data centers based on the Forward Operating Center concept.
- Commodified Low-Cost Last Mile Access-We will further Branch Connect and low-cost UBRs and open FOCs to allow access to multiple last-mile providers. We will access carrier interconnect centers in every major market seamlessly.

b. Continue to Focus on Enhancing Products and Services Portfolio

We aim to continue to grow our revenue streams through the expansion of our portfolio of service offerings and specific sales and marketing initiatives aimed at increasing our Enterprise customer base across India and globally. Such efforts include focus on new products and enhancements of our solutions portfolio, including VPN, Next-Generation Enterprise Networking, Branch Connect, IP Centrex, SIP Trunk, and SIP Toll-Free Service.

c. Focus on Reduction of Operating Costs

In line with our growth, we also focus on cost management and margin expansion through various measures to reduce our operating costs and achieve cost optimization. We have entered into sharing agreements also to lower our regulatory cash outflows as well as future capex expansion needs.

Financial Performance - Overview

The Company's standalone financial performance is disclosed under the head 'Financial Performance' in the Directors' Report. The consolidated performance of the Company is given below:

Revenues and operating expenses

On a consolidated basis, in the continuing operations, the Company earned total revenues of 584 crore (US \$77 million).

The net loss after tax recorded by the Company was 231 crore (US \$ 30 million). Total operating expenditure stood at 618 crore (US \$ 82 million).

Operating profit of the continuing operations before finance charges, depreciation and amortisation, exceptional items and provision against fixed assets (EBITDA)

EBITDA was (loss) of ₹ (-) 34 crore (US \$ 4 million). The EBITDA margin for the year was (-) 5.82 per cent.

Depreciation and amortization

The Depreciation and Amortization charges were ₹ 151 crore (US \$ 20 million).

Loss before / after tax

The Loss before exceptional item was ₹ 232 crore (US \$ 31 million). Tax credit was to the tune of (-) ₹ 1 crore (US \$ 0.13 million). The Loss after tax was ₹ 231 crore (US \$ 30 million).

Balance Sheet

As on March 31, 2022, the Company had total assets of 47,557 crore (US \$ 6,275 million). Stakeholders' equity was negative (-) ₹ 60,573 crore (US \$ 7,992 million), while net debt (i.e. net of excluding cash and cash equivalents) was 44,703 crore (US \$ 5,898 million), giving a net debt to equity ratio of (0.74) times.

Segment-wise Review

1. India Operations Overview

RCOM's 'India Operations' segment comprises the following businesses-voice, long-distance services and broadband access to enterprise customers; and managed Internet data centre services.

Revenues and Profit

The revenues for the financial year ended March 31, 2022 were ₹ 563 crore (US \$ 74 million). The EBITDA during the same period was loss (-) ₹ 45 crore (US \$ 6 million), while the EBIT (Earnings before Interest and Tax) was (loss) (-) ₹ 190 crore (US \$ 25 million).

2. Global Operations Overview

The Global Business Unit offers the International long-distance voice, our business segments Carrier Business units. We provide carrier voice Services.

Revenues and Profit

The Revenues for the financial year ended March 31, 2022 in this segment were ₹ 35 crore (US \$ 5 million). While the EBITDA was ₹ 11 crore (US \$ 1 million), the EBIT ₹ 5 crore (US \$ (1 million)).

Strategic Business Units

1. Reliance Communications Infrastructure Limited (RCIL)

RCIL, a wholly-owned subsidiary of the Company, offers other marketing services.

Revenues and Operating Expenses

RCIL earned total revenues of ₹ 6 crore (US \$ 1 million) during the year, compared to ₹ 9 crore (US \$ 1 million) for the previous year. RCIL incurred total operating

Management Discussion and Analysis

expenses of ₹ 4 crore (US \$ 1 million), compared to ₹ 11 crore (US \$ 2 million) in the previous year.

Net Profit / (Loss)

The net profit after tax recorded by RCIL was ₹ 1 crore (US \$ 0.13 million), compared to loss of ₹ 14 crore (US \$ 2 million) in the previous year.

Balance Sheet

As on March 31, 2022, RCIL had total assets (net) of ₹ 3,947 crore (US \$521 million) and shareholders' fund negative amounting to ₹ 2,291 crore (US \$302 million).

2. Reliance Telecom Limited (RTL)

RTL, a wholly-owned subsidiary of the Company, holding telecom license in Madhya Pradesh, West Bengal, Himachal Pradesh, Odisha, Bihar, Assam, Kolkata and North East service areas.

Revenues and Operating Expenses

RTL earned total revenues of ₹ 0.1 crore (US \$ 0.01 million) during the year, compared to ₹ 6 crore (US \$ 1 million) in the previous year. RTL incurred total operating expenses of ₹ 16 crore (US \$ 2 million), compared to ₹ 12 crore (US \$ 2 million) in the previous year.

Net Profit / (Loss)

The net loss after tax recorded by RTL was ₹ 873 crore (US \$115 million), compared to net loss of ₹ 760 crore (US \$104 million) in the previous year.

Balance Sheet

As on March 31, 2022, RTL had total assets of ₹ 3,822 crore (US \$504 million) and shareholders' fund negative amounting to ₹ 11,717 crore (US \$1,546 million).

3. Reliance Infratel Limited (RITL)

RITL, subsidiary of the Company, is in the business of telecom Infrastructure.

Revenues and Operating Expenses

RITL earned total revenues of ₹ 1190 crore (US \$157 million) during the year, compared to 1,216 crore (US \$166 million) in the previous year. The Company incurred total operating expenses of 1500 crore (US \$198 million), compared to 1465 crore (US \$200 million) in the previous year.

Net Profit / (Loss)

The net loss after tax recorded by RITL was ₹ 177 crore (US \$23 million), compared to loss of ₹ 189 crore (US \$26 million) in the previous year.

Balance Sheet

As on March 31, 2022, RITL had total assets of ₹ 13,139 crore (US \$1,734 million). Shareholders' fund was ₹ 789 crore (US \$104 million).

Adequacy of Internal Control and Systems

The Company has internal controls aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws. The Management Audit Team undertakes extensive checks, process reviews and also conducts internal audits. The Audit Committee of the Board reviews major findings in the internal audit reports as well as the adequacy of internal controls.

Risk Management Framework

The Company has instituted a Risk Management framework based on identification of potential risk areas, evaluation of risk intensity, and clear-cut risk mitigation policies, plans and procedures both at the enterprise and operating levels. The framework seeks to facilitate a common organizational understanding of the exposure to various risks and uncertainties at an early stage, followed by timely and effective mitigation. The Audit Committee of the Board reviews the risk management framework at periodic intervals.

Corporate Governance

The Company's 'Code of Conduct' policy which has set out the systems, process and policies conforming to international standards are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors both local and global and all other stakeholders. We maintained the highest standards of corporate governance principles and best practices.

Human Resource and Employees Relations

In the area of HR and Talent Management, the prime focus for the company has been on development of people and process efficiencies.

Under people efficiency improvements, teams across various functions underwent in-house tailor-made trainings anchored by functional SPOCs, and team managers underwent trainings on managing performance through effective feedback process. As part of creating process efficiencies in this field, several process (both online and offline) were analyzed and revamped to make these more effective and impactful. Team structures and roles were closely analyzed and aligned in order to create efficiencies within teams. In addition, changes were made in some key policies to make these more effective and efficient.

Corporate Social Responsibility

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. However, Section 135 of the Companies Act, 2013 and rules made there under are not applicable to the Company for the Financial year 2021-22.

The CSR policy may be accessed on the Company's website at the link; <http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html>.

The CSR Committee as on March 31, 2022, comprised Smt. Manjari Kacker as Chairperson and Shri Punit Garg, Shri Vishwanath Devaraja Rao, Smt. Ryna Karani and Smt. Chhaya Virani as members.

Reliance Communications Limited

Business Responsibility Report

Section A: General Information about the Company

- 1. Corporate Identity Number** : L45309MH2004PLC147531
- 2. Name of the Company** : Reliance Communications Limited
- 3. Registered address** : H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India
- 4. Website** : www.rcom.co.in
- 5. E-mail id** : rcom.investors@relianceada.com
- 6. Financial Year reported** : 2021-22
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)**

The Company (RCOM), is a communications services provider with an extensive India enterprise business; India Data Center Business (IDC), National Long Distance Business (NLD) and International Long Distance Business (ILD)

Industrial Group Description

Industrial Group Description

Group 611	Wired telecommunications activities
Group 612	Wireless telecommunications activities
Group 619	Other telecommunications activities

(As per National Industrial Classification – Ministry of Statistics and Programme Implementation)

- 8. List three key products/ services that the Company manufactures/ provides (as in balance sheet)**

Our Company provides Internet Data Centre Services, global enterprise business Services and India National Long Distance Business (NLD) and Telecom Infrastructure services through subsidiary companies.
- 9. Total number of locations where business activity is undertaken by the Company**
 - Number of International Locations (Provide details of major 5):- In two locations are at USA and UK
 - Number of National Locations: - All the states in India.
- 10. Markets served by the Company** – The Company offers ILD Voice termination services to 190 countries apart from serving on Pan India basis during the year ended March 31, 2022.

Section B: Financial Details of the Company

- 1. Paid up Capital (INR)** ₹ 1383 crore
- 2. Total Turnover (INR)** ₹ 349 crore
- 3. Total Profit/ (Loss) after taxes from Continued Operation(INR)** Loss of ₹ 262 crore
- 4. Total Spending on Corporate Social Responsibility as percentage of profit after tax** **Not Applicable in view of the losses.**
- 5. List of activities in which expenditure in 4 above has been incurred:-** Not Applicable

Section C: Other Details

- 1. Does the Company have any Subsidiary Company/ Companies?**

The Company has 36* subsidiaries and step down subsidiaries as on March 31, 2022.

*Detailed information has been provided in the extract of annual return uploaded on Company's website at <https://www.rcom.co.in/our-company/investor-relations/annual-return/>
- 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company?**

Yes.
- 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company?**

The Company encourages other Entities such as suppliers and contractors to participate in its BR initiatives.

Section D: Business Responsibility Information:

1. Details of Director/Directors responsible for BR

*BR functions are monitored by the CSR Committee of the Board of Directors under guidance of Resolution Professional of the Company. The details of CSR committee is provided in the Corporate Governance Section of this report.

*The Key Managerial Personnel of the Company who are responsible in general BR activities of the Company are as under:

Shri Vishwanath Devaraja Rao, Whole-Time Director and Chief Financial Officer

Shri Rakesh Gupta, Company Secretary

Telephone Number: 022 3038 6286

Email ID: RCOM.investor@relianceada.com

*Pursuant to an application filed by Ericsson India Pvt. Ltd before the Hon'ble 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 ("CIR process" or "CIRP") of the Reliance Communication Limited ("Company") vide its order dated May 15, 2018 ("Admission Order"). The Hon'ble NCLT had, pursuant to the Admission Order, appointed an interim resolution professional for the Company ("IRP") vide its order dated May 18, 2018. In terms of the Admission Order, inter alia, the management of the affairs of the Company was vested in the IRP.

Subsequently, the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), while adjudicating upon an appeal preferred against the admission of the insolvency application against the Company, vide its order dated May 30, 2018, inter alia, stayed the Admission Order and allowed the management of the Company to function ("Stay Order"). On April 30, 2019, the NCLAT, upon allowing the director and shareholder of the Company to withdraw its aforesaid appeal, vacated all interim orders including the Stay Order.

Business Responsibility Report

Thereafter, the committee of creditors of the Company resolved with the requisite voting share, to replace the IRP with the undersigned, as the resolution professional for the Company ("RP" or "Resolution Professional"). Subsequently, the Hon'ble NCLT has appointed Mr. Anish Niranjana Nanavaty as the RP for the Company vide its order dated June 21, 2019, which was published on June 28, 2019.

Accordingly, as per Section 17 of the Code, the powers of the board of directors of the Company stand suspended and the same are vested in and are exercised by the RP. However, while the powers of the board of directors stand suspended, the directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company, including in achieving compliance with its business responsibility targets. Meetings of the board and committees are called in compliance with the provisions of applicable laws governing the Company, where matters are discussed and the recommendations of the Directors are taken note of by the RP for the purpose of managing the operations of the Company as a going concern, ensure company remains in compliance and for good corporate governance.

Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Principle-wise Business Responsibility Policies, as per National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (Reply in Y / N)									
Questions pertaining to Principles (p)	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national /international standards? If yes, Specify.	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policy is in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) and updated in terms of the National Guidelines on Responsible Business Conduct (NGRBC). They also conform to international standards like OHSAS 18001 (Standard for Occupational Health And Safety Management System), ISO 14001 (Environment Management).									
Has the policy been approved by the Board? (Note: As explained above the Company is under CIRP the power of Board of Director is vested with Resolution Professional of the Company)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	www.rcom.co.in								
Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to the stakeholders by displaying on the Company website.								
Does the Company have in-house structure to implement the policy/ policies?	Yes								
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The grievances are referred to and attended to by the Divisional Heads of respective businesses for redressal and the HR Group monitors redressal of such grievances.								
Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	In addition to our Management audit team independently evaluate the working of these policies, the Environment, Health and Safety policies are evaluated by internal as well as external ISO audit agencies.								
If answer against any principle is 'No', please explain why	Not applicable								
Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The CSR Committee periodically assesses the BR performance of the Company for ensuring the effectiveness and relevance of BR initiatives and makes necessary recommendations to the RP.								
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. Subject to the criteria of market capitalisation specified under Listing Regulations issued by SEBI, the BRR is published annually and is available on the website of the Company at www.rcom.co.in								

Section E: Principle-wise performance

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management. The Company's policy relating to Ethics, Bribery and Corruption is covered under Reliance Group Companies Code of Ethics and Business Policies, which are applicable to all personnel of the Company as well as to the (i) Consultants, (ii) Representatives, (iii) Suppliers, (iv) Contractors and (v) Agents dealing with the Company. In addition to that the Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the senior management every year.

The Company also has a grievance redressal mechanism and a whistle blower policy which enable its employees to raise concerns to the Management.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company has received 244 Complaints from the shareholders during the financial year 2021-22 and there were no complaints pending as on March 31, 2022. The details of this are provided in Corporate Governance Report.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

Our Company provides B2B services, Internet Data Centre and Telecom Infrastructure through subsidiary companies. Another major challenge is to optimize the electricity use at the Data center. Normally, Data center operation itself involves enormous amount of electricity consumption measured by Power Usage Effectiveness (PUE). The huge electricity consumption has a negative impact on the environment and corporate operating costs. We have been identifying and implementing the technologies, mechanisms at all the data centers to improve the PUE.

Electromagnetic radiation from BTS antenna and noise pollution from usage of Diesel Generator may be considered as an environment concerns. Radiation and noise pollution

are within the permissible limit, still we are closely monitoring the same and take preventive steps to reduce radiation and noise pollution.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

The Company's services do not have any broad based impact on energy. Our Internet Data Center (IDC), normally, has a connected load of 5 MW which is being taken from the local grids. We have implemented the Energy Management System (ISO 50001_EnMS) at our largest data center in Mumbai. Spectrum is used for Electromagnetic radiation and Diesel is used in Diesel Generator as a resource. Electromagnetic radiation is measured in unit of RF power transmitted in watt per square meter and Noise pollution emitted from Diesel Generator is measured in terms of dB level.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, our policy aims to have long term relationship with various vendors. We have detail procedures for finalization of prospective vendors, which includes techno commercial analysis, vendor's financial strength, market share, past track record etc. All vendors providing goods/ services have to comply with the local laws. While selecting a product, efforts are put on environment friendliness, low power consumption, EMF radiation monitoring / testing etc.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

We support and encourage local vendors for ensuing positive impact of sourcing resources. The local vendors were used for small civil related jobs, fibre related services, sign boards, local supply of materials, material handling, housekeeping, etc. We have appointed local service providers whose job is to give after sales service to the customers. These service providers are given regular training so as to optimize their capacity and capabilities.

- 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, the Company has well established process for disposal of Products Waste, e.g. Telecom End of Life Batteries though Battery OEMs and Electronics waste are being disposed off through scrap vendors after proper disposal certificates are being taken from the vendors.

Business Responsibility Report

Principle 3

Businesses should promote the well being of all employees.

Total number of employees	464
Total number of employees hired on temporary / contractual / casual basis	NIL
The number of permanent women employees	43
The number of permanent employees with disabilities	NIL
Do you have an employee association that is recognized by management?	No
What percentage of your permanent employees is members of this recognized employee association?	NA
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the year.	The Company does not employ child labour, forced labour and involuntary labour. The Company did not receive any complaint of sexual harassment and discriminatory employment

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	The Company does not hire Child labour, forced labour or involuntary labour. Not Applicable	Not Applicable
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company.	NIL

What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

Permanent Employees	NIL, as due to COVID-19 all employees were working from home
Permanent Women Employees	NIL, as due to COVID-19 all employees were working from home.
Casual/Temporary/ Contractual Employees	Nil
Employees with Disabilities	Nil

Principle 4:

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, The Company has mapped the stakeholders i.e. customers, shareholders, employees, suppliers, banks and financial institutions, government and regulatory bodies and the local community and out of these, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

2. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.

The Company is currently undergoing CIRP in terms of the Code. The provisions of Companies Act, 2013 specifying

the requirement of Corporate Social Responsibility are not applicable to the Company during FY 2021-22.

In view of the same, the Company has not spent any amount on CSR activity or on any programmes / initiative / project.

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

The policy of the Company on human rights covers not only the Company, but also extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others. The Company is committed to complying with all human rights, practices across all group companies, JVs and other stakeholders associated with the Company.

The Company does not employ any forced labour and child labour and is committed to promoting the general equality among the employees.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any stakeholder complaint pertaining to human rights during the financial year 2021-22.

Principle 6:

Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors /NGOs /others.

Yes, the policy of the Company on environment covers not only the Company, but also extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others. The Company is committed to achieving an excellence in environmental performance, preservation and promotion of clean environment and also actively encourages business partners like suppliers, contractors, etc. to preserve and promote environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has taken the initiatives on Green telecom such as :- (i) Usage of renewable energy with solar panels, (ii) Usage of newly developed batteries to reduce fuel consumption at telecom sites and thereby reducing CO2 emission etc. Hyperlink is not available.

We have also taken following new initiatives to address environmental issues in IDCs

- A. Our IDC building (IDC-5) in Navi Mumbai is pre-certified for LEED GOLD rating from Indian Green Building Council (IGBC).
- B. As part of efficient energy management in Data centers, we had obtained ISO 50001 certification for IDC4 Mumbai to improve energy performance.
- C. We are first Data Center company in India to introduce colocation services on pay-per-use model since year 2013. We have converted more than 60% of our colocation client and 80% of our colo power capacity from legacy rated power model to optimized consumed power model / pay-per-use (PPU) model offerings which allows both customer and service provider to optimize metered power consumption, improved demand management, reduced energy losses, better energy management etc. resulting reduced carbon foot print.
- D. We continually follow the best design basis, planning and engineering, rack space and power optimization to avoid hotspots in server farm area while doing racks deployments for improved cooling efficiency and energy savings.

3. Does the company identify and assess potential environmental risks? Y/ N

Yes. Reduction of Carbon Emission is being implemented by the Company by deploying High Efficient Batteries and Energy Conservation measures such as Sourcing Power through Green resource e.g. Solar and RESCO Model.

We have also identified and assess potential environmental risks as follows:

- A. Electro-Magnetic Radiation: We comply with EMF norms released by DoT.
- B. Tower Structure safety: Towers are deployed on the basis of Wind Zone compliance.
- C. Lighting arrester and earthing are also used for tower safety.
- D. Towers are complied with fire safety norms and practices.
- E. Surplus electronics equipments not in use are sold and we follow the e-waste process to dispose of these equipments.
- F. IDC as such do not pollute environment, but we comply with all environmental norms while building IDCs and their equipment selection:
- G. We comply with local SEB norms through CEIG approval process for all IDCs across India.
- H. We follow fire safety norms and use automatic gas suppression system (FM200) in all our server halls of IDC to immediate extinguishes the fire. FM200 gas is zero ozone-depleting potential and low global warming potential and short atmospheric life.
- I. Similarly we use HFC based refrigerant in Chiller system zero ozone-depleting potential and low global warming potential.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

- A. RCOM as wireless operator has shutdown all the BTS and is operating under spectrum sharing arrangement with RJIO and hence not using any telecom towers for BTS radiation.
- B. RCOM operates its Wireline Business with terrestrial fiber and low power UBR radios.
- C. IDCs operated by RCOM subsidiary Globalcom IDC Limited "(GIDC)" do not generate any emission and hence do not pose any risk to environment.

As such RCOM is compliant with the CO2 emission norms.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/ N. If yes, please give hyperlink for web page etc.

Yes. We have taken following initiatives for Green IDC and to achieve high Energy efficiency in operations.

- A. Our IDC building (IDC-5) in Navi Mumbai is pre-certified for LEED GOLD rating from Indian Green Building Council (IGBC) as in it's original design basis.
- B. We are continuously putting efforts to improve PUE (Power Usage effectiveness) on year on year. We

Business Responsibility Report

have taken several effective steps to improve PUE by optimizing our air-conditioning and lighting systems, e.g. Hot/ Cold Aisle arrangement, restricting airflow, blanking plates and cold aisle Containment etc

We are also submitting Six Monthly MOEF Compliance Report to Ministry of Environment and Forest after quality testing of Air, Water and Soil.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

CPCB/ SPCB are not applicable for Telecommunication Network. We comply with the regulatory requirement as released by DOT from time to time. We are continuously reducing the carbon foot printing of IDC by reducing the CO2 emissions year by year.

We are effectively doing e-waste management through CPCB / SCPB approved vendors.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, we, along with subsidiary company, are the members of some prestigious trade association. The major associations are as follows:

- a. Tower and Infrastructure Providers Association (TAIPA)
- b. Associated Chambers of Commerce & Industry of India (ASSOCHAM)

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas

No

Principle 8:

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is currently undergoing CIRP in terms of the Code. Further, the provisions of Companies Act, 2013 specifying the requirement of Corporate Social Responsibility are not applicable to the Company. In view of the same

company has not spent any amount on CSR Activity or on any programmes/ initiatives/projects in pursuit of the policy related to Principle 8.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Not Applicable.

3. Have you done any impact assessment of your initiative?

Not Applicable.

4. What is your company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.

Not Applicable.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not Applicable

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) What percentage of customer complaints / consumer cases are pending as on the end of financial year?

Not applicable to the Company's nature of Business.

b) Does the Company display product information on the product label, over and above what is mandated as per local laws?

Not applicable to the Company's nature of Business.

c) Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

No.

d) Did your Company carry out any consumer survey/ consumer satisfaction trends?

Not applicable to the Company's nature of Business.

In present scenario, the Company has closed down its business operation based on "business to consumer" (B2C) business model and the Company is operating its business in "Business to Business" (B2B) business model. So keeping in view the present business model the information required under principle 9 is not relevant to the Company.

Inspite of the above, we assure that the Company is following best practices in providing services to our customer in "B2B" business model in satisfactory manner.

Background:

Pursuant to an application filed by Ericsson India Pvt. Ltd before the Hon'ble 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 ("CIR process" or "CIRP") of the Reliance Communication Limited ("Company") vide its order dated May 15, 2018 ("Admission Order"). The NCLT had, pursuant to the Admission Order, appointed an interim resolution professional ("IRP") for the Company vide its order dated May 18, 2018. In terms of the Admission Order, *inter alia*, the management of the affairs of the Company was vested in the IRP.

Subsequently, the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), while adjudicating upon an appeal preferred against the admission of the insolvency application against the Company, vide its order dated May 30, 2018, *inter alia*, stayed the Admission Order and allowed the management of the Company to function ("Stay Order"). On April 30, 2019, the NCLAT, upon allowing the director and shareholder of the Company to withdraw its aforesaid appeal, vacated all interim orders including the Stay Order. The NCLT vide order dated May 7, 2019 directed the IRP to proceed in the CIRP of the Company.

Thereafter, the Committee of Creditors ("CoC") of the Company resolved with the requisite voting share, to replace the IRP with Mr. Anish Niranjana Nanavaty, as the resolution professional for the Company ("RP" or "Resolution Professional"). Subsequently, the NCLT has appointed Mr. Anish Niranjana Nanavaty as the RP for the Company vide its order dated June 21, 2019, which was published on June 28, 2019. Accordingly, the management of the Company vests in the RP during the continuance of the CIR process period of the Company.

Accordingly, as per Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended and the same are vested in and are exercised by the RP. However, while the powers of the board of directors stand suspended, the directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company. Meetings of the directors and committees are called in compliance with the provisions of applicable laws governing the Company, where matters are discussed and the recommendations of the Directors are taken note of by the RP for the purpose of managing the operations of the Company as a going concern, ensure company remains in compliance and for good corporate governance.

Further, as per Regulation 15(2A) and (2B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the provisions specified in Regulations 17, 18, 19, 20 and 21 of the Listing Regulations shall not be applicable during the corporate insolvency Resolution Process of the Company and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations of the Listing Regulations, shall be fulfilled by the RP.

In accordance with the provisions of the Code, various resolution plans in respect of the Company were received by the RP. The

committee of creditors of the Company ("CoC"), in their meeting held on March 02, 2020, has approved a resolution plan submitted by UV Asset Reconstruction Company Limited

("Resolution Plan") which was subsequently submitted to the Hon'ble NCLT on March 6, 2020 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the Hon'ble NCLT.

Our Corporate governance philosophy

The Company follows the highest standards of corporate governance principles and best practices by adopting the "Reliance Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent companies in the group. These policies prescribe a set of systems and processes guided by the core principles of transparency, disclosure, accountability, compliances, ethical conduct and the commitment to promote the interests of all stakeholders. The policies and the code are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of our stakeholders.

Governance Practices and Policies

The Company has formulated number of policies and introduced several governance practices as follows to comply with the applicable statutory and regulatory requirements with most of them introduced long before they were made mandatory.

A. Values and commitments

We have set out and adopted a policy document on 'values and commitments' of the Company. We believe that any business conduct can be ethical only when it rests on the nine core values viz. honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.

B. Code of ethics

Our policy document on 'Code of Ethics' demands that our employees conduct the business with impeccable integrity and by excluding any consideration of personal profit or advantage.

C. Business policies

Our 'Business Policies' cover a comprehensive range of issues such as fair market practices, insider information, financial records and accounting integrity, external communication, work ethics, personal conduct, policy on prevention of sexual harassment, health, safety, environment and quality.

D. Separation of the Chairman's supervisory role from the executive management

In line with the best global practices, we have adopted the policy to ensure that the Chairman of the Board shall be a Non-executive Director.

E. Policy on Prohibition of insider trading

This document contains the policy on prohibiting trading in the securities of the Company, based on insider or privileged information.

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F. Policy on prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against sexual harassment.

G. Whistle blower Policy / vigil mechanism

Our Whistle Blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personal action. The vigil mechanism has been overseen by the Audit Committee.

It is affirmed that no person has been denied direct access to the chairperson of Audit Committee.

H. Environment Policy

The Company is committed to achieve excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I. Risk management

Our risk management procedures ensure that the management controls various business related risks through means of a properly defined framework.

J. Boardroom practices

a. Chairman

In line with the highest global standards of corporate governance, the Board has separated the Chairman's role from that of an executive in managing day to day business affairs.

b. Board charter

The Company has a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, scope and function of the Board and its Committees, etc.

c. Board committees

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Board had constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee of Directors.

d. Selection of independent directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other

companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which she / he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, gives a declaration that she / he meets the criteria of independence as provided under law.

e. Tenure of independent directors

Tenure of Independent Directors on the Board of the Company shall not exceed the time period as per provisions of the Companies Act, 2013 and the Listing Regulations amended from time to time.

f. Independent Director's interaction with stakeholders

Member(s) of Stakeholders Relationship Committee interacts with the stakeholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

g. Familiarisation of board members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic updates for members are also given out on relevant statutory changes and on important issues impacting the Company's business environment.

The details of program for familiarisation of independent directors is put up on the website of the Company at the link <https://www.rcom.co.in/download/rcom-familiarisation-program-for-directors/>

h. Meeting of Independent Directors with operating team

The independent directors of the Company can meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as, operating policies and procedures, risk management strategies, measures to improve efficiencies, performance and compensation, strategic issues for Board consideration, flow of information to directors, management progression and succession and others as the independent directors may determine. During these executive sessions, the

independent directors have access to members of management and other advisors, as the independent directors may determine and deem fit.

As the Company is currently under Corporate Insolvency Resolution Process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and powers of Board of Directors stands suspended, during the year under review no such meeting of Independent Directors with operating team was held.

i. Subsidiaries

All the subsidiaries of the Company are managed by their respective boards except Reliance Telecom Limited, Reliance Communications Infrastructure Limited and Reliance Tech Services Limited which are under Corporate Insolvency Resolution Process. Reliance Infratel Limited is being managed by the Monitoring Committee as per the provisions of the approved Resolution Plan. In all other subsidiaries, their boards have the rights and obligations to manage their companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies.

Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Company, has been admitted by Hon'ble NCLT on August 04, 2020 for Corporate Insolvency Resolution Process under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the Hon'ble NCLT. The Resolution Professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT.

In respect of Reliance Infratel Limited, a step down subsidiary of the Company, a resolution plan submitted by Reliance Projects & Property Management Services Limited (earlier known as Reliance Digital Platform & Project Services Limited) through its division Infrastructure Projects is approved by Hon'ble National Company Law Tribunal, Mumbai Bench on December 03, 2020. The approved resolution plan is yet to be implemented and on completion of implementation of abovementioned Resolution plan as approved by Hon'ble NCLT, RITL will cease to be subsidiary of the Company. RITL is currently under the supervision of a monitoring committee constituted under the provisions of the resolution plan.

Note: Since the Company is under CIR process, all practices and policies framed related to Board Room are subject to the provisions of the Insolvency and Bankruptcy Code, 2016.

K. Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management

for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company and to ensure compliance with applicable statutory requirements and Secretarial Standards to provide guidance to directors and to facilitate to convening of meetings and is the interface between the management and regulatory authorities for governance matters. All the directors of the Company have access to the advice and services of the Company Secretary.

L. Independent Statutory Auditors

The Company's Financial Statements for the year 2021-22 have been audited by an independent audit firm M/s. Pathak H.D. & Associates LLP, Chartered Accountants, who were appointed by the members of the company for a term of five consecutive years from the conclusion of the 17th Annual General Meeting of the Company till the conclusion of 22nd Annual General Meeting of the Company.

M. Compliance with the code and rules of Luxembourg Stock Exchange

The Global Depository Receipts (GDRs) issued by the Company are listed on the Luxembourg Stock Exchange (LSE) and 6.5 percent Senior Secured Notes due in 2020 are listed on the Singapore Stock Exchange (SGX).

N. Compliance with the Listing Regulations

During the year under review, the Company is fully compliant with the mandatory requirements of the Listing Regulations, except for delay in approval of financial results for the quarter and half year ended September 30, 2021.

We present our report on compliance of governance conditions specified in Listing Regulations as follows:

I. Board of Directors

The Board Composition as on 31st March, 2022 was as follows:

1. Board composition - Board strength and representation

As on March 31, 2022, the Board comprised of Seven Directors. The composition and category of directors on the Board of the Company are as under:

Category	Name of directors	DIN
Chairman, Promoter, Non-Executive and Non-Independent Director	Shri Anil D. Ambani*	00004878
Independent Directors	Smt. Ryna Karani*	00116930
	Smt. Chhaya Virani*	06953556
	Smt. Manjari Kacker*	06945359
Non-Executive, Non-Independent Director	Shri Punit Garg	00004407
	Shri Suresh Rangachar*	00020887
Executive Director and Chief Financial Officer	Shri Vishwanath Devaraja Rao	08607657

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*During FY 2019-20, Shri Anil D Ambani, Smt. Manjari Kacker and Smt. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide resignation letters dated 15th November, 2019 and Shri Suresh Rangachar and Smt. Ryna Karani resigned from their position as directors on 13th November, 2019 and 14th November, 2019 respectively, and certain directors being Shri Anil D Ambani, Shri Suresh Rangachar and Smt. Manjari Kacker have also filed their respective DIR-11 forms with the Registrar of Companies. The Committee of Creditors of the Company ("CoC"), in its meeting held on 20th November, 2019 refused to accept the resignations tendered by such directors. Further, the CoC instructed that the said directors be advised to continue with their duties and responsibilities as directors of the Company and provide all cooperation to the RP during the CIRP. Accordingly, the name of such directors continues to reflect in the composition of the board of directors and the respective committees of the Company.

Further, the RP has filed an application with the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT"), praying to the NCLT to direct Shri Anil D. Ambani and Shri Suresh Rangachar to continue as directors on the board of the Company and accordingly, declare the resignations tendered by them as null and void. The said application is pending for hearing at the NCLT.

Due to abovementioned events, the Company has not received annual declaration of Independence from Independent Directors of the Company and the Company cannot confirm that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and are independent of the management.

Notes:

- a. None of the directors are related to any other director and none of the directors has any business relationship with the Company.
- b. None of the directors has received any loans and advances from the Company during the financial year.
- c. The Company and its subsidiaries have not provided loans and advances in the nature of loans to firms/companies in which directors are interested.
- d. Smt. Ryna Karani has resigned as Independent Director of the Company due to suspension of power of Board of Directors under ongoing CIR Process and owing to her increasing professional commitments. Further, Smt. Chaya Virani and Smt. Manjari Kacker have resigned as Independent Directors of the Company due to suspension of power of Board of Directors under

ongoing CIR Process and owing to their personal commitments. Independent Directors confirmed that there is no other material reason other than those stated.

As per Regulation 15(2A) and (2B) of the Listing Regulation, the provisions of Regulation 17 to 21 of Listing Regulations are not applicable to the Company during its ongoing CIR Process.

2. Conduct of Board proceedings

As the Company is under CIR process, the powers of the board of directors of the Company stand suspended and the same are vested in and are being exercised by the RP. However, while the powers of the board of directors stand suspended, the directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company and ensuring compliance with applicable laws, given that the directors are well versed with the business of the Company.

The Directors holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. During the year under review, due to ongoing CIR process, the meetings of the Directors/Committees were chaired by Resolution Professional of the Company.

3. Directors meetings

The Directors of the Company held 5 meetings during financial year 2021-22 on June 26, 2021, August 14, 2021, November 27, 2021, December 28, 2021 and February 12, 2022. The maximum time gap between any two meetings was 104 days and the minimum gap was 30 days.

The Company periodically reviews compliance reports of all laws applicable to the Company.

4. Legal Compliance Monitoring

The Company monitors statutory compliances and delay or non-compliance are escalated and reported for remedial action. A compliance report pertaining to the laws applicable to the Company is placed before the Directors in their meetings. Pursuant to the requirements of the Listing Regulations, the Directors periodically reviews the legal compliances mechanism.

5. Attendance of Directors

Attendance of directors at the Directors meetings held during financial year 2021-22 and the last Annual General Meeting held on September 25, 2021 and the details of directorships (calculated as per provisions of Section 165 of the Act), Committee Chairmanships and memberships held by the directors as on March 31, 2022 were as under:

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Name of the Director	Number of Board/ Directors meetings attended out of five meetings held	Attendance at the last AGM held on September 25, 2021	Number of directorship (including RCOM)	Committee(s) membership (including RCOM)	
				Membership	Chairmanship
Shri Anil D. Ambani*	0	Absent	3	None	None
Smt. Manjari Kacker*	0	Absent	3	4	2
Shri Punit Garg	5	Absent	4	4	None
Smt. Chhaya Virani*	0	Absent	9	8	3
Smt. Ryna Karani*	0	Absent	3	2	None
Shri Suresh* Rangachar	0	Absent	2	None	None
Shri Vishwanath Devaraja Rao	5	Present	2	2	None

As the Company is under CIR Process, the separate meeting of Independent Directors as required under Regulation 25(3) was not held during the year under review.

Notes:

- None of the directors hold directorships in more than 20 companies of which directorship in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.
- Pursuant to the provisions of Regulation 17A(1) of the Listing Regulations, none of the Director holds directorship in more than 7 listed entities.
- None of the directors hold membership of more than 10 committees of board, nor, is a Chairman of more than 5 committees of across board of all listed entities.
- None of the independent director holds the position of the Independent Director in more than seven listed companies as required under the Listing Regulations.
- None of the Director has been appointed as Alternate Director for Independent Director.
- The information provided above pertains to the following committees in accordance with the provisions of Regulation 26(1) (b) of Listing Regulations: (i) Audit Committee, and (ii) Stakeholders Relationship Committee.
- The Committee membership and chairmanship above excludes membership and chairmanship in private companies, foreign companies and Section 8 companies.
- Membership of Committees includes chairmanship, if any.
- No Non-Executive Director of the Company has attained the age of 75 years.

*The details of directorships, committee-memberships and chairmanship as provided in this report is on the basis of best available information with the Company.

6. Directorships in other listed entities:

The details of directorships held by the directors of the Company in other listed entities as on March 31, 2022 basis the information available with the Company are as follows:

Name of Director	Other directorships in listed entities Name of Listed entities	Category
Shri Anil D Ambani	None	NA
Smt. Manjari Kacker	Reliance Infrastructure Limited	Non Executive and Independent Director
Shri Punit Garg	Reliance Infrastructure Limited	Executive Director and Chief Executive Officer
Smt. Chhaya Virani	Reliance Home Finance Limited Reliance Power Limited	Non Executive and Independent Director Non Executive and Independent Director
Smt. Ryna Karani	Prime Urban Development India Limited	Non Executive and Independent Director
Shri Vishwanath Devaraja Rao	None	NA
Shri Suresh Rangachar	None	NA

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7. Core Skills / Expertise / Competencies available with the Board

The board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The core skills/ expertise/ competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Core skills/ competencies/ expertise	Name of the Directors						
	Shri Anil Ambani	Ms.Chhaya Virani	Ms. Ryna Karani	Ms. Manjari Kacker	Shri Punit Garg	Shri Vishwanath Devaraja Rao	Shri Suresh Rangachar
Business Strategy	✓	✓	✓	✓	✓	✓	✓
Business Policy	✓	✓	✓	✓	✓	✓	✓
Business Development	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Legal	✓	✓	✓	✓	✓	✓	✓
Commercial	✓	✓	✓	✓	✓	✓	✓
Project Management	✓	✓	✓	✓	✓	✓	✓
Procurement	✓	-	-	-	✓	✓	-
Engineering	✓	-	-	-	✓	✓	-
Finance	✓	✓	✓	✓	✓	✓	✓
Human Resource	✓	✓	✓	✓	✓	✓	✓

8. Details of Directors

The abbreviated resumes of all the Directors are furnished hereunder:

Shri Anil D. Ambani, 63 years, B.Sc. Hons. and MBA from the Wharton School of the University of Pennsylvania, is the Chairman of our Company.

As on March 31, 2022, Shri Anil D Ambani, is also a director in Dassault Reliance Aerospace Limited and Indian School of Business.

As on March 31, 2022, Shri Anil D. Ambani held 18,59,171 equity shares of the Company.

Smt. Manjari Kacker, 70 years, holds a master's degree in Chemistry and a diploma in Business Administration. She has more than 41 years of experience in taxation, finance, administration and vigilance. She was in the Indian Revenue Service batch of 1974. She held various assignments during her tenure in the tax department and was also a member of the Central Board of Direct Taxes. She has also served as the Functional Director (Vigilance and Security) in Air India and has also represented India in international conferences.

Ms. Manjari Kacker is also a Director in Reliance Infrastructure Limited, Hindustan Gum and Chemicals Limited, and DFL Technologies Private Limited.

Smt. Manjari Kacker is Chairperson of CSR Committee and Audit Committee of the Company. She is member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company.

She does not hold any share in the Company as on March 31, 2022.

Shri Punit Garg, 57 years, a qualified Engineer, is part of senior management team of Reliance Group since 2001. He has held several positions in the Company, including CEO of Indian and Global Enterprise Business, Corporate Strategy and Regulatory Affairs of the Company. With rich experience of over 35 years, Shri Garg has created and led billion dollar businesses. As a visionary, strategist and team builder he has driven profitable growth through innovation and operational excellence. He was President, Telecom Business of the Company and elevated to the Board as Executive Director of the Company before resigning as Executive Director of the Company on April 05, 2019.

He is also on the Board of Reliance Infrastructure Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited.

Shri Garg is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee of the Company.

He is holding one equity share of the Company as on March 31, 2022.

Smt. Chhaya Virani, 68 years, graduated from Mumbai University with a bachelors' degree in Arts. She also acquired a bachelors' degree in legislative laws from the Government Law College in 1976. She is a partner in M/s. ALMT Legal Advocates and Solicitors.

Smt. Virani is also a Director in Reliance Power Limited, Reliance Home Finance Limited, Reliance Infratel Limited, Reliance General Insurance Company Limited, Reliance Corporate Advisory Services Limited, Reliance Capital Pension Fund Limited, Rosa Power Supply Company Limited and Sasan Power Limited.

Smt. Virani is a member of the Audit Committee, Nomination and Remuneration Committee and CSR Committee and chairperson of Stakeholders Relationship Committee of the Company.

She does not hold any share in the Company as on March 31, 2022.

Smt. Ryna Karani, 54 years, is partner of ALMT Legal, Advocates and Solicitors since November 2006 and part of the firm's corporate and commercial team. She has been practicing as a lawyer since 1994 and is enrolled as Advocate with the Bar Council of Maharashtra and Goa. Her practice includes advising on mergers and acquisitions, joint ventures, private equity and investment funds on a full range of corporate transactions including cross border transactions. She has advised and assisted a number of foreign clients in establishing a presence in India through incorporation of companies and/or establishment of liaison offices.

She is a director on the Board of Prime Urban Development India Limited and INEOS Styrolution India Limited.

Smt. Karani is a member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of the Company.

She does not hold any share in the Company as on March 31, 2022.

Shri Suresh Rangachar aged 57 years, holds Master's degree in Computer Science. He has been with the Company since last 18 years. He was elevated as the Non Executive Non Independent Director on the Board of the Company.

Shri Rangachar is also on the Board of Nextqore Private Limited and Reliance Infratel Limited (RITL), a subsidiary of the Company as the Non Executive Director.

Shri Rangachar is a member of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

He does not hold any share in the Company as on March 31, 2022.

Shri Vishwanath Devaraja Rao

Shri Vishwanath Devaraja Rao, aged 63 years, is a member of The Institute of Chartered Accountants of India, with a degree in Commerce. He is working as Joint President of Reliance Communications Limited. He has over 39 years of experience. He is with Reliance Group since more than 20 years. He has varied and rich experience in corporate, finance and managerial functions. Prior to Reliance, he has also worked in PepsiCo India, Hindustan Unilever and other listed companies handling accounts and finance functions.

He is also on the Board of Globalcom Mobile Commerce Limited, a subsidiary of the Company as the Non Executive Director.

Shri Vishwanath Devaraja Rao is a member of the Audit Committee, Stakeholders Relationship Committee and CSR Committee of the Company.

He does not hold any share in the Company as on March 31, 2022.

II. Audit Committee

Since the Company is under CIR process, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18,19, 20 and 21 of the Listing Regulations relating to various committees including Audit Committee are not applicable to the Company during the CIR Process. However, as a matter of good corporate governance, the Company has an Audit Committee and the composition and terms of reference of Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013, Listing Regulations and other applicable laws.

The Audit Committee presently comprises of Smt. Manjari Kacker, Chairperson, Smt. Ryna Karani, Smt. Chhaya Virani all Independent Directors and Shri Punit Garg and Shri Vishwanath Devaraja Rao, Directors as members. All the members of the Committee possess financial / accounting expertise / exposure.

As noted above, Smt. Manjari Kacker and Smt. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide their resignation letters dated 15th November, 2019. Smt. Ryna Karani resigned from her position as Director on 14th November, 2019. However, CoC refused to accept the resignations tendered by such directors.

The Audit Committee, *inter-alia*, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit and risk management can be improved.

The terms of reference of the Audit Committee in normal circumstances *inter-alia*, comprises the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

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- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft audit report
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Subject to and conditional upon the approval of the Board of Directors, Approval of Related Party Transactions (RPTs) or subsequent modifications thereto;
 9. Subject to review by the Board of Directors, Review on quarterly basis, of RPTs entered into by the Company pursuant to each omnibus approval given pursuant to (8) above;
 10. Scrutiny of inter-corporate loans and investments;
 11. Valuation of undertakings or assets of the company, wherever it is necessary;
 12. Review the Company's established system and processes of internal financial controls and risk management systems;
 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 15. Discussion with internal auditors of any significant findings and follow up there on;
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 19. To review the functioning of the Whistle Blower mechanism;
 20. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 21. Review of utilization made by the subsidiary company out of loans and / or advances / investment made by the holding company. The threshold will be applied in cases where the aggregate amount exceeds ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower & will include existing loans / advances / investments existing as on the date of coming into force of this provision.
 22. To review and publish quarterly consolidated financial statements with a condition that at least eighty percent of consolidated revenue, assets and profits should have been audited or reviewed.
 23. To disclose in the last quarter of the financial year, any material adjustments made which relate to earlier period will have to be disclosed. Further, Cash flow statements to be made and disclosed as part of its standalone and consolidated financial results every six months.
 24. To Review of compliances as per the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall also verify that the systems for internal control are adequate and are operating effectively.
 25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 26. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
Explanation (i): The term 'related party transactions' shall have the same meaning as provided in Regulation 23 of the Listing Regulations.
- However, considering that the Company is undergoing CIR Process under the Code, the Audit Committee acts on its terms of reference subject to the provisions of the Code.
- The Audit Committee is also authorised to:
1. Investigate any activity within its terms of reference;
 2. Seek any information from any employee;
 3. Obtain outside legal or other professional advice;
 4. Secure attendance of outsiders with relevant expertise, if it considers necessary;

Corporate Governance Report

5. Call for comments from the auditors about internal controls systems and the scope of audit, including the observations of the auditors;
6. Review financial statements before submission to the Board; and
7. Discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the listing regulations.
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the listing regulations.

However, as the Company is under CIRP, the powers of the board of directors of the Company stand suspended and the same are vested in and are exercised by the RP. The directors continue to hold their respective positions/ designations in the Company and are required to extend all assistance and cooperation to the RP as required in managing the affairs of the Company.

Meetings of the Audit Committee are called in compliance with the provisions of applicable laws governing the Company, where matters are discussed and the recommendations of the members of the Audit Committee are taken note of by the Directors and the RP for the purpose of managing the operations of the Company as a going concern, ensure company remains in compliance and for good corporate governance, subject to the provisions of the Code.

The minutes of the meetings of Audit Committee are placed before the Directors of the Company.

The Directors have confirmed that during the financial year, they have accepted all recommendations of Audit Committee which are mandatorily required.

Attendance at the meetings of the Audit Committee held during financial year 2021-22.

The Audit Committee held its meetings on June 26, 2021, August 14, 2021, November 27, 2021 and February 12, 2022. The maximum time gap between any two meetings was 104 days and the minimum gap was 48 days.

Attendance at the meeting of the Audit Committee held during financial year 2021-22, is as follows:

Name of the Members	Number of Meetings	
	held during the tenure	Attended
Smt. Manjari Kacker	4	0
Shri Punit Garg	4	4
Smt. Ryna Karani	4	0
Smt. Chhaya Virani	4	0
Shri Vishwanath Devaraja Rao	4	4

The Chairperson of the Audit Committee was not present at the last Annual General Meeting of the Company.

The Audit Committee considered all the points in terms of its reference at periodic intervals.

The Company Secretary acts as the Secretary to the Audit Committee.

During the year, the Audit Committee discussed with the Company's Auditors the overall scope and plans for the independent audit. The Management represented to the Committee that the Company's financial statements were prepared in accordance with prevailing laws and regulations. The Committee discussed the Company's audited financial statement, the rationality of significant judgments and the clarity of disclosures in the financial statements. Based on the review and discussions conducted with the Management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control systems of the Company. The Committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The Committee, after review expressed its satisfaction on the independence of both the internal as well as the statutory auditors.

The Company has appointed Cost Auditors pursuant to Section 148 of the Companies Act, 2013. Further, the cost audit reports were placed and discussed at the Audit Committee Meeting.

III. Nomination and Remuneration Committee

Since the Company is under Corporate Insolvency Resolution Process, as per Regulation 15(2A) and (2B) of the Listing Regulations, Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Nomination and Remuneration Committee are not applicable to the Company during the CIR Process. Despite the abovementioned exemption, the Company has a Nomination and Remuneration Committee and the composition and terms of reference of Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations. The Committee comprises of four

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members as on 31st March, 2022, viz; Smt. Manjari Kacker, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Punit Garg as members.

As noted above, Smt. Manjari Kacker and Smt. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide resignation letters dated 15th November, 2019. Smt. Ryna Karani resigned from her position as Director on 14th November, 2019. However, CoC refused to accept the resignations tendered by such directors.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The terms of reference, *inter alia* comprises the following:

- i. To formulate process for selection and appointment of new directors and succession plans.
- ii. Recommend to the Board from time to time, a compensation structure for directors, key managerial personnel and the senior management personnel.
- iii. Identifying persons who are qualified to be appointed as directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend their appointment and/or removal to the Board.
- iv. Formulation the criteria for evaluation of performance of Independent Directors, the Board and the committees thereof.
- v. To assess whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors;
- vi. Devising a policy on board diversity.
- vii. Performing functions relating to all share based employees benefits;
- viii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- ix. Recommending to the Board, all remunerations, in whatever form, payable to senior Management of the Company.

As mentioned above, the Company is under Corporate Insolvency Resolution Process and as per Regulation 15(2A) and (2B) of the Listing Regulations, the provisions specified in Regulations 19 of the Listing Regulations relating to Nomination and Remuneration Committee are not applicable to the Company during CIRP and thus there was no meeting of Nomination and Remuneration Committee held during FY 2021-22.

Criteria for making payments to non executive directors

The remuneration to non executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to Corporate goals, role assumed and number of meetings attended.

Details of sitting fees paid to the Directors during the Financial Year ended March 31, 2022.

Name of the Directors	Designation	Sitting Fee paid (₹ in Lakhs)
Shri Anil D. Ambani	Non Executive Director, Chairman	0.00
Shri Suresh Rangachar	Non Executive Director	0.00
Smt. Manjari Kacker	Independent Director	0.00
Smt. Chhaya Virani	Independent Director	0.00
Smt. Ryna Karani	Independent Director	0.00
Shri Punit Garg	Non Executive Director	3.60

Notes:

- a. There were no other pecuniary relationships or transactions of non executive directors vis-à-vis the Company.
- b. The Company has so far not issued any stock options to its non-executive directors.
- c. Pursuant to the limits approved by the Board, eligible non executive directors were paid sitting fees of ₹ 40,000 (excluding taxes as applicable) for attending each meeting of the Board and its committees.
- d. No remuneration by way of Commission to the non executive directors is proposed for the financial year 2021-22.

Disclosure as required under Schedule V of the Act with respect to the remuneration paid to Shri Vishwanath Devaraja Rao, Executive Director are as under:

	(In Crore)
(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc -	1.62
(ii) Details of fixed component and performance linked incentives along with the performance criteria:	
Fixed component - (Including PF and Gratuity which shall be excluded for the purpose of Schedule V ceiling limit)	1.56
Perquisites -	0.06
Performance linked incentive -	-
(iii) Service contracts -	No
Notice Period -	3 Months
Severance fees -	-
(iv) Stock option details, if any -	Not Applicable

Reliance Communications Limited

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IV. Stakeholders Relationship Committee

Since the Company is under Corporate Insolvency Resolution Process, as per Regulation 15(2A) and (2B) of the Listing Regulations 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Stakeholders Relationship Committee are not applicable to the Company during the CIR Process. Despite the abovementioned exemption, the Company has a Stakeholders Relationship Committee ('SRC') in terms of Section 178 of the Act and Listing Regulations. The composition and terms of reference of SRC are in compliance with the applicable provisions of the Act, Listing Regulations and other applicable laws.

As on March 31, 2022, the Committee has five members consisting of Smt. Chhaya Virani, Chairperson and Smt. Manjari Kacker, Shri Punit Garg, Smt. Ryna Karani and Shri Vishwanath Devraja Rao as members.

As noted above, Smt. Manjari Kacker and Smt. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide resignation letters dated 15th November, 2019. Smt. Ryna Karani resigned from her position as Director on 14th November, 2019. However, CoC refused to accept the resignations tendered by such directors.

The terms of reference, *inter alia*, comprises the following:

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review and approve the transfer, transmission and transposition of securities of the Company or to sub delegate such powers;

- To approve the issue of new/duplicate certificates for shares/debentures or such other securities;
- To review the transfer of amount and shares to the Investor Education and Protection Fund;
- review periodical reports which may be in the interest of the stakeholders of the Company;
- To review the measures taken for effective exercise of voting rights by shareholders.
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent.
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

As mentioned above, the Company is under Corporate Insolvency Resolution Process and as per Regulation 15(2A) and (2B) of the Listing Regulations, the provisions specified in Regulations 20 of the Listing Regulations relating to Stakeholders Relationship Committee is not applicable to the Company during the CIR Process and thus there was no meeting of Stakeholders Relationship Committee held during FY 2021-22.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. Shri Rakesh Gupta is the Company Secretary and Compliance Officer of the Company.

The Chairman of the Stakeholders Relationship Committee was not present at the last Annual General Meeting of the Company.

Investors' Grievances Attended

Received from	Received during		Redressed during		Pending as on	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
SEBI	2	10	2	10	NIL	NIL
Stock Exchanges	4	0	4	0	NIL	NIL
NSDL / CDSL	0	0	0	0	NIL	NIL
Direct from investors	218	50	218	50	NIL	NIL
Total	224	60	224	60	NIL	NIL

Analysis of Grievances

Nature of Grievances	2021-22		2020-21	
	Numbers	%	Numbers	%
Non Receipt of Annual Reports	46	20.54	6	10.00
Non-receipt of dividend warrants	62	27.68	19	31.67
Non-receipt of share certificates	111	49.55	35	58.33
Others	5	2.23	0	0.00
Total	224	100.00	60	100.00

There was no complaint pending as on March 31, 2022.

Notes:

- The shareholder base was 16,03,474 as of March 31, 2022 and 13,31,377 as of March 31, 2021.
- Investors' queries / grievances are normally attended within a period of three working days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. There was no complaint pending as on March 31, 2022.

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V. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of Corporate Social Responsibility Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and other applicable laws. The CSR Committee as on March 31, 2022 comprised of Smt. Manjari Kacker as Chairperson and Shri Punit Garg, Shri Vishwanath Devaraja Rao, Smt. Ryna Karani and Smt. Chhaya Virani as members.

As noted above, Smt. Manjari Kacker and Smt. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide resignation letters dated 15th November, 2019. Smt. Ryna Karani resigned from her position as Director on 14th November, 2019. However, COC refused to accept the resignations tendered by such directors.

However Section 135 and rules made there under are not applicable to the Company for the financial year 2021-22.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Act and rules made thereunder.

During the year under review, no meeting of the CSR Committee was held.

The Company Secretary acts as the Secretary to CSR Committee.

VI. Risk Management Committee

Currently as the Company is under CIR process, the mandatory requirement under Regulation 21 of the Listing Regulations to constitute a separate Risk Management Committee is not applicable to the Company and thus, the Audit Committee looks after the functions of the Risk Management Committee and Management presents risk and mitigation of the current businesses of the Company at Audit Committee Meetings. As and when require in future, said Committee will be constituted.

VII. Compliance Officer

Shri Rakesh Gupta is the Company Secretary and Compliance Officer of the Company. The Compliance Officer is entrusted with the role of complying with the requirements of various provisions of the laws and regulations impacting the Company's business including the Listing Regulations and the Uniform Listing Agreements entered into with the Stock Exchanges.

IX. General Body Meetings

The Company held its General Meetings in last three years as under:

Financial Year and type of meeting	Date and Time	Whether Special Resolution passed or not
2020-21 AGM*	September 25, 2021 At 11.30 AM	No
2019-20 AGM*	September 26, 2020 at 12.00 PM	Yes 1. Appointment of Shri Vishwanath Devaraja Rao as a Whole-Time Director
2018-19 AGM	September 30, 2019 At 4.00 p.m.	No

*In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") had vide its circular dated January 13, 2021 read with circulars dated May 5, 2020, dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars" permitted the Company for holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company dated September 25, 2021 and dated September 26, 2020 were held through VC / OAVM.

The Annual General Meeting (AGM) for FY 2018-19 was held at Rama & Sundri Watumull Auditorium, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400020.

During the year, there was no Extra-ordinary General Meeting held by the Company.

X. Postal Ballot

The Company had not conducted any business through Postal Ballot during the financial year 2021-22.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of a special resolution through postal ballot.

XI. Details of utilisation

During the year, the Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

XII. Means of Communication

- a. **Quarterly Results:** Quarterly Results in ordinary course are published in Financial Express, English newspaper circulating in substantially the whole of India and in Navshakti, (Marathi) vernacular newspaper and are also posted on the Company's website www.rcom.co.in.
- b. **Media Releases and Presentations:** Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc., if any, are posted on Company's website.
- c. **Company Website:** The Company's website www.rcom.co.in contains a separate dedicated section 'Investor Relations/Disclosure under Regulation 46 and 62 of LODR'. It contains comprehensive database of information of interest to our investors including the financial statements and Annual Report of the Company, information on dividend declared by the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company as called for in terms of Listing Regulations is provided on Company's website and the same is updated regularly.
- d. **Annual Report:** The Annual Report containing, *inter alia*, Notice of Annual General Meeting, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report, Business Responsibility Report and Corporate Governance Report forms part of the Annual Report and are displayed on the Company's website.
- The Act read with the Rules made thereunder and the Listing Regulations facilitate the service of documents to Members through electronic means. In compliance with the various relaxations provided by SEBI and MCA due to COVID-19 Pandemic, the Company E-mails the soft copy of the Annual Report to all those Members whose E-mail Ids are available with the Company / depositories or Registrar and Transfer Agent of the Company and has urged the other Members to register their E-mail Ids to receive the communication electronically.
- e. **NSE Electronic Application Processing System (NEAPS) and NSE Digital Exchange Portal:** The NEAPS and NSE Digital Exchange Portal are web based systems designed by NSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate announcements, media releases, financial results, Annual Report etc. are filed electronically thereon.
- f. **BSE Corporate Compliance and Listing Centre ("the Listing Centre"):** The Listing Centre is web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate Announcement, Media Release, Results etc. are filed electronically on the Listing Centre.
- g. **Unique Investor Helpdesk:** Exclusively for investor servicing, the Company has set up a unique investor helpdesk with multiple access modes as under:

Toll free no. (India) : 1800 309 4001
Telephone no. : +91 40 6716 1500
Fax no. : +91 40 6716 1791
E-mail : rcom@kfintech.com

- h. **Designated E-mail-id:** The Company has also designated the E-mail-id rcom.investors@relianceada.com exclusively for investor servicing.
- i. **SEBI Complaints Redress System (SCORES):** The investors' complaints are also being processed through the centralized web base complaints redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints. In its efforts to improve ease of doing business, SEBI has launched a mobile app "SEBI SCORES", making it easier for investors to lodge their grievances with SEBI, as they can now access SCORES at their convenience of a smart phone.

XIII. Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34(2)(e) and Schedule V of the Listing Regulations.

XIV. Subsidiaries

All the subsidiaries of the Company are managed by their respective boards, except Reliance Telecom Limited, Reliance Tech Services Limited and Reliance Communications Infrastructure Limited which are under CIR Process. Their boards have the rights and obligations to manage their companies in the best interest of their stakeholders. In respect of Reliance Infratel Limited (RITL), a step down subsidiary, Resolution plan submitted by Reliance Projects & Property Management Services Limited (earlier known as Reliance Digital Platform & Project Services Limited) through its division Infrastructure Projects is approved by Hon'ble National Company Law Tribunal, Mumbai Bench on December 03, 2020. The Resolution Plan as approved by Hon'ble NCLT shall be binding on RITL, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan. The Resolution Plan is yet to be implemented and upon completion of implementation of abovementioned Resolution plan as approved by Hon'ble NCLT, RITL will cease to be subsidiary of the Company. RITL is currently under the supervision of a monitoring committee constituted under the provisions of the approved resolution plan.

The Company monitors performance of subsidiary companies, *inter alia*, by the following means:

- a. Financial statement, in particular the investments made by unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- b. Minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.
- c. A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board / Audit Committee.

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- d. Quarterly review of Risk Management process by Audit Committee / Board.

The policy for determination of material subsidiary is put on the website of the Company at the link <https://www.rcom.co.in/our-company/investor-relations/corporate-governance/>

XV. Disclosures

- A. There has been no non-compliance by the Company on any matter related to capital markets during the last three years. During the last three financial year, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory Authority except as follows:

- During the Financial year 2021-22, for late approval of financial results for the quarter and half year ended September 30, 2021, within prescribed due date in terms of circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
- During the Financial year 2020-21, for late approval of financial results for the quarter ended June 30, 2020 and for the quarter and half year ended September 30, 2020, within prescribed due date, the Company has paid the fine in terms of circular No. SEBI/HO/CFD/ CMD/ CIR/P/2018/77 dated May 3, 2018.

B. Related party transactions

As the Company is under Corporate Insolvency Resolution Process, in terms of Section 28(1)(f) of the Insolvency and Bankruptcy Code, 2016, During the financial year 2021-22 approval of the committee of creditors ("COC") of the Company was taken for related party transactions in CoC meeting(s).

During the financial year 2021-22, no transactions of material nature had been entered into by the Company that may have a potential conflict with interest of the Company.

The details of related party transactions are disclosed in Notes to Accounts. The policy on dealing with related party transactions is placed on the Company's website at www.rcom.co.in

C. Accounting treatment

In preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies. The Accounting Policies followed by the Company to the extent relevant, are set out elsewhere in this Annual Report.

D. Code of conduct

The Company has adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and the same has been posted on Company's website www.rcom.co.in. The Directors and senior management have affirmed their compliance with the code and a declaration signed by the Executive Director and Chief Financial Officer of the Company appointed in terms of the Companies Act, 2013 is given below:

"It is hereby declared that the Company has obtained from Directors and senior management personnel of the Company affirmation that they have complied with the Code of Conduct for directors and senior management for the year 2021-22".

Vishwanath Devaraja Rao

Executive Director and Chief Financial Officer

(The Company has not received the abovementioned affirmation from Shri Anil D Ambani, Smt. Ryna Karani, Smt. Manjari Kacker, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors of the Company.)

E. CEO and CFO certification

Shri Vishwanath Devaraja Rao, Executive Director and Chief Financial Officer of the Company has provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) of the Listing Regulations.

F. Review of Directors' Responsibility Statement

The Directors in its report have confirmed that the annual accounts for the year ended March 31, 2022 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

G. Certificate from a Company Secretary in Practice

Pursuant to the provisions of Schedule V of the Listing Regulations, the Company has obtained a certificate from M/s. Ashita Kaul & Associates, Company Secretaries in practice confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any other statutory authority. The copy of the same forms part of this Annual Report.

H. Payment to Statutory Auditors

The details of fees paid to M/s. Pathak H.D. & Associates LLP, Chartered Accountants, Statutory Auditors by the Company and its subsidiaries during the year ended March 31, 2022 are as follows:

Particulars	Amount (₹ In Crore)
Audit Fees	₹ 0.93 Crore

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As reported by Internal Complaint Committee, the details of Complaints are as under:

S. No	Particulars	Details
1.	Number of complaints filed during the financial year	0
2.	Number of complaints disposed of during the financial year	0
3.	Number of complaints pending as on end of the financial year	0

XVI. Policy on prohibition of insider trading

The Company has formulated the "Reliance Communications Limited - Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report trading in securities and fair disclosure of Unpublished Price Sensitive Information" (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time. The Board has appointed Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, preclearance of trade, monitoring of trades and implementation of the Code under the overall supervision of the Board. The Company's Code, *inter-alia*, prohibits purchase and/or sale of securities of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. The Company's Code is available on the website of the Company.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Trading Window for dealing in the securities of the Company by the designated persons shall remain closed during the period from end of every quarter / year till the expiry of 48 hours from the declaration of quarterly / yearly financial results of the Company.

XVII. Compliance of Regulation 34(3) and Para F of Schedule V of Listing Regulations

As per Regulation 34(3) and Para F of Schedule V of Listing Regulations, the details in respect of equity shares lying in "Unclaimed Suspense Account - Reliance Communications Limited" were as follows:

	Particulars	No. of Shareholders	No. of Shares
a.	Aggregate number of shareholders and the outstanding shares lying in suspense account as on April 1, 2021	233	19,495
b.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	00	00
c.	Less: Number of shareholders to whom shares were transferred from suspense account during the year.	00	00
d.	Number of shares transferred to IEPF	00	00
e.	Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2022	233	19,495

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

Wherever shareholders have claimed the shares, after proper verification, the share certificates were dispatched to them or credited the shares to the respective beneficiary account.

XVIII. Compliance with discretionary requirements

1. The Board

Our Chairman is a non-executive Chairman and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. Audit Qualifications

The qualification and management response to it are mentioned in Directors Report forming part of this report.

3. Separate posts of Chairman and CEO

The Company maintains separate posts of Chairman and CEO/WTD. Shri Vishwanath Deveraja Rao is appointed as the Whole-Time Director of the Company.

4. Reporting of Internal Auditor

The internal auditor directly report to the Audit Committee of the Company.

XIX. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

Practicing Company Secretary's Certificate on Corporate Governance

The Certificate from Company Secretary in Practice on compliance of Regulation 34(3) of the Listing Regulations relating to corporate governance is published in this Annual Report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Communications Limited, as evolved over a period, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance, so as to meet the expectations of all our stakeholders.

Corporate Governance Report

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Sr. No.	Particulars	Regulations	Compliance Status	Compliance Observed
1.	Board of Directors	17* (Not Applicable)	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Review of compliance reports & compliance certificate • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management • Recommendation of the Board
2.	Maximum number of Directorship	17A* (Not applicable)	Yes	<ul style="list-style-type: none"> • Directorship in listed entities
3.	Audit Committee	18* (Not applicable)	Yes	<ul style="list-style-type: none"> • Composition & Meetings • Quorum of the Committee • Power of the Committee • Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	19* (Not applicable)	Yes	<ul style="list-style-type: none"> • Composition • Quorum of the Committee • Meetings of the Committee • Role of the Committee
5.	Stakeholders Relationship Committee	20* (Not applicable)	Yes	<ul style="list-style-type: none"> • Composition • Meetings of the Committee • Role of the Committee
6.	Risk Management Committee	21* (Not applicable)	Not Applicable	Not Applicable as per the relaxation provided by Regulation 15 (2A) of the Listing Regulations for Companies under CIR Process
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> • Review of Vigil Mechanism for Directors and employees • Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> • As the Company is under Corporate Insolvency Resolution Process, in terms of Section 28(1)(f) of the Insolvency and Bankruptcy Code, 2016, during the financial year 2021-22 approval of the committee of creditors of the Company has been taken for all new related party transactions. • Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions: • Review of Related Party Transactions; • No material Related Party Transactions; • Disclosure of Related Party Transactions on consolidated basis • Disclosure to stock exchanges and on website

Reliance Communications Limited

Corporate Governance Report

Sr. No.	Particulars	Regulations	Compliance Status	Compliance Observed
9.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> • Appointment of Company's Independent Director on the Board of material subsidiary – N.A. • Review of financial statements of subsidiary by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors
10.	Secretarial Compliance Report	24A	Yes	<ul style="list-style-type: none"> • Secretarial Compliance Report
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors, Cessation and appointment of Independent Directors • Familiarisation of Independent Directors • No alternate Director for Independent Directors Declaration by Independent Directors • D&O Insurance (not renewed since April 01, 2019)
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> • Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosures of Shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
13.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> • Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
14.	Website	46(2) (b) to (i)	Yes	<ul style="list-style-type: none"> • Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism / Whistle-blower policy • Criteria of making payment to Non-executive Director • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization programmes imparted to Independent Directors

(*As the Company is under CIR Process under IBC Code, 2016, Regulation 17, 18, 19, 20 and 21 of the Listing Regulations are not applicable to the Company and all the other regulations are complied with under the supervision and direction of Resolution Professional of the Company)

Investor Information

Important points

Share Transfer System

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations (the Listing Regulations) read together with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020.

As mandated by SEBI, w.e.f. April 1, 2019, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except for transmission and transposition of securities.

Members are advised to dematerialize shares in the Company to facilitate transfer of shares.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at <https://www.rcom.co.in/our-company/investor-relations/shareholders/> and on the website of the Company's Registrar and Transfer Agents at einward.ris@kfintech.com

The securities holder/claimant shall submit duly filled up Form ISR-4 (to be hosted on the website of the Issuer Companies and the Registrar and Transfer Agent (RTA)). The RTA / Issuer Companies shall verify and process the service requests, issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the security holder, which shall be valid for a period of 120 days within which the securities holder/claimant shall make a request to the Depository Participants (DPs) for dematerializing the said securities. The RTA / Issuer Companies shall issue a reminder after informing the securities holder/claimant to submit the demat request as above and in case no such request has been received within the aforesaid period, they shall credit the securities to the Suspense Escrow Demat Account of the Company.

Holding securities in dematerialised form is beneficial to the investors in the following manner:

- A safe and convenient way to hold securities;
- Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts etc.;
- Immediate transfer of securities;
- No stamp duty on electronic transfer of securities;
- Reduction in transaction cost;
- Reduction in paperwork involved in transfer of securities;
- No odd lot problem, even one share can be traded;
- Availability of nomination facility;
- Ease in effecting change of address as change with Depository Participants gets registered with all companies in which investor holds securities electronically;

- Easier transmission of securities as the same done by Depository Participants for all securities in demat account;
- Automatic credit into demat account of shares, arising out of bonus / split / consolidation / merger etc.
- Convenient method of consolidation of folios/ accounts;
- Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- Ease of pledging of securities; and
- Ease in monitoring of portfolio.

Members holding shares in physical mode:

- SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 has mandated all shareholders :
 - (i) To furnish the details of Permanent Account Number (PAN), email address, mobile number, bank account details, KYC details and nomination by holders of physical securities; and
 - (ii) In case of failure to provide required documents and details as per the aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after 1st April, 2023 by the RTA and the shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode.

In view of the above, Members holding securities in physical mode are:

- a) required to submit their PAN, bank account details, KYC details to the Company / KFin Technologies Limited ("KFinTech"), RTA of the Company at [einward.ris@kfintech.com](mailto:ris@kfintech.com), if not registered with the Company as mandated by SEBI;
- b) advised to register/update their e-mail address and mobile numbers with the Company/KFinTech for receiving all communications from the Company electronically and to submit Form ISR-1 to KFinTech for updating the above required KYC details. In case of mismatch in the signature of the holder in the records of KFinTech, Members shall furnish original cancelled cheque and banker's attestation of the signature as per form ISR-2. Also Members shall register the nomination details in respect of their shareholding in the Company in Nomination Form SH-13 and for any change in nomination details in Form SH-14. In case Members want to opt out of nomination, Form ISR-3 shall be filed. The relevant forms are put on the Company's website and can be accessed at link <https://www.rcom.co.in/our-company/investor-relations/shareholders/>

Members holding shares in dematerialise mode are also:

- a. requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts;
- b. advised to contact their respective DPs for registering the nomination; and
- c. register / update their e-mail address and mobile number with their respective DPs for receiving all communications from the Company electronically.

Investor Information

Share transfer system by Non-residents and Foreign Nationals

The Securities and Exchange Board of India vide its circular no. SEBI / HO / MIRSD / DOS3 / CIR / P / 2019 / 30 dated February 11, 2019, with a view to address the difficulties in transfer of shares, faced by non-residents and foreign nationals, has decided to grant relaxations to non-residents from the requirement to furnish PAN and permit them to transfer equity shares held by them in listed entities to their immediate relatives subject to the following conditions:

- The relaxation shall only be available for transfers executed after January 1, 2016.
- The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
- The non-resident shall provide copy of an alternate valid document to ascertain identity as well as the non-resident status.

Non-Resident Indian members are requested to inform KFinTech, the Company's Registrar and Transfer Agent immediately on the change in the residential status on return to India for permanent settlement.

Hold Securities in Consolidated form

Investors holding shares in multiple folios are requested to send the share certificates to the RTA and consolidate their holdings in single folio. Holding of securities in one folio enables shareholders to monitor the same with ease.

Link for updating the PAN / Bank Details is provided on the website of the Company.

Electronic Payment Services

Investors should avail the Electronic Payment Services for payment of dividend as the same reduces risk attached to physical dividend warrants. Some of the advantages of payment through electronic credit services are as under:

- Avoidance of frequent visits to banks for depositing the physical instruments.
- Prompt credit to the bank account of the investor through electronic clearing.
- Fraudulent encashment of warrants is avoided.
- Exposure to delays / loss in postal service avoided.
- As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

Printing of bank account numbers, names and addresses of bank branches on dividend warrants provide protection against fraudulent encashment of dividend warrants. Members are requested to provide the same to the Company's RTA, KFinTech for incorporation on their dividend warrants.

Intimation of mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Company's Registrar and Transfer Agent (RTA), if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

Register for SMS alert Facility

Investor should register with their DPs for the SMS alert facility. Both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) alert investors through SMS of the debits and credits in their demat account.

Submit Nomination Form and avoid transmission hassle

Nomination helps nominees to get the shares transmitted in their favour without any hassles. Investors should get the nomination registered with the Company in case of physical holding.

The Nomination Form may be downloaded from the Company's website, www.rcom.co.in under the section "Investor Relations".

However, if shares are held in dematerialised form, nomination has to be registered with the concerned DPs directly, as per the form prescribed by them.

Deal only with SEBI Registered Intermediaries

Investors should deal with SEBI registered intermediary so that in case of deficiency of services, investor may take up the matter with SEBI.

Corporate Benefits in Electronic Form

Investor holding shares in physical form should opt for corporate benefits like split / bonus etc. in electronic form by providing their demat account details to Company's RTA.

Register e-mail address

Investors should register their e-mail address with the Company/Depository Participants. This will help them in receiving all communications from the Company electronically at their e-mail address. This also avoids delay in receiving communications from the Company. Prescribed form for registration may please be downloaded from the Company's website.

Facility for a Basic Services Demat Account (BSDA)

SEBI has stated that all the depository participants shall make available a BSDA for the shareholders unless otherwise opted for regular demat account with (a) No Annual Maintenance charges if the value of holding is upto ₹ 50,000 and (b) Annual Maintenance charges not exceeding ₹ 100 for value of holding from ₹ 50,001 to ₹ 2,00,000. (Refer Circular CIR/MRD/ DP/22/2012 dated August 27, 2012 and circular CIR/MRD/ DP/20/2015 dated December 11, 2015).

Annual General Meeting

The 18th Annual General Meeting (AGM) is convened to be held, as mentioned in the notice of AGM attached with this Annual Report, on Saturday, September 24, 2022 at 11.30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

E-voting

The Members can cast their vote online through remote e-voting from 10.00 A.M. (IST) on Tuesday, September 20, 2022 to 5.00 P.M. (IST) on Friday, September 23, 2022. At the end of remote e-voting period, the facility shall forthwith be blocked. However, the e-voting facility shall also be made available to the shareholders present at the meeting through VC/OAVM who have not cast their vote on resolution through remote e-voting.

Investor Information

The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their votes again at the Meeting.

Pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, effective from June 9, 2021, SEBI has revised the procedure for e-voting facilities to be provided by listed entities for individual shareholders holding security in demat form. Members are requested to follow the procedure/instructions provided in the Notes to Notice for the Annual General Meeting pursuant to the aforesaid circular.

Financial year of the Company

The financial year of the Company is from April 1 to March 31 every year.

Website

The Company's website www.rcom.co.in contains a separate dedicated section called 'Investor Relations'. It contains comprehensive data base of information of interest to our investors including the financial results, annual reports, dividends declared, any price sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered / facilities extended to our investors.

Dedicated e-mail id for investors

For the convenience of our investors, the Company has designated an e-mail id i.e. rcom.investors@relianceada.com.

Registrar and Transfer Agent (RTA)

KFin Technologies Limited (Formerly KFin Technologies Private Limited),

Unit: Reliance Communications Limited,

Selenium Tower – B, Plot No. 31 & 32,
Survey No. 116/22, 115/24, 115/25,
Financial District, Nanakramguda,
Hyderabad 500 032. Telangana
Website: www.kfintech.com
Tel : +91 40 6716 1500
Fax No. : +91 40 6716 1791
Toll Free No.: 1800 309 4001
E-mail : rcom@kfintech.com

Shareholding Pattern

Category of Shareholders	As on 31.03.2022		As on 31.03.2021	
	Number of Shares	%	Number of Shares	%
(A) Shareholding of Promoter and Promoter Group				
(i) Indian	143116572	5.18	143116572	5.18
(ii) Foreign	0	0.00	0	0.00
Total shareholding of Promoter and Promoter Group	143116572	5.18	143116572	5.18
(B) Public Shareholding				
(i) Institutions	133446848	4.83	135177643	4.89
(ii) Non-Institutions	2467690630	89.23	2465959835	89.16
Total Public Shareholding	2601137478	94.05	2601137478	94.05
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0.00	0	0.00
(D) ESOS Trust*	21279000	0.77	21279000	0.77
GRAND TOTAL (A)+(B)+(C)+(D)	2765533050	100.00	2765533050	100.00

* Shares held by ESOS Trust have been shown as Non-Promoter Non-Public as per the Listing Regulations w.e.f. December 1, 2015

Shareholders / investors are requested to forward share transfer documents, dematerialisation requests (through their Depository Participant) and other related correspondence directly to Company's RTA for speedy response.

Dividend announcements

In view of ongoing corporate insolvency resolution process of the Company, vide order dated 7th May 2019 of Hon'ble NCLT, Mumbai Bench, the Directors and resolution professional of the Company do not recommend any dividend for the financial year 2021-22.

Unclaimed dividends / shares

The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) have come into force with effect from September 7, 2016.

The Company has transferred the dividend for the years 2006-07 to 2012-13 remaining unclaimed for a period of seven years from the date of declaration to IEPF. Further, the Company has also transferred to the IEPF Authority equity shares, in respect of which dividend had remained unpaid or unclaimed for a period of seven consecutive years or more as on due date of transfer.

Details of the equity shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.rcom.co.in/Rcom/about-us/investor-relations/shareholders.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members are requested to note that no claims shall lie against the Company in respect of their shares or the amounts so transferred to IEPF and no payment shall be made in respect of any such claim. Any shareholder whose equity shares and unclaimed dividends has been transferred to the Fund, may claim the equity shares or apply for claiming the dividend transferred to IEPF by making an application in Form IEPF 5 available on the website www.iepf.gov.in along with the applicable fee.

The voting rights on the share transferred to IEPF authority shall remain frozen till the rightful owner claims the same.

Reliance Communications Limited

Investor Information

Distribution of shareholding

Number of Shares	Number of Shareholders		Total equity Shares		Number of Shareholders		Total equity Shares	
	as on 31.03.2022		as on 31.03.2022		as on 31.03.2021		as on 31.03.2021	
	Number	%	Number	%	Number	%	Number	%
Up to 500	1242702	77.50	130119902	4.71	1022640	76.81	110599443	4.00
501 to 5000	296639	18.50	507415721	18.35	246676	18.53	431099731	15.59
5001 to 100000	61906	3.86	1022826902	36.98	59660	4.48	1034244296	37.40
Above 100000	2227	0.14	1105170525	39.96	2401	0.18	1189589580	43.01
Total	1603474	100.00	2765533050	100.00	1331377	100.00	2765533050	100.00

Dematerialisation of Shares and Liquidity

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE330H01018. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by Securities and Exchange Board of India (SEBI).

Status of dematerialisation of shares

As on March 31, 2022, 99.38 per cent of the Company's equity shares are held in dematerialised form.

Legal proceedings

There are certain pending cases relating to disputes over title to shares, in which the Company has been made a party. These cases are, however, not material in nature.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any material exposure to the commodity price risks. The Company has revenues in foreign currency which acts as a 'natural hedge' to a certain extent. However, the foreign exchange exposure and the interest rate risk have not been hedged by any derivative instrument or otherwise.

Equity History

Sr. No.	Date	Particulars	Issue Price per equity share ₹	No. of Shares	Cumulative Total
1	16.07.2004	Allotted upon Incorporation	10	10000	10000
2	25.07.2005	Additional issue of equity shares	10	40000	50000
3	11.08.2005	Sub division of equity shares of ₹ 10 into 5 per share	N.A.	100000	100000
4	27.01.2006	Allotment pursuant to Scheme of Arrangement	N.A.	1223130422	1223230422
5	27.01.2006	Cancelled pursuant to Scheme	N.A.	(100000)	1223130422
6	14.09.2006	Allotment pursuant to Scheme of Arrangement	N.A.	821484568	2044614990
7	18.10.2007 to 31.01.2008	Conversion of FCCBs	480.68/ 661.23	19411891*	2064026881
8	02.07.2014	Allotment to Qualified Institutional Buyers	142.14	338286197	2402313078
9	20.01.2015	Preferential allotment	150	86666667	2488979745
10	31.10.2017	Allotment to SSTL	5	276553305	2765533050

* of above 667,090 shares were converted @ ₹ 661.23 on 31.10.2007.

Credit Rating

Rating Agency	Type of Instrument	Rating as on April 1, 2021	Rating as on March 31, 2022
ICRA Limited	Non-Convertible Debentures, Long term Instruments (NCD)	ICRA D	ICRA D
CARE Ratings	Non-Convertible Debentures, Long term Instruments (NCD)	CARE D	CARE D

Investor Information

Stock price and volume

2021-22	BSE Limited			National Stock Exchange of India Limited		
	High	Low	Volume Nos.	High	Low	Volume Nos.
April, 2021	1.80	1.53	112877649	1.80	1.50	25,07,04,375
May, 2021	2.44	1.58	383274209	2.40	1.55	80,21,02,030
June, 2021	5.49	2.45	942702485	5.05	2.45	1,29,52,08,816
July, 2021	4.28	2.89	582809236	4.30	2.90	1,40,96,96,692
August, 2021	3.48	2.36	219473086	3.45	2.35	42,66,94,811
September, 2021	3.55	2.71	222674340	3.55	2.75	46,54,46,080
October, 2021	3.48	2.81	157710072	3.50	2.80	45,92,70,003
November, 2021	3.16	2.7	126236793	3.20	2.70	28,03,17,221
December, 2021	4.78	2.75	464387099	4.70	2.75	1,40,37,18,057
January, 2022	4.40	3.31	146676067	4.40	3.35	36,33,57,724
February, 2022	3.73	2.81	37643805	3.70	2.85	10,43,25,822
March, 2022	3.20	2.6	50240394	3.20	2.60	12,08,19,127

(Source: This information is compiled from the data available on the websites of BSE and NSE)

Stock Exchange listings

The Company's equity shares are actively traded on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the Indian Stock Exchanges.

Listing of equity shares on Indian Stock Exchanges

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001
Website :www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C / 1, G Block
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Website :www.nseindia.com

Stock Codes and ISIN details:

	Code	ISIN
BSE (Equity shares)	532712	INE330H01018
NSE (Equity shares)	RCOM	INE330H01018
Non convertible Debentures (BSE)	946049 947795	INE330H07015 INE330H07064
Non convertible Debentures (NSE)	RCOM19 RCOM19	INE330H07015 INE330H07064

Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe De La Bourse, De Luxembourg,
35A Boulevard Joseph II,
Luxembourg Website : www.bourse.lu

Security codes of RCOM GDRs

	Master Rule 144A GDRs	Master Regulations GDRs
CUSIP	75945T106	75945T205
ISIN	US75945T1060	US75945T2050
Common Code	025317530	025317645

Note: The GDRs are admitted to listing on the official list of the Luxembourg Stock Exchange and trading on the Euro MTF market. The Rule 144A GDRs have been accepted for clearance and settlement through the facilities of DTC, New York. The Regulation S GDRs have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream, Luxembourg. The Rule 144A GDRs have been designated as eligible for trading on PORTAL.

Outstanding GDR and likely impact on equity:

During the year under review, the company has no outstanding GDR.

Debt Securities

1. The following Debt Securities of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE.

- a. 11.20 per cent Secured Redeemable Non-Convertible Debentures (ISIN INE330H07015)
- b. 11.25 per cent Secured Redeemable Non-Convertible Debentures, Series - 1 (ISIN INE330H07064)
- c. **Debenture Trustee**

Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai- 400 028 Website: www.axistrustee.com

(NCD matured for final redemption during the FY 2018-19, but remains unpaid due to ongoing CIR process)

2. 6.5 per cent Senior Secured Notes due 2020 is listed on Singapore Exchange Securities Trading Limited, Singapore

ISIN XS1216623022

Common Code 121662302

Singapore Exchange Securities Trading Limited (SGX-ST) 2 Shenton Way #19-00 SGX Centre 1 Singapore 068804

Website: www.sgx.com

Reliance Communications Limited

Investor Information

Senior Secured Notes Trustee

Madison Pacific Trust Limited
1720, 17th Floor, Tower One, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

Payment of Listing Fees

Annual listing fee for the year 2022-23 has been paid to the stock exchanges.

Payment of depository fees

The Annual custody / issuer fee as due for the year 2022-23 has been paid to NSDL & CDSL.

Share Price Performance in comparison to broad based indices - BSE Sensex and NSE Nifty

Period	RCOM	Sensex BSE	Nifty NSE
FY 2021-22	59.52	21.91	18

Key financial reporting dates for the financial year 2022-23

Unaudited results for the first quarter ended June 30, 2022	: On or before August 14, 2022
Unaudited results for the second quarter and half year ended September 30, 2022	: On or before November 14, 2022
Unaudited results for the third quarter ended December 31, 2022	: On or before February 14, 2023
Audited results for the financial year 2022-23	: On or before May 30, 2023

Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, website: www.nSDL.co.in or Central Depository Services (India) Limited, Unit No. A-2501, A Wing, Marathon Futurex, 25th Floor, Mafatlal Mill Compounds,

N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.

Communication to members

The Company's quarterly financial statements, audited accounts, corporate announcements, media releases and details of significant developments are made available on Company's website: www.rcom.co.in.

Reconciliation of Share Capital audit

The Securities and Exchange Board of India has directed that all issuer companies shall submit a report reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital. The said certificate, duly certified by a qualified chartered accountant is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Investors' correspondence may be addressed to the Registrar and Transfer Agent of the Company

Shareholders/Investors are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondences directly to KFin Technologies Limited at the below mentioned address for speedy response:

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

Unit: Reliance Communications Limited
Selenium Tower – B, Plot No. 31 & 32,
Survey No. 116/22, 115/24, 115/25,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032.
Tel : +91 40 6716 1500
Fax No. : +91 40 6716 1791
Toll Free No. : 1800 309 4001
E-mail : rcom@kfintech.com
Website : www.kfintech.com

Shareholders / Investors may send the above correspondence at the following address;

Queries relating to financial statement of the Company may be addressed to:

Chief Financial Officer
Reliance Communications Limited
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Navi Mumbai 400 710.
Telephone no. : +91 22 3038 6286
E-mail : rcom.investors@relianceada.com

Correspondence on investor services may be addressed to:

The Company Secretary
Reliance Communications Limited
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Navi Mumbai 400 710.
Telephone no. : +91 22 3038 6286
E-mail : rcom.investors@relianceada.com

Plant Locations

The Company is engaged in the business of providing telecommunications services and as such has no plant.

Certificate of non-disqualification of directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Reliance Communications Limited

H Block, 1st Floor,

Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors except from Shri Anil D Ambani, Ms. Manjari Kacker, Ms. Ryna Karani, Ms. Chhaya Virani and Mr. Suresh Rangachar directors of Reliance Communications Limited having CIN: L45309MH2004PLC147531 and having registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority except as mentioned below.

List of Directors of Reliance Communications Limited as on 31st March, 2022:

Sr. No	Name of the Director	DIN	Date of Appointment in the Company
1	Mr. Anil D Ambani*,**	00004878	07/02/2006
2	Mr. Punit Garg	00004407	02/10/2017
3	Mr. Vishwanath Devaraja Rao	08607657	26/09/2020
4	Mr. Suresh Rangachar*	00020887	11/11/2017
5	Ms. Ryna Karani*	00116930	11/11/2017
6	Ms. Manajiri Kacker*	06945359	16/09/2014
7	Ms. Chhaya Virani*	06953556	11/11/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Mr. Anil D. Ambani (DIN 00004878) has been restrained by Securities And Exchange Board of India (SEBI) from accessing the securities market including buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a specified period and further restraining him from associating with any listed company and any registered intermediary against the complaints received by SEBI alleging siphoning off funds of the Reliance Home Finance Limited.

*During Financial Year 2019-20, Shri Anil D Ambani, Ms. Manjari Kacker and Ms. Chhaya Virani, Directors tendered their resignation as Directors of the Company vide resignation letters dated 15th November, 2019 and Shri Suresh Rangachar and Ms. Ryna Karani resigned from their position as directors on 13th November, 2019 and 14th November, 2019 respectively. Further, Shri Anil D Ambani, Shri Suresh Rangachar and Ms. Manjari Kacker have also filed their respective DIR-11 forms with the Registrar of Companies. The Committee of Creditors of the Company ("CoC"), in its meeting held on 20th November, 2019 refused to accept the resignations tendered by directors and advised that the said directors be advised to continue with their duties and responsibilities as directors of the Company and provide all cooperation to the Resolution Professional during the Corporate Insolvency Resolution Process. Accordingly, the name of such directors continues to reflect in the composition of the board of directors and the respective committees of the Company.

Further, the Resolution Professional has filed an application with the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT"), praying to the NCLT to direct Shri Anil D.Ambani and Shri Suresh Rangachar to continue as directors on the board of the Company and accordingly, declare the resignations tendered by them as null and void. The said application is pending for hearing at the NCLT.

Due to abovementioned events, the Company has not received annual disclosures as required under section 164(2) of the Companies Act, 2013 from Shri Anil D Ambani, Ms. Manjari Kacker, Ms, Ryna Karani, Ms. Chhaya Virani and Shri Suresh Rangachar, Directors of the Company.

(Reliance Communications Limited is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, vide order of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), dated May 15, 2018. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Anish Niranjana Nanavaty, appointed by the Hon'ble NCLT vide order dated June 21, 2019, which was published on the website of the NCLT on June 28, 2019).

**For Ashita Kaul & Associates
Company Secretaries**

Date : 20/05/2022

Place : Thane

UDIN : F006988D000348991

**Ashita Kaul
Proprietor**

Membership Number: 6988/ COP: 6529

Reliance Communications Limited

Practising Company Secretary's Certificate Regarding Compliance of Conditions of Corporate Governance

To
The Members of
Reliance Communications Limited

We have examined the compliance of the conditions of Corporate Governance by Reliance Communications Limited ('the Company') for the year ended on March 31, 2022, as stipulated under regulations 22 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on March 31, 2022.

As the Company is under CIR Process under IBC Code, 2016, therefore as per Regulation 15(2A) and (2B), of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions as specified in Regulations 17, 18, 19, 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall not be applicable to the Company.

Further, the roles and responsibilities of the board of directors and committees as specified in Regulation 17, 18, 19, 20 and 21 are fulfilled by the Resolution Professional ('RP') of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The certificate is solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For M/s. Ashita Kaul & Associates
Practising Company Secretaries

Proprietor
FCS 6988/ CP 6529
Place : Thane
Date : 20/05/2022
UDIN : F006988D000349088

Independent Auditors' Report

To the Members of Reliance Communications Limited

Report on the Audit of the Standalone Financial Statements

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 an operational 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 standalone financial statements of **Reliance Communications Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, and the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its changes in equity, and its loss (including other comprehensive loss) and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) We draw attention to Note no. 2.14, 2.31 and 2.39.2 (b) of the standalone financial statements regarding, "Assets Held for Sale (AHS)" regarding Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) along with liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of fair value of Asset Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the year ended March 31, 2022.
- b) We draw attention to Note no. 2.31 and 2.48 of the standalone financial statements regarding admission of the Company and its four subsidiaries into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the Operational/financial/other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact thereof pending reconciliation and determination of final obligation.

The Company accordingly, has not provided interest on borrowings amounting to Rs. 4,491 crore for the year ended March 31, 2022 and Rs. 15,090 crore up to March 31, 2021 calculated based on the basic rate of interest as per the terms of the loan. The Company further has not provided net foreign exchange loss amounting to Rs. 541 crore for the year ended March 31, 2022 and net foreign exchange loss of Rs. 1,601 crore up to the previous financial year. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the year ended March 31, 2022 would have been higher by Rs. 5,032 crore and Net worth of the Company would have been lower by Rs. 21,723 crore and Rs. 16,691 crore as on March 31, 2022 and March 31, 2021 respectively. Non provision of interest and non-recognition of foreign exchange variation is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates".

- c) We draw attention to Note no. 2.31 of the standalone financial statements, regarding pending comprehensive review of carrying amount of all assets (including investments and balances lying under Goods & Service Tax) & liabilities and non-provision for impairment of carrying value of the assets and write back of liabilities if any, pending implementation of the approved resolution plan. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the year ended March 31, 2022. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
- d) We draw attention to Note no. 2.53 of the standalone financial statements 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 Ind AS 116.
- e) We draw attention to Note no 2.31 of the standalone financial statements, 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 and pending application of renewal of telecom licenses. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the standalone financial statements, in view of ongoing CIRP and matters pending before regulatory authorities, the outcome of which cannot be presently ascertained.

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

Independent Auditors' Report

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

Emphasis of Matter Paragraph

We draw attention to Note no. 2.39.2 (a) of the standalone financial statements, regarding provision of license fee and spectrum usage charges based on management estimates pending special audit from Department of Telecommunications,

matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters stated in our Basis for Qualified opinion paragraph we have determined the matters described below to be the key audit matters to be communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Revenue Recognition The accuracy and completeness of revenue amounts recorded is an inherent industry risk. The revenue is categorised broadly into service and wholesale revenue. Service revenue mainly consists of income from fixed line, broadband, rentals and installations. Wholesale revenue comprises revenue from interconnection, external administration, capacity sales and from resellers. We considered revenue recognition as a key audit matter as the amount involved is material to the financial statements and due to the complexity of the systems and processes used to record revenue. The accounting policy and relevant disclosures relating to revenue are set out in notes 1.12 and 2.24 respectively, to the standalone financial statements.	Our audit procedures included, amongst others, the following: <ul style="list-style-type: none">• Testing the end-to-end reconciliation from business support systems to billing and to the general ledger;• Performing tests on the accuracy of customer bill generation process on a sample basis and testing of a sample of the credits and discounts applied to such customer bills;• Performed substantive analytical procedures over the significant revenue streams;• Involving verification of controls surrounding revenue invoicing;• Assessed transactions taking place before and after year-end to ensure that revenue was recognised in the appropriate period;• Performing specific procedures to test the accuracy and completeness of adjustments, and performing procedures to ensure that the revenue recognition criteria adopted by the Company is in line with the company's accounting policies.
2. Valuation and disclosure of accrual estimates for legal claims, litigations, regulatory matters and contingencies and deposits against the same legal matters including provision of license fee and spectrum usage charges, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019	

Independent Auditors' Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Company is involved as a party in legal proceedings, including regulatory and other governmental proceedings. The Company has also deposited substantial amounts with regulatory authorities against the demands in dispute, which has been classified as deposit.</p> <p>This area is significant to our audit, since the accounting and disclosure for (contingent) legal liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts Involved are, or can be, material to the financial statements as a whole. Further reference is made to Note no. 2.36 Contingent liabilities and note no. 2.39.2 (a) on provision of Licence fees and Spectrum Usage Charges.</p>	<p>Our audit procedures included, amongst others, testing the effectiveness of the Company's internal controls around the identification and evaluation of claims/provisions, proceedings and investigations at different levels in the Company, and the recording and continuous re-assessment of the related (contingent) liabilities and provisions and disclosures. We inquired with both internal legal staff including Resolution Professional (RP) as well as with the Company's financial staff in respect of ongoing investigations or claims, proceedings and investigations, inspected relevant correspondence, inspected the minutes of the meetings of the Audit Committee and requested a confirmation from the group's in-house responsible officials and RP. Also the Company has obtained legal opinions in past against these disputes. For claims settled during the year, we vouched the payments, as appropriate, and read the related orders to verify whether the settlements were properly accounted for.</p> <p>We also assessed the adequacy of the Company's disclosure around legal claims, litigations, regulatory matters and contingencies as included in Note no. 2.36, Contingent liabilities.</p> <p>We consider management's conclusion on the predicted outcome and estimation of potential impact reasonable and we assessed that the disclosures in Note no. 2.36, Contingent liabilities are reasonable.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The standalone financial statements, which is the responsibility of the Company's Management is relied upon by the Resolution Professional based on the assistance provided by the Directors and taken on record by the Resolution Professional as fully described in Note no. 2.58 of standalone financial statements. The Company's Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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

In preparing the standalone financial statements, Directors / Resolution Professional (RP) is 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 Director /RP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Director /RP are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

Reliance Communications Limited

Independent Auditors' Report

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 statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Reliance Communications Limited ("the Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the Resolution Professional ("RP") for the Corporate Debtors, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).
- (b) During an earlier year, Reliance Communication Infrastructure Limited (RCIL) a wholly owned subsidiary of the Company, had been admitted by NCLT for resolution process under the Code and Mr. Anish Nanavaty was appointed as the Resolution Professional by the NCLT.
- (c) Further, during the previous year Reliance Tech Services Limited (RTSL) a wholly owned subsidiary of the Company, has been admitted by NCLT on August 4, 2020 for resolution process under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the NCLT.
- (d) The standalone financial statements of the Company shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it should be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial statements. As mentioned in Note No 2.58 of the standalone financial statements, in view of the ongoing Corporate Insolvency Resolution Process, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) Except for the matters stated in Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have

Independent Auditors' Report

- been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirement of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations", Ind AS 23 "Borrowing Cost", Ind AS 21 "Effects of Changes in foreign exchanges", Ind AS 36 "Impairment of Assets", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", Ind AS 109 "Financial Instruments" and Ind AS 116 "Leases" with regard to matters described in the Basis of Qualified Opinion paragraph above.
- (e) The matters described under the basis for qualified opinion paragraph above and Qualified Opinion paragraph of "Annexure B" to this report in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in standalone financial statements of the Company.
- (f) On the basis of the written representations received from two directors of the Company as on March 31, 2022 taken on record by the Board of Directors and based on legal opinion obtained by the Company with regard to non-payment of debenture holder's due, these two directors are not disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act. Further as mentioned in Note no. 2.52 of the standalone financial statements, other directors of the Company have resigned from the position of director, however their resignation has not been accepted for the reason stated in the said note and Company has not received declarations from these directors in this regard, accordingly we are unable to comment whether these directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration has been paid / provided in accordance with the requisite approval by shareholders as mandated by the provisions of section 197 read with schedule V of the Act.
- The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.36 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

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

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 22161851ALPAUV6734

Date : May 28, 2022
Place: Mumbai

Reliance Communications Limited

'Annexure A' to the Independent Auditor's Report - March 31, 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the Members of Reliance Communications Limited ('the Company') on the standalone financial statements for the year ended March 31, 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) We are informed that the Company physically verifies its assets over a three year period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this policy,

the Company has physically verified some of the Property, Plant and Equipment on sample basis which is not under electronic surveillance and certain assets which are under electronic surveillance and no material discrepancies were identified on such physical verification.

- (c) According to the information and explanations given to us and records examined by us, the title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2.50.1 of the standalone financial statements, are held in the name of the Company, except for the following where the Company is in the process of transferring the title deeds in its name as these were acquired through various schemes of arrangement entered in the earlier years

Sr. No.	Description of Property	Gross carrying value (₹ in Crore)	Title deed Held in name of	Whether title deeds held in name of promoter, director or relative of promoter/ director	Property held since date (Financial Year)	Reason for not being held in the name of the Company
1	Leasehold Land	12	Reliance Communications Infrastructure Limited & Reliance Telecom Limited	Subsidiary Company	April 01, 2006	Transfer under court approved scheme
2	Freehold Land	133	Reliance Communications Infrastructure Limited & Reliance Telecom Limited	Subsidiary Company	April 01, 2006	
3	Buildings	245	Reliance Communications Infrastructure Limited & Reliance Telecom Limited	Subsidiary Company	April 01, 2006	

- (d) Based on the records examined by us and information and explanation given to us by the Company, the Company during the year has not revalued its Property, Plant and Equipment or intangible assets, hence, the requirements of the said clause i(d) of paragraph 3 of the Order is not applicable to the Company.
- (e) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanation given to us and records examined by us, the management of the Company has conducted physical verification of its inventories at regular intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. As explained to us and on the basis of records examined by us, the value of discrepancies noticed on physical verification by the management did not exceed 10% or more in aggregate of each class of inventory.
- (b) Based on the records examined by us and information and explanation and representation given to us, the Company had been sanctioned working capital limits from banks in the earlier years, on the basis of security of current assets. As there was no requirement to file quarterly returns, the Company has not filed the same with such banks. (Refer note 2.19.5).
- (iii) (a) According to information and explanations given to us and books of accounts and records examined by us, during the year the Company has not given any loans

or advances and guarantees or security to subsidiaries, joint ventures, associates and others. Hence, the reporting requirements under clause (iii)(a)(A) and (B) of paragraph 3 of the Order is not applicable.

- (b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the Company has not made any investments or provided any guarantees or given security and has not granted loans or any advances in the nature of loans during the year. Accordingly the reporting requirements under clause (iii)(b) of paragraph 3 of the Order is not applicable.
- (c) According to the information and explanation and records examined by us in respect of the loans and advances in nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated or are not available for our verification, hence we are unable to comment whether the repayment or receipts are regular.
- (d) According to the information and explanation and records examined by us in respect of the loans and advances in nature of loans, the schedule of repayment of interest has not been stipulated or are not available for our verification, hence we are unable to comment whether total amount is overdue for more than ninety days. In absence of sufficient and appropriate evidence, we are unable to comment on reasonable steps have been taken by the Company for recovery of the principal and Interest thereon.
- (e) According to information and explanations given to us and books of accounts and records examined by us,

'Annexure A' to the Independent Auditor's Report - March 31, 2022

the Company has not renewed the loans granted to various parties as on March 31, 2019.

- (f) Based on our verification of records of the Company and information and explanation given to us, the Company had granted loans or advance in nature of loans in earlier years, either repayable on demand or without specifying any terms or period of repayment are as follows:

Particulars	(₹ in Crore)		
	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)		-	
- Agreement does not specify any terms or period of repayment (B)	6,557	-	6,557
Total (A+B)	6,557	-	6,557
Percentage of loans/ advances in nature of loans to the total loans	100%	-	100%

- (iv) As per information and explanation provided to us and on the basis of verification of records of the Company, the Company during the year has not granted any loan, made investment and provided guarantees and securities to the parties covered under section 185 and section 186 of the Act. Accordingly, clause (iv) of paragraph 3 of the Order is not applicable to the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under subsection 1 of Section 148 of the Act, in respect of telecommunication activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we observed that there are delays in amounts deposited with appropriate authorities for amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and services tax, service tax, duty of customs, sales tax, value added tax, entry tax, employees state insurance, cess and other material statutory dues. According to the information and explanations given to us, undisputed amounts payable in respect of provident Fund, income tax, goods and services tax, sales tax, value added tax, employees state insurance and other material statutory dues which were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of Dues	Amount (₹ In Crore)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Value Added Tax Act, 2002	Value Added Tax Payable	0.36	FY 2017-18	Various Dates	Unpaid
Delhi Value Added Tax Act, 2004	Value Added Tax Payable	0.04	FY 2017-18	Various Dates	Unpaid
Karnataka Value Added Tax Act, 2003	Value Added Tax Payable	0.05	FY 2017-18	Various Dates	Unpaid
Orissa Value Added Tax Act, 2004	Value Added Tax Payable	0.00 ¹	FY 2017-18	Various Dates	Unpaid
Gujarat Value Added Tax Act, 2003	Value Added Tax Payable	0.41	FY 2017-18	Various Dates	Unpaid
Gujarat CST Act, 1956	Central Sales Tax Payable	0.03	FY 2017-18	Various Dates	Unpaid
Karnataka CST Act, 1956	Central Sales Tax Payable	0.07	FY 2017-18	Various Dates	Unpaid
Andhra Pradesh CST Act, 1956	Central Sales Tax Payable	0.36	FY 2017-18	Various Dates	Unpaid
Punjab CST Act, 1956	Central Sales Tax Payable	0.42	FY 2017-18	Various Dates	Unpaid
Rajasthan CST Act, 1956	Central Sales Tax Payable	0.00 ²	FY 2017-18	Various Dates	Unpaid
Madhya Pradesh CST Act, 1956	Central Sales Tax Payable	0.00 ³	FY 2017-18	Various Dates	Unpaid
Jharkhand CST Act, 1956	Central Sales Tax Payable	0.00 ⁴	FY 2017-18	Various Dates	Unpaid
Chhattisgarh CST Act, 1956	Central Sales Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Himachal Pradesh CST Act, 1956	Central Sales Tax Payable	0.00 ⁵	FY 2017-18	Various Dates	Unpaid
Maharashtra Value Added Tax Act, 2002	Works Contract Tax Payable	0.26	FY 2017-18	Various Dates	Unpaid

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Name of Statute	Nature of Dues	Amount (₹ In Crore)	Period to which the amount relates	Due Date	Date of Payment
Rajasthan Value Added Tax Act, 2003	Works Contract Tax Payable	0.03	FY 2017-18	Various Dates	Unpaid
Uttarakhand Value Added Tax Act, 2005	Works Contract Tax Payable	0.00 ⁶	FY 2017-18	Various Dates	Unpaid
Andhra Pradesh Value Added Tax Act, 2005	Works Contract Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Haryana Value Added Tax Act, 2003	Works Contract Tax Payable	0.00 ⁷	FY 2017-18	Various Dates	Unpaid
Himachal Pradesh Value Added Tax Act, 2005	Works Contract Tax Payable	0.00 ⁸	FY 2017-18	Various Dates	Unpaid
Punjab Value Added Tax Act, 2005	Works Contract Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Kerala Value Added Tax Act, 2003	Works Contract Tax Payable	0.00 ⁹	FY 2017-18	Various Dates	Unpaid
Chhattisgarh Value Added Tax Act, 2003	Works Contract Tax Payable	0.00 ¹⁰	FY 2017-18	Various Dates	Unpaid
Orissa Value Added Tax Act, 2004	Works Contract Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Madhya Pradesh Value Added Tax Act, 2003	Works Contract Tax Payable	0.01	FY 2017-18	Various Dates	Unpaid
Income Tax Act, 1961	Tax Deducted at source	13.28	FY 2017-18 & F.Y 2018-19	Various Dates	Unpaid
Professional Tax Act – Various States	Profession Tax	0.56	FY 2018-19 onwards	Various Dates	Unpaid

¹₹ 22,295, ²₹ 39,091, ³₹ 44,197, ⁴₹ 37,898, ⁵₹ 6,306, ⁶₹ 5,401, ⁷₹ 6,591, ⁸₹ 1,459, ⁹₹ 49,992 and ¹⁰₹ 40,722.

(b) Details of statutory dues referred to in clause vii (a) above, which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
Central Sales Tax, Bihar	Central Sales Tax	0.04	2005-06	Appellate Tribunal
		0.43	2011-12	Asst. Commissioner of Commercial Taxes
Central Sales Tax, Chhattisgarh	Central Sales Tax	0.00 ¹	2011-12	Dy. Commissioner (Appeals)
Central Sales Tax, Madhya Pradesh	Central Sales Tax	0.03	2011-12 to 2013-14	Dy. Commissioner (Appeals)
Central Sales Tax, Maharashtra	Central Sales Tax	0.27	2011-12	Dy. Commissioner of Commercial Taxes
		0.35	2013-14	Dy. Commissioner of Commercial Taxes
Central Sales Tax, Orissa	Central Sales Tax	0.00 ²	2009-10	Addl. Commissioner (Appeals)
		0.02	Oct '06 to March '09	Sales Tax Appellate Tribunal
Central Sales Tax, Uttar Pradesh	Central Sales Tax	0.07	2006-07	High Court
		0.08	2010-11	Additional Commissioner (Appeals)
		0.50	2013-14	Dy. Commissioner of Commercial Taxes
		1.25	2014-15	Dy. Commissioner of Commercial Taxes

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Name of Statute	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
Central Sales Tax, Uttarakhand	Central Sales Tax	0.12	2009-10 to 2010-11	Dy. Commissioner of Commercial Taxes
		0.14	2012-13	Jt. Commissioner of Commercial Taxes (Appeals)
Central Sales Tax, West Bengal	Central Sales Tax	0.34	2007-08	Tax Revision Board Jt. Commissioner
		0.36	2014-15	Commercial Taxes
Central Sales Tax, Punjab	Central Sales Tax	0.05	2010-11	Dy. Excise and Taxation Commissioner (Appeals)
Central Sales Tax, Kerala	Central Sales Tax	0.00 ³	2017-18	Sales Tax Officer
Entry Tax, Bihar	Entry Tax	0.38	2007-08 to 2008-09	Commercial Tax Appellate Tribunal
Entry Tax, Chhattisgarh	Entry Tax	0.25	2011-12	Asst. Commissioner of Commercial Taxes
		0.63	2006-07 to 2007-08	Commercial Tax Tribunal
Entry Tax, Himachal Pradesh	Entry Tax	0.25	2010-11 to 2011-12	Dy. Commissioner (Appeals)
		1.01	2010-11 to 2013-14	High Court
Entry Tax, Madhya Pradesh	Entry Tax	0.48	2002-03 to 2003-04	Asst. Commissioner of Commercial Taxes
		1.58	2005-06 to 2008-09 & 2010-11	MP Taxation Board
Entry Tax, Orissa	Entry Tax	0.21	2011-12	Dy. Commissioner (Appeals)
		0.08	2009-10	Addl. Commissioner (Appeals)
Entry Tax, Uttar Pradesh	Entry Tax	0.05	Oct 06-March 09	Sales Tax Appellate Tribunal
		0.13	2003-04	Commercial Tax Tribunal
Entry Tax, West Bengal	Entry Tax	0.02	2013-14	Dy. Commissioner of Commercial Taxes
		0.02	2014-15	Dy. Commissioner of Commercial Taxes
		0.17	2014-15	Jt. Commissioner Commercial Taxes
Entry Tax, Rajasthan	Entry Tax	0.18	2015-16	Commercial Tax officer
		1.70	2013-14 to 2014-15	Appellate Authority
Entry Tax, Punjab	Entry Tax	14.73	2005-06, 2007-08 to 2012-13	Supreme Court
		0.01	Oct 2012 to Dec 2012	High Court
VAT, Bihar	VAT	0.24	2005-06	Commercial Tax Tribunal
		8.33	2011-12	High Court
VAT, Haryana	VAT	1.15	2011-12	Commercial Tax Tribunal
VAT, Kerala	VAT	0.01	2006-07	Deputy Commissioner (Appeals)
		2.79	2010-11	High Court
		0.02	2011-12	Deputy Commissioner (Appeals)
		0.32	2012-13	High Court
		2.80	2013-14	High Court
		2.15	2014-15	High Court

Reliance Communications Limited

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Name of Statute	Nature of Dues	Amount* (₹ In Crore)	Period	Forum
VAT, Punjab	VAT	0.05	2010-11	Deputy Commissioner (Appeals)
VAT, Uttarakhand	VAT	0.78	2009-10 to 2010-11	Dy. Commissioner of Commercial Taxes
		0.03	2007-08	Jt. Commissioner (Appeals)
		0.41	2012-13	Jt. Commissioner of Commercial Taxes (Appeals)
VAT, West Bengal	VAT	4.17	2005-06, 2007-08 to 2008-09	Tax Revision Board
		0.03	2012-13	Jt. Commissioner of Commercial Taxes (Appeals)
		0.02	2014-15	Jt. Commissioner Commercial Taxes
		0.35	2008-09	Dy. Commissioner of Sales Tax
		0.14	2015-16	Jt. Commissioner
VAT/Sales Tax, Uttar Pradesh	VAT/Sales Tax	0.24	2003-04	UP Trade Tax Tribunal
		0.93	2004-05	High Court
		0.52	2005-06, Jan 08 to March 08	Dy. Commissioner of Commercial Taxes
		0.20	2010-11	Addl. Commissioner (Appeals)
		2.38	2013-14	Dy. Commissioner of Commercial Taxes
		1.83	2014-15	Dy. Commissioner of Commercial Taxes
VAT, Chhattisgarh	VAT	0.02	2011-12	Dy. Commissioner (Appeals)
Finance Act, 1994	CENVAT Credit	2.42	01.4.2004 to 31.3.2015	Commissioner, CGST & Central Excise
		3.21	01.4.2010 to 31.03.2014	Commissioner, CGST & Central Excise
		1.32	2014-15	Commissioner, CGST & Central Excise
Finance Act, 1994	Service Tax	497.28	Oct 2011 to May 2013	Commissioner CGST & Central Excise Commissionerate, Belapur
		81.48	July 2012 to June 2017	
		8,874.14	April 2016 to June 2017	
		1,020.31	April 2016 to June 2017	
Income Tax Act, 1961	Income Tax	292.82	2009-10 & 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.44	2009-10, 2010-11 & 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.67	2010-11 & 2011-12	High Court
Income Tax Act, 1961	Income Tax	90.00	Various years	Supreme Court / High Court
Income Tax Act, 1961	Income Tax	181.48	2014-15	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	30.11	2016-17	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	12.80	2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	128.33	2015-16	Commissioner of Income Tax (Appeals)

*Net of amounts paid/deposited under protest

¹ ₹ 26,723, ² ₹ 49,382 and ³ ₹ 26,256.

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(viii) According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings and interest thereon from banks & financial institutions, which were not paid as at Balance Sheet date. The lender wise details of principal and interest are as under:

Name of Lender	Amount	Period	Amount	Period
	(₹ in crore)	(No. of Days)	(₹ in crore)	(No. of Days)
	Principal	Principal	Interest	Interest
I) Loan From Bank				
Burlington Loan Management DAC	163	1572	-	-
Shubh Holding Pte Ltd	2,460	1859	-	-
Bank Of Baroda	1,837	1850	11	1829
Bank Of India	644	1827	9	1829
Bank Of Maharashtra	473	1779	-	-
Canara Bank	622	1736	-	-
Central Bank Of India	258	1827	3	1829
Cooperation Bank (Merged with Union Bank)	583	1849	8	1829
Dena Bank(Merged with Bank Of Baroda)	250	1514	-	-
Deutsche Bank	530	1572	1	1747
China Development Bank	2,236	1859	128	1861
Industrial And Commercial Bank Of China	1,194	1859	33	1861
Export Bank Of China	2,433	1859	47	1861
IDBI Bank	721	1831	9	1829
Indian Overseas Bank	120	1827	1	1829
RCOM Bond	1,955	-	-	-
Oriental Bank Of Commerce(Merged with Punjab National Bank)	189	1827	2	1829
Punjab National Bank	623	1828	-	-
Standard Chartered Bank	1,072	1816	-	-
State Bank Of India	2,228	1827	21	1829
Syndicate Bank(Merged With Canara Bank)	705	1850	5	1829
SC Lowy Financials(HK) Ltd	2,175	1494	-	-
UCO Bank	681	1827	9	1829
Union Bank Of India	742	1827	3	1829
United Bank of India(Merged with Punjab National Bank)	424	1827	2	1829
Vijaya Bank(Merged with Bank Of Baroda)	16	1416	-	-
II) Debenture				
Life Insurance Corporation Of India	3,750	1514	-	-
III) Other Loan				
Industrial Finance Corporation of India Limited	200	1843	4	1845
India Infrastructure Finance Corporation Limited	248	1644	4	1860
Asset Care and Reconstruction Enterprises Limited	492	1838	-	-
Deep Industrial Finance Limited	260	851	-	-
Pearl Housing Finance Limited	260	851	-	-
Shriyam Auto Fin Ltd	260	851	-	-
Traitrya Construction Finance Limited	260	851	-	-
Vishvakarma equipment finance Limited	142	851	-	-
Neptune Steel Strips Limited	68	822	-	-
Reliance Capital Limited	1,000	1096	3	1097
Other Lenders	7,660	Various Dates	68	Various Dates
Total	39,934		371	

(Refer Note no 2.19.2 of the standalone financial statements)

Reliance Communications Limited

'Annexure B' to the Independent Auditor's Report - March 31, 2022

Apart from outstanding of Interest mentioned above, the Company has not provided interest expense of ₹ 4,491 crore for the year and ₹ 19,581 crore upto March 31, 2022 in respect of Loan taken from banks, financial institutions and other lenders and therefore it has not been disclosed above.

The Company has not obtained any loans from Government.

- (b) According to the information and explanations given to us and on the basis of the audit procedures and representation received from management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. However the Company has received show cause notice from certain banks as to why the Company should not be declared wilful defaulter (refer note 2.55).
- (c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the Company has not raised term loans from any lender during the year and hence reporting under clause ix(c) of paragraph 3 of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that during the year the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion, and according to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence the provision of clause x(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause x(b) of paragraph 3 of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- Also refer Note no. 2.31 and 2.54 of the standalone financial statements.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, no whistle blower complaints have been received by the Company during the year.
- (xii) As the Company is not a Nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) Based on the examination of records, the Company has incurred cash losses of ₹ 9,927 crore in the financial year 2021-22 and ₹ 8,698 crore in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.

'Annexure B' to the Independent Auditor's Report - March 31, 2022

(xix) As referred to in Basis for Qualified Opinion paragraph (e) in our main audit report and as disclosed in note 2.31 and 2.50.8 to the standalone financial statements which also includes financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors/Resolution Professional and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern as on the date of audit report and the capability of the Company for meeting its liabilities existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Based on the examination of records of the Company and information and explanations given to us, due to losses incurred, the conditions and requirements of section 135 of the act is not applicable to the Company hence, clause xx(a) and xx(b) of paragraph 3 of the Order is not applicable.

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

Chartered Accountants

Firm's Registration No: 107783W/W100593

Jigar T. Shah

Partner

Membership No: 161851

UDIN: 22161851ALPAUV6734

Date : May 28, 2022

Place: Mumbai

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to standalone financial statements of **Reliance Communications Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2022:

- i. The Company's internal process with regard to confirmation and reconciliation of Balances of trade receivable, trade payables & other liabilities and loan & advances which are not providing for adjustments, which are required to be made to the carrying values of such assets and liabilities. (Read with Note no. 2.31).
- ii. The Company's internal control process in respect of closure of outstanding entries in Bank Reconciliation Statements which are pending to be reconciled.
- iii. In respect of delays in payment of certain statutory dues and filing of certain statutory returns during the year with the respective authorities.
- iv. The Company's internal financial control with regard to the compliance with the applicable Indian Accounting

'Annexure B' to the Independent Auditor's Report - March 31, 2022

Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in basis for qualified opinion paragraph of our main report, resulting in the Company not providing for adjustments, which are required to be made, to the standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's standalone financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects / possible effects of the material weaknesses described above under Basis for Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal financial control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2022 and these material weaknesses affect our opinion on standalone financial statements of the Company for the year ended March 31, 2022 [our audit report dated May 28, 2022, which expressed an qualified opinion on those standalone financial statements of the Company].

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

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 22161851ALPAUV6734

Date : May 28, 2022
Place: Mumbai

Reliance Communications Limited

Balance Sheet as at March 31, 2022

	Notes	As at		(₹ in crore)	
		March 31, 2022		As at March 31, 2021	
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment	2.01	1,273		1,364	
(b) Capital Work in Progress	2.01	61		100	
(c) Intangible Assets	2.02	3		5	
(d) Financial Assets					
(i) Investments	2.03	7,450		7,450	
(ii) Other Financial Assets	2.04	1		2	
(e) Income Tax Assets (net) ₹ Nil (Previous Year ₹ 35,61,101)		-		-	
(f) Other Non Current Assets	2.05	699	9,487	699	9,620
Current Assets					
(a) Inventories	2.06	1		28	
(b) Financial Assets					
(i) Investments	2.07	4,046		4,046	
(ii) Trade Receivable	2.08	75		145	
(iii) Cash and Cash Equivalents	2.09	244		216	
(iv) Bank balances other than (iii) above	2.10	40		39	
(v) Loans	2.11	6,557		6,545	
(vi) Other Financial Assets	2.12	175		211	
(c) Other Current Assets	2.13	4,116		4,205	
(d) Assets held for Sale	2.14	19,759	35,013	19,731	35,166
TOTAL ASSETS			44,500		44,786
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	2.15	1,383		1,383	
(b) Other Equity	2.16	(44,833)	(43,450)	(39,217)	(37,834)
Liabilities					
Non Current Liabilities					
(a) Other Non Current Liabilities	2.17	114		129	
(b) Provisions	2.18	3	117	3	132
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	2.19	39,934		39,933	
(ii) Trade Payables					
Micro and Small Enterprises	2.20	33		34	
Creditors other than Micro and Small Enterprises	2.20	2,774		2,810	
(iii) Other Financial Liabilities	2.21	38,355		33,407	
(b) Other Current Liabilities	2.22	252		258	
(c) Provisions	2.23	1,217		1,217	
(d) Liabilities directly related to Assets held for Sale	2.14	5,268	87,833	4,829	82,488
TOTAL EQUITY AND LIABILITIES			44,500		44,786
Significant Accounting Policies	1				
Notes on Accounts	2				

Notes referred to above form an integral part of the financial statements.

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional
Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No: F5951

Statement of Profit and Loss for the year ended March 31, 2022

	Notes	For the year ended March 31, 2022	(₹ in crore) For the year ended March 31, 2021
1 INCOME			
(a) Revenue from Operations	2.24	345	483
(b) Other Income	2.25	4	-
(c) Total Income		<u>349</u>	<u>483</u>
2 EXPENSES			
(a) Access Charges, License Fees and Network Expenses	2.26	245	415
(b) Employee Benefits Expenses	2.27	61	82
(c) Finance Costs		-	-
(d) Depreciation, Amortisation and provision for Impairment	2.01 & 02	130	132
(e) Sales and General Administration Expenses	2.28	175	106
(f) Total Expenses [(a) to (e)]		<u>611</u>	<u>735</u>
3 Profit / (Loss) before Exceptional items and Tax [1(c) - 2(f)]		<u>(262)</u>	<u>(252)</u>
4 Exceptional Items		-	-
Total Exceptional Items		-	-
5 Profit / (Loss) before Tax (3 + 4)		<u>(262)</u>	<u>(252)</u>
6 Tax expenses			
(a) - Current Tax		-	-
(b) - Deferred Tax charge/ (credit)		-	-
7 Profit / (Loss) from Continuing operations after Tax (5 - 6)		<u>(262)</u>	<u>(252)</u>
8 Profit / (Loss) before Exceptional Items and Tax from Discontinued Operations	2.47	(461)	(396)
9 Exceptional Items	2.39.2		
Provision of Liability on account of License & Spectrum fee		4,894	4,241
10 Profit/ (Loss) before Tax from Discontinued Operations (8-9)		<u>(5,355)</u>	<u>(4,637)</u>
11 Tax expenses / (credit) of Discontinued Operations		-	-
12 Profit/ (Loss) after Tax from Discontinued Operations (10-11)		<u>(5,355)</u>	<u>(4,637)</u>
13 Other Comprehensive Income / (Loss)			
Item that will not be reclassified to Profit or loss Remeasurement of Gain / (Loss) of defined benefit plans (net of tax) (₹ 42,71,152)		-	1
14 Total Comprehensive Income/ (Loss) (7+12+13)		<u>(5,617)</u>	<u>(4,888)</u>
15 Earnings per Share of face value of ₹ 5 each fully paid up (Basic and Diluted) before Exceptional items	2.38		
Continuing Operations		(0.96)	(0.92)
Discontinued Operations		(1.68)	(1.44)
Continuing Operations and Discontinued Operations		(2.64)	(2.36)
(after Exceptional items)			
Continuing Operations		(0.96)	(0.92)
Discontinued Operations		(19.51)	(16.90)
Continuing Operations and Discontinued Operations		(20.47)	(17.82)
Significant Accounting Policies	1		
Notes on Accounts	2		
Notes referred to above form an integral part of the financial statements.			

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional
Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjan Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No: F5951

Statement of Changes in Equity for the year ended March 31, 2022

(a) Equity share capital (Refer Note 2.15)		(₹ in crore)							
I	Current Reporting Period	Changes in equity share capital during the current year	Balance at the end of the year as on March 31, 2022						
	1383	-	1383						
II	Previous reporting period	Changes in equity share capital during the current year	Balance at the end of the year as on March 31, 2021						
	1383	-	1383						
(b)	Other Equity (Refer Note 2.16)								
Particulars	Attributable to the equity holders		Total						
	Reserves and Surplus	Other Comprehensive Income							
	Capital Reserve	Securities Premium Reserve *	General Reserve	Debt Redemption Reserve	Retained Earnings	Treasury Equity	Remeasurement of defined benefit plan		
Balance as at April 01, 2021	1,397	13,894	9,697	-	590	(64,411)	(391)	7	(39,217)
Surplus / (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(5,617)	-	-	(5,617)
Balance as at March 31, 2022	1,397	13,894	9,697	-	590	(70,028)	(391)	7	(44,833)
Balance as at April 01, 2020	1,397	13,894	9,697	-	590	(59,522)	(391)	6	(34,329)
Surplus / (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(4,889)	-	1	(4,888)
Balance as at April 01, 2021	1,397	13,894	9,697	-	590	(64,411)	(391)	7	(39,217)

* General Reserve includes General Reserve – I and II

As per our report of even date For Pathak H.D. & Associates LLP Chartered Accountants Firm Reg. No.: 107783W/W100593	For Reliance Communications Limited Resolution Professional Executive Director and Chief Financial Officer	Anish Niranjan Nanavaty Vishwanath Devaraja Rao (DIN: 08607657)
Jigar T. Shah Partner Membership No. 161851	Company Secretary	Rakesh Gupta Membership No: F5951
Place : Mumbai Date : May 28, 2022		

Cash Flow Statement for the year ended March 31, 2022

Particulars	(₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax from Continuing operation	(262)	(252)
Profit / (Loss) before tax from Discontinued operation	(5,355)	(4,637)
Adjusted for:		
Provision for Doubtful Debts and Advances	2	13
Depreciation and Amortisation Expenses	130	132
Effect of change in Foreign Exchange Rate (net)	49	(38)
Finance Costs (net)	464	440
Interest Income	(6)	(45)
	<u>639</u>	<u>502</u>
Operating Profit / (Loss) before Working Capital changes	(4,978)	(4,387)
Adjusted for:		
Receivables, Advances and other Assets	153	15
Inventories	27	4
Trade Payables and Other Liabilities	4,805	4,095
	<u>4,985</u>	<u>4,114</u>
Cash Generated from / (used in) Operations	7	(273)
Income Tax Refund	40	273
Income Tax Paid	-	(12)
Net Cash Generated from / (used in) Operating Activities	47	(12)
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible Assets under Developments (including creditors for capital expenditure and realised loss capitalised)	(26)	(9)
Investment in Bank deposits (having original maturity for more than 3 months) ₹ 11,05,631 (Previous year ₹ 20,00,000)	-	-
Interest Income	6	3
Net Cash Generated from / (used in) Investing Activities	(20)	(6)

Reliance Communications Limited

Cash Flow Statement for the year ended March 31, 2022

Particulars	(₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from / (Repayment) of Borrowings – Current	1	-
Finance Costs	-	-
Net Cash generated from / (used in) Financing Activities	<u>1</u>	<u>-</u>
Net Increase / (decrease) in Cash and Cash Equivalents	28	(18)
Opening Balance of Cash and Cash Equivalents	216	234
Closing Balance of Cash and Cash Equivalents	<u><u>244</u></u>	<u><u>216</u></u>

Particulars	April 1, 2021	Cashflow (net)	March 31, 2022
Borrowings	39,933	1	39,934
(Refer Note 2.19)			
	April 1, 2020	Cashflow (net)	March 31, 2021
Borrowings	39,933	-	39,933
(Refer Note 2.19)			

Notes

- (1) Figures in brackets indicate cash outgo.
- (2) Cash and cash equivalent includes cash and cheques on hand, remittances-in-transit and bank balances including Fixed Deposits with Banks.
- (3) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows"
- (4) Break up of Cash and Cash Equivalent

	As at March 31, 2022	As at March 31, 2021
(i) Cash and cash equivalent	244	216
(ii) Less : Bank overdraft	-	-
(iii) Cash and cash equivalent (net) as per Ind AS 7	<u><u>244</u></u>	<u><u>216</u></u>

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No:F5951

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

Note 1 General Information and Significant Accounting Policies

1.01 General Information

Reliance Communications Limited ("RCOM" or "the Company" or "Corporate Debtor") is registered under the Companies Act, 1956 having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 and its securities are listed on the BSE Limited and the National Stock Exchange of India Limited.

RCOM has established a pan-India, next generation, digital network that is capable of supporting best-of-class services spanning the entire communications value chain. RCOM owns and operate the world's largest next generation IP enabled connectivity infrastructure, comprising of fibre optic cable systems in India and globally. The Company, during the earlier year, had discontinued Wireless business.

Corporate Insolvency Resolution Process ("CIR Process") has been initiated in case of the Company and four of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stands vested with the Resolution Professional ("RP") appointed by the NCLT.

1.02 Basis of Preparation of Financial Statements

The Financial Statements are prepared under historical cost convention / fair valuation under a Scheme approved by the Hon'ble High Court, in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 the Companies Act, 2013 ("the Act") except matters specified in Note 2.14, 2.31, 2.48 and 2.53, read with relevant rules of the Companies (Indian Accounting Standards) Rules 2015, the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind AS and in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees ("Rupees" or "₹") which is functional currency of the Company. All amounts are rounded off to the nearest crore, unless stated otherwise.

1.04 Property, Plant and Equipment

- (i) Property, plant and equipment (PPE) are stated at cost net of Modvat / Cenvat / GST less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- (ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.
- (iii) As per Para 46A of Accounting Standard 11, 'The Effects of Changes in Foreign Exchange Rates', related to acquisition of depreciable assets pursuant to the notifications dated December 29, 2011 and August 9, 2012 issued by Ministry of Corporate Affairs (MCA), under the Companies (Accounting Standard) (Second Amendment) Rules 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets is capitalised and subsequently on adoption of Indian Accounting Standard also the same is allowed for the transactions recorded upto March 31, 2016.
- (iv) Depreciation is provided on Straight Line Method based on the useful life prescribed in Schedule II to the Act except in case of the following assets where useful life is different than those that are prescribed in Schedule II, based on technical evaluation.

(a) Telecom Electronic Equipments	- 20 years
(b) Optic Fibre Cable	- 35 years
(c) Batteries	- 9 years
(d) Customer Premises Equipments	- 3 years
(e) Vehicles	- 5 years
- (v) Leasehold Land is depreciated over the period of the lease term.

Reliance Communications Limited

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

- (vi) Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of Profit or Loss.
- (vii) Depreciation methods, useful lives and residual values are reviewed periodically at each reporting date and adjusted prospectively if appropriate.
- (viii) Depreciation on all the assets capitalised pursuant to para 46A of AS 11 is provided over the remaining useful life of the depreciable capital asset.
- (ix) Depreciation on additions is calculated pro rata from the following month of addition.
- (x) Expenses incurred relating to project, prior to commencement of commercial operations, are considered as project development expenditure and shown under Capital Work in Progress.

1.05 Intangible Assets

- (i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.
- (ii) Telecom Licenses are stated at cost as applicable less accumulated amortisation less impairment, if any.
- (iii) Indefeasible Rights of Connectivity (IRC) are stated at cost less accumulated amortisation.
- (iv) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- (v) Intangible assets, namely Entry Fees/ fees for Telecom Licenses and Brand License are amortised on the basis of Straight Line Method, over the balance period of Licenses. IRC and Software are amortised from the date of acquisition or commencement of commercial services, whichever is later.
- (vi) There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows.
 - (a) Telecom Licenses - 12.5 to 20 years
 - (b) Brand License - 10 years
 - (c) Indefeasible Right of Connectivity - 15, 20 years
 - (d) Software - 5 years
- (vii) Amortization method, useful life and residual values are reviewed periodically at each reporting period.
- (viii) Any gain or loss on disposal of an item of Intangible Assets is recognised in the Statement of Profit and Loss.

1.06 Non-current assets held for sale and discontinued operations

Non current assets (or disposal group) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and / or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification.

Assets and liabilities classified as held for sale are presented separately in the balance sheet. A disposal group qualifies as discontinued operations if it is a component of the company that either has been disposed off or is classified as held for sale, and; represents a separate major line of business or geographical area of operations, or part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to resale. Non-current assets are not depreciated or amortised while they are classified as held for sale.

When the group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described are met, regardless of whether the group will retain a non controlling interest in its former subsidiary after the sale.

Loss is recognised for any initial or subsequent write down of such non current assets (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset (or disposal group) but not in excess of any cumulative loss previously recognised.

If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a Subsidiary acquired exclusively with a view to resale. The results of discontinued operations or presented separately in the Statement of Profit and Loss.

1.07 Impairment of Non Financial Assets

Intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased / reversed where there has been change in the estimate of recoverable value. The recoverable value is the higher of the assets' net selling price and value in use.

1.08 Inventories of Stores and Spares

Inventories of stores and spares are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

1.09 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense during the period.

Long term employee benefits

(i) Defined contribution plan

The Company's contribution towards Employees' Superannuation Plan is recognised as an expense during the period in which it accrues.

(ii) Defined benefit plans

Provident Fund

Provident Fund contributions are made to a Trust / Regional Provident Fund Commissioner (RPFC) administered by the Trustees / other recognised fund. Interest payable to the Provident Fund members, shall not be at a rate lower than the statutory rate. Liability is recognised for any shortfall in the income of the fund vis-à-vis liability of the interest as per statutory rates to the members. The Company's contribution towards Employees' Provident Fund is recognised as an expense during the period in which it accrues (refer note 2.42).

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

Obligation is measured at present value of the estimated future cash flows. Discount rates used for determining present value of obligation under the defined benefit plan, are based on market yield of Government Securities as at the balance sheet date that have terms approximating to the terms of the related obligation.

Remeasurement which comprise of actuarial gain and losses, the return of plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised in OCI.

Plan Assets of Defined Benefit Plans have been measured at fair value.

(iii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation

Reliance Communications Limited

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. Discount rates used for determining the present value of the obligation under the defined benefit plan, are based on the market yields of Government Securities as at the Balance Sheet date. Remeasurement gain and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

1.10 Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

1.11 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the yearend are restated at the year end rates.
- (iii) Non Monetary foreign currency items are carried at cost (i.e. translated using the exchange rates at the time of initial transactions).
- (iv) Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which they arises except for;
 - (a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
 - (b) Exchange difference on foreign currency transactions, on which receipt and / or payments is not planned, initially recognised in OCI and reclassified from equity to profit and loss on repayment of the monetary items.
- (v) Accounting of transactions that include the receipt or payment of advance consideration in a foreign currency the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.
- (vi) All long term foreign currency monetary items consisting of loans taken before March 31, 2016 and which relate to the acquisition of depreciable capital assets at the end of the period / year are restated at the rate prevailing at the balance sheet date. Exchange difference including attributable to the interest arising as a result is added to or deducted from the cost of the assets as per notification dated December 29, 2011 and August 9, 2012 issued by the Ministry of Company Affairs (MCA), Government of India and depreciated over the balance life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" which will be amortized over the balance period of monetary assets or liabilities.

1.12 Revenue Recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.
- (ii) Revenue from Contracts with Customers

The Company has applied the practical expedient in Ind AS 115, "Revenue from Contracts with Customers" with effect from April 1, 2018, using the cumulative effect method. Revenue is recognised when control over goods or services is transferred to a customer. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

The Company determines whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it is required to determine whether control is transferred over time. If not, only then revenue be recognised at a point in time, or else over time. The Company also determines if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration gets allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.

The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. This could result in earlier recognition of revenue compared to current practice – especially impacting industries where revenue is presently not recorded until all contingencies are resolved. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense.

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

- (iii) The Company sells rights of use (ROUs) that provide to the customers with network capacity, typically over a period of 5 to 20 years without transferring legal title or giving an option to purchase network capacity. Capacity services revenues are accounted as operating lease and recognised in the Company's income statement over the life of the contract. Bills raised on the customers / payments received from the customers for long term contracts and for which revenue is not recognised are included in deferred revenue. Revenue on non cancellable ROUs are recognised as licensing income over the period of the contract.
- (iv) Revenue is recognised as and when the services are provided on the basis of actual usage of the Company's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods are recognised over the estimated useful life of the subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.
- (v) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition. Dividend is considered when right to receive is established. The Company recognises income from the units in the Fixed Income Schemes of Mutual Funds where income accrued is held till declaration or payment thereof for the benefit of the unit holders.

1.13 Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or OCI.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable / recoverable in respect of taxable income / loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent it is probable evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer probable that Company will be able to absorb such credit during the specified period.

1.14 Government Grants

Subsidies granted by the Government for providing telecom services in rural areas are recognised as other operating income in accordance with relevant terms and conditions of the scheme and agreement.

1.15 Provisions including Asset Retirement Obligation (ARO) and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined by discounting expected future cash flows at the pre tax rate that reflects current market assumptions of time value of money and risk specific to the liability. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Asset Retirement Obligation (ARO) relates to removal of electronics equipments when they will be retired from its active use. Provision is recognised based on the best estimate, of the management, of the eventual costs (net of recovery), using discounted cash flow, that relates to such obligation and is adjusted to the cost of such assets. Estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Contingent Assets are neither recognised nor disclosed in the financial statements of the Company.

1.16 Earning per Share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

1.17 Employee Stock Option Scheme

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period. Employee compensation cost recognised earlier on grant of options is reversed in the period when the options are surrendered by any employee or lapsed as per the terms of the scheme.

1.18 Treasury Equity

The Company has created an Employee Stock Option Scheme Trust (ESOS Trust) for providing share-based payment to its employees. The Company uses ESOS Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOS Trust buys shares of the Company from the market, for giving shares to employees. The Company treats ESOS Trust as its extension and shares held by ESOS Trust are treated as Treasury Equity.

Own equity instruments that are reacquired (Treasury Equity) are recognised at cost and deducted from equity. No gain or loss is recognised in Statement of Profit or Loss, on purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between carrying amount and consideration, if reissued, is recognised in equity.

1.19 Measurement of Fair value of financial instruments

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred (Note 2.37.1) for information on detailed disclosures pertaining to the measurement of fair values.

1.20 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial Assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement :

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Financial Assets measured at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial Assets measured at fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b) The contractual cash flows of the assets represent SPPI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Financial Assets measured at fair value through profit or loss (FVTPL):

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch')

Equity investments :

All equity investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition which is irrevocable. If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

(iii) Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of Financial Assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein: Financial liabilities at fair value through Statement of Profit or Loss: Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial Liabilities measured at Amortised Cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.21 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgments pertaining to useful life of property, plant and equipment including intangible asset (Note 2.01 and Note 2.02), current tax expense and tax payable, recognition of deferred tax assets for carried forward tax losses (Note 2.30), fair value of unlisted securities (Note 2.07), impairment of trade receivables and other financial assets (Note 2.04, 2.08, 2.12 and 2.31), assets held for sale (Note 2.14), liabilities held for sale (Note 2.14) and measurement of defined benefit obligation (Note 2.42). Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- (i) Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (ii) Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

- (iii) Fair value measurement and valuation process: The Company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss

- (iv) Trade receivables and Other Financial Assets: The Company follows a 'simplified approach' (i.e. based on lifetime Expected Credit Loss ("ECL")) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectable.
- (v) Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
- (vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.
- (vii) Determination of net realisable value for Assets held for Sale and related liabilities.
- (viii) Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ix) The Company has provided liability against License & Spectrum Fee dues along with interest and penalty, for the demands raised by DoT considering Non-Telecom income till FY 2014-15 and for the balance years, for which demand have not been raised by DoT, the Company has computed estimated liability on Non-Telecom revenue from FY 2015-16 onwards along with interest and penalty thereof.

1.22 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.23 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022 effective from 1st April, 2022, has made amendments to the following Ind AS applicable to the Company:

- (i) Ind AS 103 – Business Combination
- (ii) Ind AS 109 – Financial Instrument
- (iii) Ind AS 16 – Property, Plant and Equipment
- (iv) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Amendments to these Ind AS, are not expected to have any significant impact on the financial statements.

Notes on Accounts to Financial Statements

Note: 2.01 Property, Plant and Equipment (PPE)

Particulars	(₹ in crore)								
	Leasehold Land	Freehold Land	Buildings	Plant and Machinery	Office Equipments and Fixtures	Furniture and Fixtures	Vehicles	Total	Capital Work in Progress
Gross carrying value									
As at April 1, 2020	228	90	36	3,880	23	40	45	4,342	97
Additions	-	-	-	6	-	-	-	6	9
Deduction/ adjustments	-	-	-	-	-	-	-	-	(6)
As at April 1, 2021	228	90	36	3,886	23	40	45	4,348	100
Additions	-	-	-	37	-	-	-	37	1
Deduction/ adjustments	-	-	-	-	-	-	-	-	(40)
As at March 31, 2022	228	90	36	3,923	23	40	45	4,385	61
Accumulated Depreciation									
As at April 1, 2020	1	-	11	2,742	22	39	43	2,858	-
Depreciation for the year	-	-	1	125	-	-	-	126	-
Transferred to Assets held for Sale	-	-	-	-	-	-	-	-	-
As at April 1, 2021	1	-	12	2,867	22	39	43	2,984	-
Depreciation for the year	1	-	1	126	-	-	-	128	-
Transferred to Assets held for Sale	-	-	-	-	-	-	-	-	-
As at March 31, 2022	2	-	13	2,993	22	39	43	3,112	-
Net carrying value									
As at March 31, 2021	227	90	24	1,019	1	1	2	1,364	-
As at March 31, 2022	226	90	23	930	1	1	2	1,273	-

Notes:

- 2.01.1 Capital Work-in-Progress includes ₹ 8 crore (Previous year ₹ 8 crore) on account of materials at site.
- 2.01.2 Transfer of title of certain Land and Buildings received from Reliance Industries Limited pursuant to the Scheme of Arrangement and from Reliance Communications Infrastructure Limited pursuant to scheme of demerger of the Network division are under process.
- 2.01.3 Refer Note 2.19 for Security in favour of the Lenders. Foreign Currency Loans of ₹ 1,623 crore availed by RTIL and Foreign Currency Loans of ₹ 1,341 crore availed by RTL are secured by first pari passu charge on movable fixed assets of the Borrower Group. Apart from this, Rupee Loan of ₹ 918 crore availed by RTIL have been secured by second pari passu charge and Rupee loan of ₹ 611 crore availed by RTL have been secured by first pari passu charge on movable Fixed Assets of the Borrower Group. Further non fund based outstanding of ₹ 1,361 crore availed by the Company, ₹ 246 crore availed by RTL and ₹ 4 crore by RCIL have been secured by second pari passu charge on movable Fixed Assets of the Borrower Group.
- 2.01.4 On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Company will carry out a comprehensive impairment review of its tangible assets.
- 2.01.5 Plant and Machinery includes Gross Carrying Value of ₹ 23 crore (Previous year ₹ 23 crore) and Net Carrying Value of ₹ 18 (Previous year ₹ 20 crore) as at March 31, 2022, pertaining to assets taken on lease
- 2.01.6 Above notes to be read with Note 2.14 "Assets Held for Sale"
- 2.01.7 There is no Revaluation of Property, Plant and Equipments during the current and previous year

Notes on Accounts to Financial Statements

Note: 2.02 Intangible Assets

(₹ in crore)

Particulars	Telecom Licenses	Indefeasible Right of Connectivity	Software	Brand License	Total
Gross carrying value					
As at April 1, 2020	23	252	-	169	444
Additions	-	-	-	-	-
Deduction/ adjustments	-	-	-	-	-
As at April 1, 2021	23	252	-	169	444
Additions	-	-	-	-	-
Deduction/ adjustments	-	-	-	-	-
As at March 31, 2022	23	252	-	169	444
Accumulated Amortisation					
As at April 01, 2020	20	244	-	169	433
Amortisation for the year	2	4	-	-	6
Deduction/ adjustments	-	-	-	-	-
As at April 1, 2021	22	248	-	169	439
Amortisation for the year	1	1	-	-	2
Deduction/ adjustments	-	-	-	-	-
As at March 31, 2022	23	249	-	169	441
Net carrying value					
As at March 31, 2021	1	4	-	-	5
As at March 31, 2022	-	3	-	-	3

2.02.1 During the earlier years, the Company had successfully Bid under auction conducted for spectrum by the Department of Telecommunications (DoT), Government of India (GoI) and won spectrum in 12 service areas as total cost of ₹ 1,934 crore. The Company has made upfront payment of ₹ 527 crore under deferred payment option and the balance was payable in 10 annual installments for Mumbai and Jammu and Kashmir circles and 16 annual installments for other Circles.

The Company has defaulted the payment of Installment of ₹ 196 crore each, which was due on April 9, 2019, April 9, 2020 and April 9, 2021 with the delay of 1,088 days, 723 days and 357 days respectively and ₹ 6 crore each, which was due on October 20, 2019, October 20, 2020 and October 20, 2021 with the delay of 894 days, 528 days and 163 days respectively. Further, an installment of ₹ 22 crore with respect to Mumbai circle which was due on March 03, 2019, March 3, 2020, March 03, 2021 and March 03, 2022 is defaulted by 1,125 days 759 days, 394 days and 29 days respectively as at March 31, 2022. Apart from above, balance installments not due as at March 31, 2022 is aggregating to ₹ 2,475 crore including interest @10% per annum. An Installment of ₹ 196 crore, due on April 9, 2022 is yet to be paid.

During an earlier year, the Company acquired Spectrum of ₹ 4,513 crore under Scheme of Demerger along with corresponding Deferred Payment Liability of ₹ 2,013 crore. (Refer Note No. 2.33.2). Above was payable in annual installments of ₹ 281 crore each.

The Company has defaulted four installments of ₹ 281 crore each Payable on March 26, 2019, March 26, 2020, March 26, 2021 and March 26, 2022 with the delay of 1,102 days, 737 days, 371 days and 6 days respectively. Apart from the above, balance installments not due as at March 31, 2022 is aggregating to ₹ 2,534 crore including interest @ 10 % per annum.

Department of Telecommunications issued show cause notice to the Company for revocation/ termination of spectrum due to non-payment of 3rd installment due on March 03, 2019 for 0.6 MHz Spectrum acquired in 1800 MHz band in Mumbai, which was stayed by the Hon'ble NCLAT. The said order of stay of NCLAT stood merged with its final order dated 30.04.2019 as a result of which RCOM's CIRP got recommenced at NCLT Mumbai and order of Moratorium got restored. Further, in the matter of One Time Spectrum Charges, TDSATs order dated 04.02.2019 inter alia directing for the return of Bank Guarantee of ₹ 2,000 crore, has been stayed by Hon'ble Supreme court on 19.08.2019 in an appeal filed by Union of India.

2.02.2 Refer Note 2.19 for Security in favour of the Lenders.

2.02.3 Above notes to be read with Note 2.14 "Assets Held for Sale".

2.02.4 There is no Revaluation of Intangible Assets during the current and previous year.

Reliance Communications Limited

Notes on Accounts to Financial Statements

		As at March 31, 2022	(₹ in crore) As at March 31, 2021	
Note: 2.03				
Investments (valued at cost unless stated otherwise)				
In Equity Shares of Wholly Owned Subsidiary Companies				
Unquoted, fully paid up				
9,38,00,00,000 (9,38,00,00,000)	Reliance Communications Infrastructure Limited of ₹ 1 each Provision for Diminution in the value Investment	8,734 (3,000)	8,734 (3,000)	
50,00,000 (50,00,000)	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) of ₹ 10 each Provision for Diminution in the value Investment *	5,734 10,000 (8,964)	5,734 10,000 (8,964)	
687,066 (687,066)	Reliance Wimax Limited of ₹ 10 each	1,036 8	1,036 8	
50,000 (50,000)	Reliance Webstore Limited of ₹ 10 each ₹ 5,00,000 (Previous year ₹ 5,00,000) (Refer note 2.19.1)	-	-	
35,63,601 (35,63,601)	Campion Properties Limited of ₹ 10 each	9	9	
1,000 (1,000)	Aircom Holdco BV of Euro 1 each (₹ 72,860) (Previous year ₹ 72,860)	-	-	
50,000 (50,000)	Reliance Tech Services Limited of ₹ 10 each ₹ 5,00,000 (Previous year ₹ 5,00,000)	-	-	
20,00,000 (20,00,000)	Globalcom Mobile Commerce Limited of ₹ 10 each (Formerly Reliance Mobile Commerce Limited)	2	2	6,789
		6,789		
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up				
6,69,80,100 (6,69,80,100)	Reliance Telecom Limited of ₹ 10 each Provision for Diminution in the value Investment	521 (521)	521 (521)	
14,516 (14,516)	Reliance Globalcom BV of Euro 100 each Provision for Diminution in the value Investment*	6,515 (5,876)	6,515 (5,876)	
9,500 (9,500)	Towercom Infrastructure Private Limited of ₹ 10 each ₹ 95,000 (₹ 95,000)	639	639	
1,00,000 (1,00,000)	Gateway Net Trading Pte. Limited of USD 1 each ₹ 46,78,250 (Previous year ₹ 46,78,250)	-	-	639
		639		
In Equity Shares of Associates and Other Companies				
Unquoted, fully paid up				
6,50,25,000 (6,50,25,000)	Warf Telecom International Private Limited of MRF 1 each	22	22	
1,00,00,000 (1,00,00,000)	Independent TV Limited (Formerly Reliance Big TV Limited) of ₹ 10 each Provision for Diminution in the value Investment	10 (10)	10 (10)	
12,00,000 (12,00,000)	Reliance Globalcom Limited, Bermuda Class A Common Shares of USD 0.01 each Provision for Diminution in the value Investment *	233 (233)	233 (233)	
13,000 (13,000)	Mumbai Metro Transport Private Limited of ₹ 10 each ₹ 1,30,000 (Previous year ₹ 1,30,000)	-	-	
400 (400)	Nationwide Communication Private Limited of ₹ 10 each ₹ 4,000 (Previous year ₹ 4,000)	-	-	22
		22		
		7,450	7,450	
Aggregate Book value of Investments				
Unquoted		7,450	7,450	
Quoted		-	-	
Aggregate value of impairment		18,604	18,604	

* During the earlier year, impaired (earlier year fair valued Reliance Realty Limited) as per Ind AS 109, "Financial Instruments"

Notes on Accounts to Financial Statements

	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Note: 2.04		
Other Financial Assets		
(Unsecured, Considered good/ unless stated otherwise)		
Bank Deposits with Maturity for more than 12 months	<u>1</u>	<u>2</u>
	<u>1</u>	<u>2</u>
Note: 2.05		
Other Non Current Assets		
Deposits	352	352
Other Non Current Assets	347	347
	<u>699</u>	<u>699</u>
Note: 2.06		
Inventories (valued at lower of cost or net realisable value)		
Stores and Spares	<u>1</u>	<u>28</u>
	<u>1</u>	<u>28</u>
Note: 2.07		
Investments (Current Financial Assets) (valued at amortised cost unless otherwise stated)		
In Preference Shares of Wholly Owned Subsidiary Companies		
Unquoted, fully paid up		
20,000 (20,000) 8 % Redeemable, Cumulative Preference Shares of Reliance Communications Infrastructure Limited of ₹ 10 each ₹ 2,00,000 (Previous year ₹ 2,00,000)	-	-
10,00,000 (10,00 000) 7.5 % Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance WiMax Limited of ₹ 10 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
In Preference Shares of Subsidiary Companies		
Unquoted, fully paid up		
4,50,00,000 (4,50,00,000) 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Telecom Limited of ₹10 each	445	445
Provision for Diminution in the value Investment	<u>(400)</u>	<u>(400)</u>
	45	45
52 (52) 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Globalcom BV of Euro 1 each ₹ 29,85,060 (Previous Year ₹29,85,060)	-	-
22,143 (22,143) 8% Redeemable, Non Cumulative, Non Convertible, Preference Shares of Reliance Globalcom BV of Euro 1 each*	178	178
Provision for Diminution in the value Investment **	<u>(178)</u>	<u>(178)</u>
	-	-
4,00,00,000 (4,00,00,000) 0.10% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Infratel Limited of ₹ 10 each#	<u>4,000</u>	<u>4,000</u>
	4,045	4,045

Reliance Communications Limited

Notes on Accounts to Financial Statements

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
In Government Securities (Quoted) ***		
34000 6.83% GOI 2039 of ₹100 each fully paid up	-	-
(34000) ₹ 30,52,000 (Previous year ₹ 30,52,000)		
(Market Value of Quoted Investments ₹ 33,42,064 (Previous Year ₹37,40,000))		
In Government Securities (Unquoted) ***		
6 years National Savings Certificate (Lodged with Sales Tax Department)		
₹ 45000(Previous Year ₹45,000)	-	-
5 1/2 years Kisan Vikas Patra (Lodged with Chennai Metropolitan Development Authority)		
₹ 5000(Previous year ₹ 5,000)	-	-
	<u>4,046</u>	<u>4,046</u>
Aggregate Book Value of Investments		
Unquoted	4,046	4,046
Quoted ₹ 30,52,000 (Previous Year ₹ 30,52,000)	-	-
	<u>4,046</u>	<u>4,046</u>
Aggregate Market Value of Quoted Investments		
Quoted ₹ 33,42,064 (Previous Year ₹ 37,40,000)	-	-
Aggregate Value of Impairment of Investments	578	578

* This investment has been considered as monetary item as per Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" and hence, cost has been revalued at the year end foreign exchange rate.

** During the previous year, impaired as per Ind AS 109, "Financial Instruments" (Refer note 2.39.1)

*** at fair value through profit and loss

During an earlier year, since the Company and RITL are undergoing CIRP, income in respect of Yield on Preference Shares amounting to ₹ 4 crore per year has not been recognised from FY 2019-20.

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note: 2.08		
Trade Receivables (Unsecured) (Refer Note 2.31 & 2.49)		
Considered good	75	145
Which have significant increase in credit risk	-	-
Credit Impaired	<u>3,070</u>	<u>3,068</u>
	<u>3,145</u>	3,213
Less: Provision for allowance of credit impaired	<u>3,070</u>	<u>3,068</u>
	<u>75</u>	<u>145</u>

Notes on Accounts to Financial Statements

Trade Receivables ageing schedule

(₹ in crore)

Sr.	Particulars	Less Than 6 months	6 month to 1 years	1-2 years	2-3 Years	More than 3 years	Total
As at March 31, 2022							
(i)	Undisputed Trade receivables considered good	48	10	-	-	-	58
(ii)	Undisputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - Credit Impaired	-	13	-	1	2	16
(iv)	Disputed Trade receivables considered good	17	-	-	-	-	17
(v)	Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade receivables - Credit Impaired	3	4	16	50	2,981	3,054
Total - A		68	27	16	51	2,983	3,145
Provision for allowance of credit impaired (B)		(3)	(17)	(16)	(51)	(2,983)	(3,070)
Total - A + B		65	10	-	-	-	75
As at March 31, 2021							
(i)	Undisputed Trade receivables considered good	61	4	7	4	22	98
(ii)	Undisputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - Credit Impaired	-	3	1	2	2	8
(iv)	Disputed Trade receivables considered good	41	-	2	2	3	48
(v)	Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade receivables - Credit Impaired	7	15	53	138	2,846	3,059
Total - A		109	22	63	146	2,873	3,213
Provision for allowance of credit impaired (B)		(7)	(18)	(55)	(140)	(2,848)	(3,068)
Total - A + B		102	4	8	6	25	145

Reliance Communications Limited

Notes on Accounts to Financial Statements

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note: 2.09		
Cash and Cash equivalents		
Cheques on Hand (₹ 32,98,392)	-	2
Balances with Banks *	230	200
Bank Deposits with less than 3 months' maturity	14	14
	<u>244</u>	<u>216</u>

* includes Nil (Previous year ₹ 0.23 crore in respect of two bank accounts) which is subject to confirmation from bank

Note: 2.10

Bank Balances other than Cash and Cash Equivalents referred in Note 2.09 above

Bank Deposits with less than 12 months' maturity	40	39
Earmarked Balance-Unpaid Dividend (₹ 11,04,192) (Previous year ₹ 11,09,642)*	-	-
	<u>40</u>	<u>39</u>

* Transferred ₹ Nil (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note: 2.11		
Loans (Current Financial Assets)		
(Unsecured, Considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 2.44 and 2.49)	6,557	6,545
	<u>6,557</u>	<u>6,545</u>

Note: 2.12

Other Financial Asset (Unsecured, Considered good)

(Refer Note 2.49)

Interest Accrued on Loans and Investments	61	59
Unbilled Revenue	13	51
Others	101	101
	<u>175</u>	<u>211</u>

Note: 2.13

Other Current Assets (Unsecured, Considered good unless otherwise stated)

Refer Note 2.31 and 2.49)

Advances to Related Parties	89	89
Deposits *	1,636	1,635
Others **		
Considered good	2,391	2,481
Considered doubtful	74	74
	<u>2,465</u>	<u>2,555</u>
Less: Provision for doubtful advances	74	74
	<u>2,391</u>	<u>2,481</u>
	<u>4,116</u>	<u>4,205</u>

* Deposits include ₹1,565 crore (Previous Year ₹1,565 crore) paid against disputed claims.

** Includes prepaid expenses, service tax, Goods and Services Tax (GST), service tax credits, advances to vendor and other receivables.

Notes on Accounts to Financial Statements

Note: 2.14

(a) Assets held for Sale

Consequent to discontinuance of wireless business, the following assets have been classified as the assets held for sale at the value ascertained as at the end of March 31, 2018 and recorded at lower of carrying amount and fair value less selling cost. Also Refer Note 2.01.3 for Security in favour of Lenders. On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Company will carry out a comprehensive impairment review of its tangible, intangible assets and Assets held for Sale.

(₹ in crore)

Particulars	Net Block		Provision for Impairment		Write Off		Deduction		Asset Held for Sale			
	Reclassified from PPE For the year ended March 31,	As at March 31, 2022	As at March 31, 2022	Less: Write off during the year ended March 31, 2022	As at March 31, 2022	Additional Write off as per ended statement of Profit and Loss 31, 2022	Total Write off during the year ended March 31, 2022	Write of for the year ended March 31, 2021	For the year ended March 31, 2022	As at March 31, 2022	As at March 31, 2021	
	1	2	3	4	5	6	7	8	9	10	11	12 = 11 - 10
Tangible												
Property, Plant and Equipment	28	-	-	-	-	-	-	-	-	-	-	6,250
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	339
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	9
Buildings	-	-	-	-	-	-	-	-	-	-	-	170
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	186
Subtotal	28	-	-	-	-	-	-	-	-	-	-	6,954
Intangible												
Telecom Licenses	-	-	-	-	-	-	-	-	-	-	-	12,736
Software	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-	-	-	-	-	-	69
Subtotal	-	-	-	-	-	-	-	-	-	-	-	12,805
Total	28	-	-	-	-	-	-	-	-	-	-	19,759

(b) Assets held for sale including Wireless Spectrum, Towers, Fibre 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 are disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". During the year, certain assets of ₹ Nil (Previous year ₹ Nil) have been impaired and represented as exceptional items as a part of 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 wide letter dated May 20, 2020 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.

(c) Above notes to be read with Note 2.01 "Property, Plant and Equipment (PPE)" and Note 2.02 "Intangible Assets"

(d) Liabilities directly related to Assets held for Sale

(₹ in crore)

	As at March 31, 2022	2021
Deferred Payment Liabilities	3,419	3,419
Interest Accrued on Deferred Payment Liabilities	1,849	1,410
Total	5,268	4,829

Reliance Communications Limited

Notes on Accounts to Financial Statements

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note: 2.15		
Share Capital		
Authorised		
500,00,00,000 Equity Shares of ₹ 5 each (500,00,00,000)	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
Issued, Subscribed and Paid Up		
276,55,33,050 Equity Shares of ₹ 5 each fully paid up (276,55,33,050)	1,383	1,383
	<u>1,383</u>	<u>1,383</u>

1) Shares held by Holding/Ultimate Holding Company and/or their subsidiaries*

	No. of Shares	No. of Shares
(a) Reliance Communications Enterprises Private Limited (Subsidiary of Holding Company)	10,172	10,172
(b) Reliance Wind Turbine Installators Industries Private Limited (Subsidiary of Holding Company)	84,98,729	84,98,729
(c) Reliance Ornatus Enterprises and Ventures Private Limited (Subsidiary of Holding Company)	9,20,00,000	9,20,00,000
(d) Reliance Telecom Infrainvest Private Limited (Subsidiary of Holding Company)	66,667	66,667

* upto February 6, 2019

2) Shareholding Pattern of Promoters

Shares held by promoters at the end of the year

Sr. no	Promoters Name	No. of Shares	% of Total shares	% change during the year
1	Anil D. Ambani	18 59 171	0.07	Nil
2	Jai Anshul A Ambani	100	-	Nil
3	Jai Anmol A. Ambani	16 69 759	0.06	Nil
4	Kokila D Ambani	46 65 847	0.17	Nil
5	Tina A Ambani	16 50 832	0.06	Nil

3) Details of Shareholders holding more than 5% shares in the company

As on March 31, 2022, none of the shareholders are holding more than 5% shares in the company

4) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

5) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	March 31, 2022		March 31, 2021	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Equity shares				
At the beginning of the Year	276 55 33 050	1 383	276 55 33 050	1 383
Add : Changes during the year	-	-	-	-
At the end of the Year	<u>276 55 33 050</u>	<u>1 383</u>	<u>276 55 33 050</u>	<u>1 383</u>

Notes on Accounts to Financial Statements

	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Note: 2.16		
Other Equity		
Capital Reserve	1,397	1,397
Debenture Redemption Reserve		
(i) Opening Balance	590	590
(ii) Transfer from/ (to) General Reserve	-	-
	<u>590</u>	<u>590</u>
Securities Premium Account	13,894	13,894
General Reserve I (Refer Note 2.33.1)	5,538	5,538
General Reserve II (Refer Note 2.33.1)	4,159	4,159
Treasury Equity	(391)	(391)
Surplus / (Deficit) in retained earnings		
(i) Opening Balance	(64,411)	(59,522)
(ii) Add : Loss for the year from Continuing Operations	(262)	(252)
(iii) Add :Loss for the year from Discontinued Operations	(5,355)	(4,637)
	<u>(70,028)</u>	<u>(64,411)</u>
Other Comprehensive Income		
Remeasurement of defined employee benefit Plans		
(i) Opening Balance	7	6
(ii) Additions during the year (₹ 42,71,152)	-	1
	<u>7</u>	<u>7</u>
	<u>(44,833)</u>	<u>(39,217)</u>

Nature and Purpose of Reserve

Capital Reserve

Capital Reserve includes Equity Share Capital of the Company, which was cancelled pursuant to the Scheme of Demerger of Undertaking from Reliance Industries Limited. During the year, Capital Reserve is created under scheme of demerger (Refer Note 2.33.2).

Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits of the respective year as required under the Act then applicable, which shall be utilised for the purpose of redemption of Debentures issued by the Company.

Securities Premium

Securities Premium represents the premium charged to the shareholders at the time of issuance of shares. It also includes ₹ 8,047 crore created pursuant to the Scheme of Amalgamation/ Arrangements of the earlier years. Securities Premium can be utilised based on the relevant requirements of the Act.

General Reserve I

General Reserve I of ₹ 5,538 crore (Previous year ₹ 5,538 crore) represents the unadjusted balance being the excess of assets over liabilities relating to the Telecommunications Undertaking transferred and vested into the Company.

General Reserve II

General Reserve II comprises of ₹4,159 crore transferred to General Reserve from Statement of Profit and Loss.

Treasury Equity

Treasury Equity represents 2,12,79,000 nos. of Equity Shares held by the ESOS Trust.

Reliance Communications Limited

Notes on Accounts to Financial Statements

	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Note: 2.17		
Other Non Current Liabilities		
Income Received in Advance	114	129
	<u>114</u>	<u>129</u>
Note: 2.18		
Provisions		
Employee Benefits	3	3
	<u>3</u>	<u>3</u>
Note: 2.19		
Borrowings – Current		
Secured		
6.5% Senior Secured Notes	1,955	1,955
Foreign Currency Loans	11,191	11,191
Rupee Loans from Banks	3,978	3,978
Rupee Loans from Others	646	646
Unsecured		
Rupee Loans from Banks	2,307	2,306
Rupee Loans from Others	8,264	8,264
	<u>28,341</u>	<u>28,340</u>
Current Maturities of Long term Debts		
Secured		
3,000 11.20% Redeemable, Non Convertible Debentures of ₹ 1 crore each	3,000	3,000
1,500 11.25% Redeemable, Non Convertible Debentures of ₹ 1 crore each	750	750
Rupee Loans from Banks	5,901	5,901
Rupee Loans from Others	760	760
Unsecured		
Rupee Loans from Others	1,182	1,182
	<u>11,593</u>	<u>11,593</u>
	<u>39,934</u>	<u>39,933</u>

2.19.1 Debentures, Senior Secured Notes and Term Loans

The Company, on March 2, 2009, allotted, 3,000, 11.20% Secured Redeemable, Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each, aggregating to ₹ 3,000 crore to be redeemed at the end of 10th year from the date of allotment thereof i.e. March 1, 2019 and the same remains outstanding as at March 31, 2022. The Company on February 7, 2012, also allotted, 1,500, 11.25% Secured Redeemable Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each aggregating to ₹ 1,500 crore redeemable in four annual equal installments starting at the end of 4th year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2022. The Company had, on May 6, 2015, issued Senior Secured Notes (SCNs) of USD 300 million, face value of USD 100 per bond, bearing 6.5% p.a. interest, with a maturity of 5 1/2 years.

The Company had been sanctioned Rupee Loans of ₹ 6,015 crore (outstanding as on March 31, 2022 was ₹ 5,463 crore) (Term Loan Facility) under consortium banking arrangement on the terms and conditions as set out in common loan agreement.

Outstanding NCDs along with SCNs, Foreign Currency Loans and Rupee Loans of ₹ 25,424 crore ("the said Secured Loans") have been secured by first pari passu charge on the whole of the movable plant and machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of

Notes on Accounts to Financial Statements

the Borrower Group; comprising of the Company and its subsidiary companies namely; RTL, RITL and RCIL, ("the Borrower Group"), in favour of the Security Trustee for the benefit of the NCD/ SCN Holders and the lenders of the said Secured Loans. The said loans also include ₹ 3,583 crore which are guaranteed by a Director. Apart from above Rupee Loan also includes ₹ 398 crore which is secured by first pari passu charge on Spectrum, acquired during the earlier year under the scheme of demerger, (Refer Note 2.33.2) is pending to be executed. Outstanding Rupee Loan of ₹ 487 crore availed by the company and ₹ 485 crore availed by RITL are secured by second pari passu charge on the movable plant and machinery and capital work in progress of the Borrower Group and is guaranteed by a director of the Company, Tower receivables, pledge of equity shares of Globalcom IDC Limited held by Reliance Webstore Limited (RWSL). The Company has provided non-disposal undertaking for its share holding in RWSL. Charge over Towers receivables is pending to be executed. Further, Outstanding Rupee Loans of ₹ 1,872 crore is secured by second charge over movable Fixed Assets of the Borrower Group, out of which, charge is pending to be created for ₹ 1,072 crore. The Company, for the benefit of the Lenders of SCNs of ₹ 1,955 crore, Foreign Currency Loans of ₹ 11,191 crore, 11.25% NCDs aggregating to ₹ 750 crore and Rupee Loans of ₹ 7,403 crore has, apart from the above, also assigned 20 Telecom Licenses for services under Unified Access Services (UAS), National Long Distance (NLD) and International Long Distance (ILD) (collectively referred as "Telecom Licenses") by execution of the Tripartite Agreements with DoT and the Security Trustee acting on behalf of the Lenders. Further, assignment of the Telecom Licences of the Company for rupee loans from banks of ₹ 1,000 crore and from others of ₹ 740 crore is pending to be executed.

The Company has, for the benefit of the Lenders of SCNs, Foreign Currency Loans and Rupee Loans aggregating to ₹ 19,102 crore, apart from the above security, pledged equity shares of RCIL held by the Company and of RTL held by the Company and Reliance Realty Limited by execution of the Share Pledge Agreement with the Share Pledge Security Trustee. Outstanding Rupee Loans of ₹ 5,463 crore is also secured by pledge of equity shares of RITL held by RCIL, current assets, movable assets including intangible, both present and future of the Borrower Group. During the earlier year, charge over the three immovable assets of the Borrower Group was created. However charge over balance immovable assets of the Borrower Group and RGBV security for Rupee Loans of ₹ 5,463 crore is pending to be executed. Further, outstanding Foreign Currency Loan of ₹ 1,623 crore availed by RITL and ₹ 1,341 crore availed by RTL is guaranteed by the Company.

During the earlier year, lenders have invoked guarantees provided by borrower group for outstanding rupee loan of ₹ 5,950 crore availed by the Company, ₹ 611 crore availed by RTL and ₹ 485 crore availed by RITL.

During the earlier year, the Company created first ranking exclusive charge (*pari passu inter se* the Lenders) over Designated Account with future rights, title and interest therein, including all of its rights in respect of any amount standing to the credit of the Designated Account and the debt represented by it, in favour of State Bank of India, the Convenor (for the benefit of the Lenders) as continuing security.

During the earlier year, the Company was, in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Company's restructuring of Debt including allotment of shares against debt from lenders.

Foreign currency Loans have been stated at the exchange rate of March 31, 2018.

The Company has not taken any loan during the year. Increase in Borrowings is due to devolvement of Bank Guarantee.

Reliance Communications Limited

Notes on Accounts to Financial Statements

2.19.2 Delay/Default in repayment of Borrowing (Current and Non Current) and Interest

The Company has delayed/defaulted in the payment of dues to the financial institutions, banks, debenture holders and Others

Sr. Name of Lender No	Amount represents rupees in crore and period represents maximum days															
	Borrowings				Interest				Borrowings				Interest			
	Delay in repayment during the year ended March 31, 2022		Default As at March 31, 2022		As on March 31, 2022		As on March 31, 2021		Delay in repayment during the year ended March 31, 2021		Default As at March 31, 2021		As on March 31, 2021			
	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period		
I Loan from Banks																
Burlington Loan Management DAC	-	-	163	1572	-	-	-	-	163	1207	-	-	-	-		
Shubh Holdings Pte Ltd. (1)	-	-	2,460	1859	-	-	-	-	2,460	1494	-	-	-	-		
Bank of Baroda	-	-	1,837	1850	11	1,829	-	-	1,837	1485	11	1,463	-	-		
Bank of India	-	-	644	1827	9	1,829	-	-	644	1462	9	1,463	-	-		
Bank of Maharashtra	-	-	473	1779	-	-	-	-	473	1414	-	-	-	-		
Canara Bank	-	-	622	1736	-	-	-	-	622	1371	-	-	-	-		
Central Bank of India	-	-	258	1827	3	1,829	-	-	258	1462	3	1,463	-	-		
Corporation Bank (merged with Union Bank of India)	-	-	583	1849	8	1,829	-	-	583	1484	8	1,463	-	-		
Dena Bank (merged with Bank of Baroda)	-	-	250	1514	-	-	-	-	250	1149	-	-	-	-		
Deutsche Bank* (1 & 2)	-	-	530	1572	1	1,747	-	-	530	1207	1	1,381	-	-		
China Development Bank* 2	-	-	2,236	1859	128	1,861	-	-	2,236	1494	128	1,495	-	-		
Industrial and Commercial Bank of China*	-	-	1,194	1859	33	1,861	-	-	1,194	1494	33	1,495	-	-		
Export Import Bank of China*	-	-	2,433	1859	47	1,861	-	-	2,433	1494	47	1,495	-	-		
IDBI Bank	-	-	721	1831	9	1,829	-	-	721	1466	9	1,463	-	-		
Indian Overseas Bank	-	-	120	1827	1	1,829	-	-	120	1462	1	1,463	-	-		
RCOM Bond	-	-	1,955	-	-	-	-	-	1,955	-	-	-	-	-		
Oriental Bank of Commerce (merged with Punjab National bank)	-	-	189	1827	2	1,829	-	-	189	1462	2	1,463	-	-		
Punjab National Bank	-	-	623	1828	-	-	-	-	623	1463	-	-	-	-		
Standard Chartered Bank	-	-	1,072	1816	-	-	-	-	1,072	1451	-	-	-	-		
State Bank of India	-	-	2,228	1827	21	1,829	-	-	2,227	1462	21	1,463	-	-		
Syndicate Bank (merged with Canara bank)	-	-	705	1850	5	1,829	-	-	705	1485	5	1,463	-	-		
SC Lowy Financials (HK) Ltd 1	-	-	2,175	1494	-	-	-	-	2,175	1494	-	-	-	-		
UCO Bank	-	-	681	1827	9	1,829	-	-	681	1462	9	1,463	-	-		
Union Bank of India	-	-	742	1827	3	1,829	-	-	742	1462	3	1,463	-	-		
United Bank of India (merged with Punjab National Bank)	-	-	424	1827	2	1,829	-	-	424	1462	2	1,463	-	-		
Vijaya Bank (merged with Bank of Baroda)	-	-	16	1416	-	-	-	-	16	1051	-	-	-	-		
II Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Life Insurance Corporation of India	-	-	3,750	1514	-	-	-	-	3,750	1149	-	-	-	-		
III Other Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Industrial Finance Corporation of India Limited	-	-	200	1843	4	1,845	-	-	200	1478	4	1,478	-	-		
India Infrastructure Finance Corporation Limited	-	-	248	1644	4	1,860	-	-	248	1279	4	1,493	-	-		
Asset Care and Reconstruction Enterprises Limited	-	-	492	1838	-	-	-	-	492	1473	-	-	-	-		
Deep Industrial Finance Limited	-	-	260	851	-	-	-	-	260	486	-	-	-	-		
Pearl Housing Finance Limited	-	-	260	851	-	-	-	-	260	486	-	-	-	-		
Shriyam Auto Fin Ltd	-	-	260	851	-	-	-	-	260	486	-	-	-	-		
Traitrya Construction Finance Limited	-	-	260	851	-	-	-	-	260	486	-	-	-	-		
Vishvakarma equipment finance Limited	-	-	142	851	-	-	-	-	142	486	-	-	-	-		
Neptune Steel Strips Limited	-	-	68	822	-	-	-	-	68	457	-	-	-	-		
Reliance Capital Limited	-	-	1,000	1096	3	1,097	-	-	1,000	731	3	1,462	-	-		
Other Lenders	-	-	7,660	various dates	68	various dates	-	-	7,660	various dates	68	various dates	-	-		
IV Total	-	-	39,934		371		-	-	39,933		371		-	-		

* facility recalled

- Downsale of Shubh Holdings Pte Ltd ₹ 2,562 crore to SC Lowy Financial (HK) Ltd ₹ 2175 crore and Deutsche Bank AG London ₹ 387 crore.
- Downsale of China Development of ₹ 13 crore to Deutsche Bank AG London.

Notes on Accounts to Financial Statements

- 2.19.3 Since the Company is under CIRP and claims have been filed by lenders, the overall obligations and liabilities including obligation for interest on loans shall be determined during the CIR Process. The total loan amount has been disclosed in delay/ default during the current year. However, corresponding amounts of the previous year's delay/ default are based on original terms of facility and from the date of recall, where loans have been recalled.
- 2.19.4 Apart from above outstanding of Interest, the Company has not provided Interest Expenses of ₹ 4,491 crore ₹ 3,916 crore, ₹ 4,212 crore, ₹ 3,907 crore and ₹ 3,055 crore for the year ended March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively which includes interest on NCDs from LIC of ₹ 420 crore, ₹ 420 crore, ₹ 420 crore, ₹ 420 crore and ₹ 418 crore for the year ended March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively. Therefore it has not been disclosed.
- 2.19.5 The Company had been sanctioned working capital limits from banks in earlier years on the basis of security of current assets. As there was no requirement to file quarterly returns, the Company has not filed the same with such banks.

(₹ in crore)

Note: 2.20

	As at March 31, 2022	As at March 31, 2021
Trade Payables		
(Refer Note 2.31, 2.43 & 2.49)		
Dues to Micro and Small Enterprises	33	34
Due to Creditors other than Micro and Small Enterprises	2,774	2,810
	<u>2,807</u>	<u>2,844</u>

Trade payable ageing schedule

Outstanding for following periods from due date of payment #

(₹ in crore)

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 Years	Total
As at March 31, 2022					
(i) MSME	-	-	3	30	33
(ii) Other than (i) above	44	17	117	2,596	2,774
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - other than (iii) above	-	-	-	-	-
Total	<u>44</u>	<u>17</u>	<u>120</u>	<u>2,626</u>	<u>2,807</u>
As at March 31, 2021					
(i) MSME	1	2	8	23	34
(ii) Other than (i) above	72	110	214	2,414	2,810
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - other than (iii) above	-	-	-	-	-
Total	<u>73</u>	<u>112</u>	<u>222</u>	<u>2,437</u>	<u>2,844</u>

(₹ in crore)

Note: 2.21

	As at March 31, 2022	As at March 31, 2021
Other Financial Liabilities - Current		
Others (Refer Note 2.39 2(a) and 2.49)		
Interest accrued and due on borrowings	371	371
Unclaimed Dividend ₹ 11,04,149 (Previous Year ₹ 11,09,642) *	-	-
Capital Creditors**	201	198
Provisions for Expenses	37,406	32,459
Other Liabilities ***	377	379
	<u>38,355</u>	<u>33,407</u>

* Transferred ₹ Nil (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)

** Includes ₹ 1 crore (Previous year ₹ 1 crore) towards Micro and Small Enterprises. (Refer Note 2.43)

*** Includes Security deposit, book overdraft etc.,

Reliance Communications Limited

Notes on Accounts to Financial Statements

(₹ in crore)

Note: 2.22

	As at March 31, 2022	As at March 31, 2021
Other Current Liabilities (Refer Note 2.49)		
Income Received in advance	21	37
Statutory Dues (Refer Note 2.31)	61	63
Other Current Liabilities	170	158
	<u>252</u>	<u>258</u>

Note: 2.23

Provisions

Provision for Employee benefits

Employee Benefits (Refer Note 2.42)	2	2
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Others

Disputed and Other Claims (Refer Note 2.35)	1,215	1,215
	<u>1,217</u>	<u>1,217</u>

(₹ in crore)

For the Year ended March 31, 2022	For the Year ended March 31, 2021
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Note: 2.24

Revenue From Operations

 (Refer Note 2.49)

Sale of Services	345	483
	<u>345</u>	<u>483</u>

Revenue for the year from sale of services as disclosed above pertains to revenue from contracts with customers over a period of time. The Company has not given any volume discounts, service level credits, etc during the year. There is no disaggregation of Revenue as it pertains to service revenue of India Operations.

The Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to pending performance obligations which are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). No consideration from contracts with customers is excluded from the amount mentioned above.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue if revenues is accrued. Receivable and unbilled revenue are a right to consideration that is unconditional upon passage of time. Receivable is presented net of impairment in the Balance Sheet. Unbilled revenue as at April 1, 2021, was ₹ 36 crore and it was billed during the year. Unbilled Revenue as at March 31, 2022 is ₹ 13 crore.

Invoicing in excess of earnings are classified as unearned revenue. Unearned revenue as at April 1, 2021, was ₹ 166 crore and out of which ₹ 37 crore was recorded as revenue during the year. Unearned Revenue as at March 31, 2022 is ₹ 136 crore and out of which ₹ 22 crore, ₹ 84 crore and ₹ 30 crore shall be accounted as revenue within one year, between next two to five years and balance after five years respectively.

Note: 2.25

Other Income

Interest Received	4	-
	<u>4</u>	<u>-</u>

Notes on Accounts to Financial Statements

(₹ in crore)

Note: 2.26

	As at March 31, 2022	As at March 31, 2021
Access Charges, License Fees and Network Expenses (Refer Note 2.49)		
Access Charges	35	39
License Fees	46	69
Infrastructure Charges	3	10
Bandwidth Charges	46	61
Network Repairs and Maintenance	56	119
Stores and Spares Consumed	4	2
Power, Fuel and Utilities	25	82
Rent	9	11
Other Network Operating Expenses	21	22
	<u>245</u>	<u>415</u>

Note: 2.27

Employee Benefits Expenses (Refer Note 2.42 and 2.49)		
Salaries (including managerial remuneration)	53	73
Contribution to Provident, Gratuity and Superannuation Fund	3	3
Employee Welfare and Other Amenities	5	6
	<u>61</u>	<u>82</u>

Note: 2.28

Sales and General Administration Expenses (Refer Note 2.40 and 2.49)		
Selling, Marketing and Distribution Expenses	2	2
Provision for Doubtful Debts	2	13
Insurance	7	7
Rent, Rates and Taxes	3	4
Other Repairs	2	3
Travelling	-	1
Professional Fees	7	7
Foreign Exchange Loss/(Gain) (net)	49	(38)
Hire Charges	21	20
Data Warehousing Charges	30	31
AMC Charges	-	1
CIRP Cost	14	15
Other General and Administrative Expenses	<u>37</u>	<u>39</u>
	170	90
Payment to Auditors		
(a) Statutory Audit Fees	1	1
(b) Certification Fees (₹ 9,00,000) (Previous Year ₹ 9,00,000)	<u>-</u>	<u>-</u>
	<u>175</u>	<u>106</u>

Reliance Communications Limited

Notes on Accounts to Financial Statements

Note:

2.29. Previous Year

The figures of the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees in crore, except as otherwise stated.

Note: 2.30 Deferred Tax Assets (net)

	As at		For the year ended	
	March	March	March	March
	31, 2022	31, 2021	31, 2022	31, 2021
(₹ in crore)				
(a) Amount recognised in Financial Statement				
(i) Deferred Tax Assets				
Related to carried forward loss and unabsorbed depreciation	10,117	9,087	(1,030)	(1,354)
Disallowances, under the Income Tax Act, 1961	2	6	4	2
Related to Provisions for expenses	1,544	1,548	4	(8)
Deferred Tax on provision for diminution in the value of investment	2,088	2,088	-	-
Provision of Liability on account of License & Spectrum fee	12,914	11,204	(1,710)	(1,482)
Sub total (i)	26,665	23,933	(2,732)	(2,842)
(ii) Deferred Tax Liabilities				
Related to temporary difference on depreciation/ amortisation	(2,633)	(1,856)	777	830
Deferred Tax Liability on fair value of investment	-	-	-	-
Related to temporary difference on Indexed cost	(101)	(101)	-	-
Sub total (ii)	(2,734)	(1,957)	777	830
Net Deferred Tax Assets/ (Liability)	23,931	21,976		
Deferred Tax (Credit) (i)-(ii)			1,955	2,012
Restricted to and consequent impact			-	-

Significant management judgement has been considered in determining the provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

The Company has unabsorbed business losses/depreciation and long term capital losses which according to the management will be used to setoff taxable profit arising, in next few years from, operation and/or sale of asset of the Company. However, Deferred Tax Assets have been restricted to ₹ Nil (Previous Year ₹ Nil) due to non existence of reasonable certainty. Year wise expiry of total Losses are as under:-

Sr.	Year of Expiry Financial Year	Amount of Loss ₹ in Crore
(i)	Expiring within 1 year	471
(ii)	Expiring within 1 to 5 year	6,845
(iii)	Expiring within 5 to 8 year	6,351
(iv)	Without expiry limit	13,915

(b) Amounts recognised in Statement of Profit and Loss

	For the Year ended	
	March 31, 2022	March 31, 2021
(i) Current Tax	-	-
(ii) Short provision for earlier years	-	-
(iii) Deferred income tax liability / (asset), (net)	-	-
Tax expense/(credit) for the year	-	-

(c) Amounts recognised in other comprehensive income ₹ Nil (Previous year ₹ Nil)

	-	-
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Notes on Accounts to Financial Statements

	For the year ended March 31, 2022	For the year ended March 31, 2021
(d) Reconciliation of Tax Expenses		
Profit/ (Loss) before Tax	(5,617)	(4,889)
Applicable Tax Rate	34.944%	34.944%
Computed Tax Expenses (i)	(1,963)	(1,708)
Add/ (Less):		
- Tax charge to/ credit on account of depreciation allowances	45	46
- Tax on Provision for diminution in the value of Investment and Liability on account of License & Spectrum fee / Tax rate difference on Fair value of Investments	1,710	1,482
- Deferred tax on carried forward loss	208	180
Sub total (ii)	1,963	1,708
Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (i+ii)	-	-

There is no taxable income during the year and the Company has not recognised Deferred Tax Assets (DTA) in absence of reasonable certainty.

Note: 2.31

Going Concern

- 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", "the Company") vide its order dated May 15, 2018. The NCLT had appointed Mr. Pardeep Kumar Sethi as the interim resolution professional for the Corporate Debtor vide its order dated May 18, 2018. The Hon'ble National Company Law Appellate Tribunal ("NCLAT") by an order dated May 30, 2018 had stayed the order passed by the Hon'ble NCLT for initiating the CIRP of the Corporate Debtor and allowed the management of the Corporate Debtor to function. In accordance with the order of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi handed over the control and management of the Corporate Debtor back to the erstwhile management of the Corporate Debtor on May 30, 2018. Subsequently, by order dated April 30, 2019, the Hon'ble NCLAT allowed stay on CIRP to be vacated. On the basis of the orders of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi, wrote to the management of the Corporate Debtor on May 02, 2019 requesting the charge, operations and management of the Corporate Debtor to be handed over back to IRP. Therefore, Mr. Pardeep Kumar Sethi had in his capacity as IRP taken control and custody of the management and operations of the Corporate Debtor from May 02, 2019. Subsequently, the committee of creditors (CoC) 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 CoC 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.

During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) has been re-commenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries has been confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

Further, during an earlier year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019. In the meeting held on August 05, 2021, the CoC with requisite majority approved the resolution plan submitted by Reliance Projects & Property Management Services Limited, and in accordance with the Sec 30(6) of the Insolvency and Bankruptcy Code, 2016, on August 31, 2021, the plan was submitted to Hon'ble NCLT for its due consideration and approval. The matter is currently sub-judice.

Notes on Accounts to Financial Statements

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, has approved the resolution plan submitted by Reliance Projects and Property Management Services Limited, in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty has ceased to be the resolution professional of RITL and RITL is currently under the supervision of a Monitoring Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the Resolution Applicant (RA) and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). The approved resolution plan is yet to be implemented and a status report in respect of implementation of the resolution plan has been submitted to the NCLT.

Certain lenders had appointed an auditor for conducting forensic audit on the affairs of the Corporate Debtor, RTL and RITL, and a forensic audit report has been purportedly issued by the auditor to such lenders (a copy of the report has not been provided to the relevant corporate debtors or their RP/erstwhile RP as it was a report prepared only for the benefit of the lenders). An application has been filed by Reliance Projects and Property Management Services Limited, the successful resolution applicant of RITL before the NCLT, Mumbai Bench seeking *inter alia* copies of the forensic audit report on the basis of which certain banks have declared the accounts of RITL (and that of the Corporate Debtor and RTL) as "fraud" in terms of the Master Directions on Frauds dated July 01, 2016 issued by the Reserve Bank of India and other information and documents in respect thereof. RITL has not been arraigned as a party to the said application. The matter was disposed off on March 16, 2022 with directions to State Bank of India to share excerpts of the report with the successful resolution applicant subject to the successful resolution applicant entering into a non-disclosure agreement, if any; as such knowledge of facts will facilitate smooth implementation of resolution plan. It was further clarified in the said order that there shall be no change in terms of the approved resolution plan including payment schedule etc. The resolution plan is yet to be implemented and deliberations are ongoing in the monitoring committee seeking expeditious implementation of the approved resolution plan.

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

An application had been filed by Doha Bank before the NCLT, Mumbai Bench challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of deed of hypothecation. The NCLT has, vide order dated March 2, 2021, dismissed the application. An appeal has been filed by Doha Bank against the order of the NCLT before the NCLAT. On June 22, 2021 the NCLAT has granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The matter is currently sub judice.

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

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, liabilities and accordingly provide for impairment of assets and write back of liabilities, if any.

The Corporate Debtor had filed applications with the DoT for migration of various telecom licenses [Universal Access Service License (UASL), National Long Distance (NLD) and International Long Distance (ILD) licenses] to the Unified License regime (UL) on October 25, 2020 (17 of which were supposed to expire on July 19, 2021). On June 15, 2021, the DoT has issued a letter to the Corporate Debtor requiring payments of various categories of certain amounts such as 10% of the AGR dues, deferred spectrum installments falling due within the CIRP period, etc. against the telecom licenses, stating such dues to be in the nature of "current dues" and prescribing such payment as a pre-condition to the consideration/processing of the migration applications ("DoT Letter"). On June 25, 2021, the Corporate Debtor has issued a letter to DoT clarifying that the various categories of dues stipulated by the DoT are not in the nature of the "current dues" and are to be resolved within the framework of the Code (being dues that pertain to the period prior to May 7, 2019) and/ or are not payable at present, and requesting that making payments against the said dues should not be mandated as a pre-condition for further processing of the migration applications filed by the Corporate Debtor.

In light of the urgency of the matter, the RP had filed an application before the NCLT praying that the DoT *inter alia* be restrained from taking any action which may interfere with the continued holding of the telecom spectrum of the Corporate Debtor. The NCLT had adjourned the matter following which the RP had thereafter filed a writ petition in the Delhi High Court seeking issuance of an appropriate writ, order or direction in the nature of mandamus directing the DoT to migrate the telecom licenses to UL without the insistence on the payment of the dues set out in DoT Letter. The High Court, on July 19, 2021, passed an interim order that "till the next date, the respondent is directed to not take any coercive action against the petitioner for withdrawal of the telecom spectrum granted to the petitioner in respect of 18 service areas, as also to permit the petitioner

Notes on Accounts to Financial Statements

to continue providing telecom services in the 18 service areas which are subject matters of the present petition." On July 20, 2021, the writ petition hearing concluded and order was passed by the High Court permitting the withdrawal of the writ petition with direction that the issue on "current dues" should be decided by the NCLT and extending the protection under the July 19, 2021 order by further 10 days.

In view of the aforesaid, the NCLT was apprised of the order of the High Court and the NCLT has, as an interim measure, extended the ad interim protection granted by the Delhi High Court until next date of hearing. Further, on August 12, 2021, the NCLT has directed that the interim orders shall continue until the next date of hearing. The issue under consideration by the NCLT relates to whether the dues being claimed by DoT in its letter of June 15, 2021 for the purposes of processing the license renewal/ migration applications of the Corporate Debtor are in the nature of "current dues" (within the meaning of the Explanation to Section 14(1) of the Code) and therefore, payable during the CIRP period.

Simultaneously, a petition has been filed before the TDSAT seeking directions for migration of the telecom licenses, in view of the Guidelines for Grant of Unified License dated March 28, 2016 issued by the DoT, not prescribing pre-condition for any payment to be made prior to the migration of the telecom licenses. The TDSAT, on September 23, 2021, has directed that "The interim arrangement shall be considered further after receipt of the order of NCLT. However, till then let the status quo be maintained in terms of initial order of Delhi High Court passed on 19.7.2021 which has continued thereafter by further order of the High Court followed by orders of NCLT." On March 15, 2022, the TDSAT granted time for filing rejoinder and continued the interim order dated September 23, 2021. The matter is now listed on June 03, 2022.

Similarly, in the case of RTL, in one of the circles where the UASL license was due to expire on September 26, 2021, an application had been filed with DoT on July 16, 2021 for migration of UASL to UL wherein the DoT has sought for payment of certain dues as "current dues" (being dues that pertain to the period prior to May 7, 2019 and are not payable at present) as a pre-condition for consideration of the application. The RP has filed an application in the NCLT and a petition before the TDSAT in this regard (which matters are heard together with the RCOM license migration matters). On September 23, 2021, the TDSAT has directed that "Since the matters are similar in nature, in the interest of justice and uniformity the interim order of status quo as operating in TP No. 31 of 2021 shall operate in this matter also till the next date. It will be in the interest of petitioner to expedite the proceeding pending before the NCLT and try its best to produce the orders passed by that Tribunal by the next date." On March 15, 2022, the DOT has been granted 6 weeks' time by TDSAT to file the reply, rejoinder is to be filed before the next date of hearing. The TDSAT further directed that the interim order passed by the TDSAT vide order dated September 23, 2021 shall stand continuing to be operative during the pendency of the petitions. The matter is now listed on June 03, 2022. The matters are currently sub judice before the NCLT and the TDSAT.

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 statements continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. Since the Company continues to incur loss, current liabilities exceed current assets and the Company has defaulted in repayment of borrowings, payment of regulatory and statutory dues and pending renewal of telecom licenses, these events indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Note: 2.32

During the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the year, the resolution professional of RTSL had filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial statements of RTSL and the consequential impact in the financial statements will be given basis the decision of the NCLT on the application.

Note: 2.33

Schemes of Amalgamation and Arrangement of earlier years

1. Pertaining to earlier years,

The Company, during the earlier years, underwent various restructuring Schemes through Court including restructuring of ownership structure of telecom business so as to align the interest of the shareholders. Accordingly, pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble High Court of respective Judicature, the Company, during the respective years, recorded all necessary accounting effects, along with requisite disclosure in the notes to the accounts, in accordance with the provisions of the said Schemes. The cumulative effects of the Schemes in case of Equity Share Capital of the Company have been disclosed below the respective Notes to the Accounts. Reserves, pursuant to the said Schemes, include:

- (i) ₹ 8,047 crore being Securities Premium Account, which was part of the Securities Premium of erstwhile Reliance Infocomm Limited (RIC), the transferor company.
- (ii) General Reserve I of ₹ 5,538 (previous year ₹ 5,538 crore) representing the unadjusted balance being the excess of assets over liabilities relating to Telecommunications Undertaking transferred and vested into the Company.

Reliance Communications Limited

Notes on Accounts to Financial Statements

- (iii) General Reserve II comprises of ₹ 4,159 crore transferred to General Reserve from Statement of Profit and Loss.
- (iv) Additional depreciation of ₹ Nil (Previous year ₹ Nil) arising on fair value of the assets has been adjusted, consistent with the practice followed in earlier years, to General Reserve as permitted pursuant to the Scheme of Arrangement sanctioned vide an order dated July 3, 2009 by the Hon'ble High Court and as determined by the Board of Directors.
- 2 During the earlier year, Pursuant to the Scheme of Demerger ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay and at Jaipur, the Company had acquired Wireless undertaking of Sistema Shyam Teleservices Limited (SSTL) with effect from October 31, 2017. Upon merger of Wireless undertaking of SSTL, ₹ 1,397 crore being excess of assets over liabilities taken over has been credited to Capital Reserve. The Company had also allotted 27,65,53,305 nos of Equity Shares of ₹ 5 each, on October 31, 2017, to Shareholders of SSTL.

Note: 2.34

Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The Company's objective when managing the capital is to safe guard the Company's ability to continue as a going concern and the Company is presently under CIRP and there by continue to operate as a Going Concern.

The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Equity	(43,450)	(37,834)
(b) Debt	39,934	39,933
(c) Equity and Debt (a + b)	(3,516)	2,099
(d) Capital Gearing Ratio (b / c)	(1136%)	1902%

Decreasing capital gearing ratio reflects decrease in equity on account of loss incurred by the Company due to Provision of Liability on account of License & Spectrum fee during the year.

Note: 2.35

Movement of Provisions (Current/ Non current)

Particulars	(₹ in crore)			
	Current		Non Current	
	For the year ended March 31, 2022	March 31, 2021	For the year ended March 31, 2022	March 31, 2021
Provision for Employee Benefits				
Balances at the beginning of the year	2	4	3	5
Additional provision/(Reduction)	-	(2)	-	(2)
Balances at the close of the year	2	2	3	3
Others - Disputed and Other claims				
Balances at the beginning of the year	1215	1215	-	-
Additional provision/(Reduction)	-	-	-	-
Balances at the close of the year	1215	1215	-	-

Provisions include, provision for disputed claims of verification of customers ₹ 9 crore (Previous year ₹ 9 crore) and others of ₹ 1,206 crore (Previous year ₹ 1,206 crore). The aforesaid provisions shall be utilised on settlement of the claims, if any, there against.

Notes on Accounts to Financial Statements

Note: 2.36

Contingent Liabilities and Capital Commitment (as represented by the Management)

	As at March 31, 2022	As at March 31, 2021
	(₹ in crore)	
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1	1
(ii) Disputed Liabilities not provided for		
- Sales Tax and VAT	36	36
- Custom, Excise and Service Tax	10,485	12
- Entry Tax and Octroi	54	54
- Income Tax	746	605
- Employee related	-	-
- Other Litigations	8,820	8,479
(iii) Guarantees given by the Company on behalf of its Subsidiaries	5,137	5,096
(iv) Guarantees given by the Company-others	774	778

(v) Spectrum Charges

Department of Telecommunication (DoT) had, during the earlier years, issued demand on the Company for ₹ 1,758 Crore towards levy of One Time Spectrum Charges, being the prospective charges for holding CDMA spectrum beyond 2.5 MHz for the period from 1st January, 2013 till the expiry of the initial terms of the respective Licenses. Based on a Petition filed by the Company (T.P. No. 219 of 2018), the Hon'ble TDSAT, vide its order dated 4th February 2019, set aside the impugned orders and demands for OTSC. The said TDSAT order dated 4th February 2019 has been subsequently stayed by Hon'ble Supreme court vide its order passed on 19th August 2019 in CA No. 6548-6549 of 2019. Currently the matter is subjudice before Hon'ble Supreme court.

Note: 2.37

2.37.1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reliance Communications Limited

Notes on Accounts to Financial Statements

The carrying values of the financial instruments by categories were as follows:

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Financial assets at amortised cost:		
Cash and cash equivalents (Refer Note 2.09)	244	216
Bank Balances (Refer Note 2.10)	40	39
Trade receivables (Refer Note 2.08)	75	145
Investments (Refer Note 2.07)	4,046	4,046
Loans and Other financial assets (Refer Note 2.04, 2.11 and 2.12)	6,733	6,758
Total	11,138	11,204
Financial assets at fair value through Statement of Profit and Loss:		
Investments ₹ 33,42,064 (Previous year ₹ 37,40,000) (Refer note 2.07)	-	-
Financial assets at fair value through other Comprehensive Income:	Nil	Nil
Financial liabilities at amortised cost:		
Trade payables (Refer note 2.20)	2,807	2,844
Other financial liabilities (Refer Note 2.21)	38,355	33,407
Borrowings (Refer Note 2.19)	39,934	39,933
Liabilities directly related to Assets Held for sale (Refer Note 2.14)	5,268	4,829
Total	86,364	81,013
Financial liabilities at fair value through Profit and Loss:	Nil	Nil
Financial Liabilities at fair value through other Comprehensive Income:	Nil	Nil

2.37.2 Financial Risk Management Objectives and Policies

Activities of the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process ("CIR Process") has been initiated in case of the Company and three of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stand vested with the Resolution Professional ("RP") appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial management activities are restricted to management of current assets and liabilities of the Company and the day to day cashflow and its associated risks are as under:

Market risk

The Company also operates internationally and hence, a portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services, purchases from overseas suppliers and borrowings in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect income or value of its holding financial assets/ instruments. The exchange rate between rupee and foreign currencies has changed substantially in recent years and may fluctuate significantly in the future.

As a result operations of the Company are adversely affected as rupee appreciates/ depreciates against US Dollar. Since the Company is under CIR Process, it is not required to meet any loan or interest obligation till the resolution plan is implemented. As the overall obligation and liabilities shall be determined during CIR Process, foreign currency loans are stated at exchange rate as at March 31, 2018.

Notes on Accounts to Financial Statements

Foreign Currency Risk from financial instruments as of :

(₹ in crore)

Particulars	March 31, 2022				March 31, 2021			
	U.S. dollars	Euro	Other Currency	Total	U.S. dollars	Euro	Other Currency	Total
Trade Receivables	16	-	-	16	62	-	-	62
Loans	325	-	-	325	313	-	-	313
Borrowings	(13,147)	-	-	(13,147)	(13,147)	-	-	(13,147)
Trade payables and Other Liabilities	(1,677)	-	(248)	(1,925)	(1,718)	-	(6)	(1,724)
Net assets / (liabilities)	(14,483)	-	(248)	(14,731)	(14,490)	-	(6)	(14,496)

Sensitivity Analysis

Not relevant till the time resolution plan is implemented.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Since the Company is undergoing CIR Process, it could not meet interest obligation during the year and shall be finalised when resolution plan is implemented.

Exposure to interest rate risk/ Sensitivity Analysis

Not relevant till the time resolution plan is implemented.

Derivative financial instruments

The Company does not hold derivative financial instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. ECL methodology depends on whether there is any significant increase in credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily include investment in quoted bonds issued by Government and certificates of deposit which are funds deposited at a bank for a specified time period.

Ageing of Trade Receivable

Particulars	As at March 31, 2022			As at March 31, 2021		
	Gross Amount	Weighted Average Rate	Credit Impaired	Gross Amount	Weighted Average Rate	Credit Impaired
Not Due	24	0%	-	52	0%	-
0-90	25	12%	3	39	18%	7
91-180	19	0%	-	18	0%	-
181-365	28	64%	18	23	83%	19
Above 365	3,049	100%	3,049	3,081	99%	3,042
Total	3,145		3,070	3,213		3,068

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Notes on Accounts to Financial Statements

Movement of Provision for Doubtful Debt	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	3,068	3,055
Add : Provision during the year	2	13
Less : Write off during the year	-	-
Closing Balance	3,070	3,068

Liquidity risk

The Company is under CIR Process. The Company depends upon timely receipt from sales and delay in sales realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since the Company is under CIR Process, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

Liquidity Periodic budget and rolling forecasts shall be determined during CIR process.

Note: 2.38

Earnings per Share (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic and Diluted EPS (after Exceptional Items) from continuing operations		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(262)	(252)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(0.96)	(0.92)
Basic and Diluted EPS (after Exceptional Items) from discontinued operations		
(a) Profit / Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(5,355)	(4,637)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(19.51)	(16.90)
Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations		
(a) Profit / Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(5,617)	(4,889)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(20.47)	(17.82)
Basic and Diluted EPS (before Exceptional Items) from continuing operations		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(262)	(252)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(0.96)	(0.92)

Notes on Accounts to Financial Statements

Note: 2.38

Earnings per Share (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic and Diluted EPS (before Exceptional Items) from discontinued operations		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(461)	(396)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(1.68)	(1.44)
Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations		
(a) Profit/ Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(723)	(648)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	274 42 54 050	274 42 54 050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(2.64)	(2.36)
Reconciliation of weighted average number of ordinary shares		
	For the year ended March 31, 2022	For the year ended March 31, 2021
Issued ordinary shares at April 1	276 55 33 050	276 55 33 050
Effect of Treasury shares held	(2 12 79 000)	(2 12 79 000)
Weighted average number of shares for basic and diluted EPS	274 42 54 050	274 42 54 050

Note:2.39

Exceptional Items

2.39.1 Relating to Continuing Operations

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

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the "Effective Date" of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective).

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

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

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

During the year, disclosure as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015 regarding disposal of indirect equity interest in GCX Companies was intimated to the Stock Exchange.

Notes on Accounts to Financial Statements

2.39.2 Relating to Discontinued Operations

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

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

The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgement. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court. On August 2, 2021, the appeals were listed when the bench issued notice in the matter and tagged the same with Civil Appeal No. 1810 of 2021 (being the appeal filed by the COC of Aircel companies) and also allowed the application seeking permission to file the civil appeal. On February 22, 2022, the Supreme Court has granted a period of six weeks to the DoT to file counter affidavit. The matter was last listed on May 2, 2022 wherein the SC directed the matter to be tentatively listed in the third week of July 2022. The appeals are currently sub judice.

Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor has not received any such demand in this regard till date.

The DoT had during the pendency of the various proceedings simultaneously directed Special Audit in relation to the computation of License fee, Spectrum fee, applicable interest and penalties thereon, which is under progress for the financial year 2015-16 onwards. In this regard, the Corporate Debtor had provided for estimated liability aggregating to ₹ 32,062 crore up to the previous year ended March 31, 2021 and has provided additional charge of ₹ 4,894 crore during the year ended March 31, 2022 and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings).

- (b) Assets held for sale including Wireless Spectrum, Towers, Fibre 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 and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Note:2.40

Recovery of the Expenses

Expenses are net of recoveries for common cost from; RITL, a subsidiary of RCIL includes ₹ 7 crore (previous year ₹ Nil) for Network Expenses and ₹ 3 crore (Previous year ₹ 12 crore) for Sales and General and Administration Expenses; RRL a Subsidiary of the Company includes ₹ Nil (Previous Year ₹ 2 crore) for Sales and General and Administration Expenses; GIDC, a Subsidiary of the Company includes ₹ 2 crore (Previous year ₹ 1 crore) for Sales and General and Administration Expenses, CMPL, a subsidiary of the company includes ₹ Nil (Previous year ₹ 12,32,155) for Sales and General and Administration Expenses, RTSL, a subsidiary of the company includes ₹ Nil (Previous year ₹ 2,79,533) for Sales and General and Administration Expenses and RCIL, a subsidiary of the company includes ₹ Nil (Previous year ₹ 3,75,393) for Sales and General and Administration Expenses.

Note:2.41

Corporate Social Responsibility

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

Notes on Accounts to Financial Statements

Note 2.42

Employee Benefits

Gratuity: In accordance with the applicable Indian laws, the Company provides for the gratuity, a defined benefit retirement plan (Gratuity Plan) for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary and for the years of employment with the Company.

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The management is responsible for the overall governance of the plan. The management has outsourced the investment management of the fund to insurance company which in turn manages these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2022 and March 31, 2021, the contributions towards superannuation plans have been invested in Insurer Managed Funds.

The plan is in the nature of a defined benefit plan which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The defined benefit plan exposes the Company to actuarial risks such as longevity risks, interest risk and market (Investment) risk.

The following table sets out the status of the Gratuity Plan as required under Ind AS 19 "Employee Benefits".

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	10	13
Service Cost	1	1
Interest Cost ₹ 46,64,882	-	1
Actuarial (gain) / loss recognised in other comprehensive income (-) ₹ 46,13,539	-	(1)
- Change in financial assumptions (-) ₹ 514,918 (previous year ₹ 641,564)	-	-
- Change in demographic assumptions	-	-
- Experience adjustments (-) ₹ 4,098,621	-	-
Benefits Paid	(3)	(4)
Liabilities Extinguished on Settlement	-	-
Obligation at the end of the year	8	10
Note: Defined benefit obligation liability is wholly funded by the Company		
(ii) Change in plan assets		
Plan assets at the beginning of the year, at fair value	16	18
Expected return on plan assets	1	1
Actuarial gain / (loss) recognised in other comprehensive income	-	-
Contributions	-	-
Assets Transferred in from other Company	-	-
Assets Transferred out to other Company	-	-
Benefits paid from the fund	(3)	(3)
Assets distributed on settlement	-	-
Plan assets at the end of the year, at fair value	14	16
(iii) Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	14	16
Present value of the defined benefit obligation at the end of the year	8	10
(Assets) / Liability recognized in the Balance Sheet	(6)	(6)

Reliance Communications Limited

Notes on Accounts to Financial Statements

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(iv) Expense Recognised in Profit or Loss		
Service Cost	1	1
Interest Cost ₹ 46,64,882	-	1
Total	1	2
(v) Amount Recognised in Other Comprehensive Income		
Actuarial (gain) / loss recognised in other comprehensive income (-) ₹ 4,613,539	-	1
Expected return on plan assets ₹ 3,42,387 (Previous Year (-) ₹ '26,83,254)	-	-
Total ₹ (-) 42,71,152	-	1
(vi) Investment details of plan assets		
100% of the plan assets are invested in balanced Fund Instruments		
(vii) Actual return on plan assets	1	1
(viii) Assumptions		
Interest rate	4.97%	4.54%
Estimated return on plan assets	4.97%	4.54%
Salary growth rate	Nil	Nil
Employee turnover rate	50% for all age group	50% for all age group
Mortality in Retirement: LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.		
The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

(ix) Particulars of the amounts for the year and Previous years

	Gratuity				
	2022	2021	As at March 31		
	2022	2021	2020	2019	2018
Present Value of benefit obligation	8	10	13	21	12
Fair value of plan assets	14	16	18	21	-
Excess of obligation over plan assets (plan assets over obligation)	(6)	(6)	(5)	-	12

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2022

(x) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2022	As at March 31, 2021
Discount rate (+ 1% movement) ((-) ₹ 7,34,741 (Previous year ₹ 6,41,672)	-	-
Discount rate (- 1% movement) ₹ 7,49,533 (Previous year ₹ 6,54,454)	-	-
Future salary growth (+ 1% movement)	Nil	Nil
Future salary growth (- 1% movement)	Nil	Nil
Employee turnover (+ 1% movement) (-) ₹ 934 (Previous year ₹ 877)	-	-
Employee turnover (- 1% movement) ₹ 988 (Previous year ₹ 923)	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. In the current year, as valuation has been done on Nil Salary increment so Sensitivity on Future Salary increment has not given.

Notes on Accounts to Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
(xi) Maturity analysis of defined benefit plan (fund)		
Project benefit payable in future from the date of reporting		
1 st following year	4	6
2 nd following year	2	2
3 rd following year	1	1
4 th following year	1	1
5 th following year ₹ 25,40,693 (Previous year ₹ 27,19,165)	-	-
6 th following year ₹ 12,17,489 (Previous year ₹ 13,33,639)	-	-
6 th year onwards ₹ 11,96,367 (Previous year ₹ 11,04,400)	-	-

Provident Fund (PF) : During the year, the Company has contributed towards provident fund ₹ 4.91 crore (Previous year ₹ 6.18 crore) to the Regional Provident Fund Commissioner (RPFC).

Note 2.43 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises.

	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to any supplier as at the year end	34	34
(ii) Interest due on the principal amount unpaid at the year end to any supplier	21	16
(iii) Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) Payment made to the enterprises beyond appointed date under Section 16 of MSMED	5	9
(v) Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED ₹ 4,87,334, (Previous year ₹ 8,65,238)	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of each accounting year; and	21	16
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED.	13	10

Note 2.44 Disclosures required by Clause 34(3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

Loans and Advances in the nature of Loans to Subsidiary Companies

Sr. No.	Name of the Company	As At		Maximum Balance during the current year	Maximum Balance during the Previous year
		March 31, 2022	March 31, 2021		
(i)	Reliance Telecom Limited	2,356	2,356	2,356	2,356
(ii)	Campion Properties Limited	153	153	153	153
(iii)	Reliance Communications Infrastructure Limited	3,462	3,462	3,462	3,462
(iv)	Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited)	76	76	76	76
(v)	Reliance Globalcom B.V.	325	313	325	324
(vi)	Globalcom IDC Limited (Formerly Reliance IDC Limited)	185	185	185	185
	Total	6,557	6,545		

The Company has not provided interest for the year ended March 31, 2022 and for the previous year ended March 31, 2021 (Refer Note 2.48) and therefore, interest has not been charged on Loans and Advances to subsidiaries.

Reliance Communications Limited

Notes on Accounts to Financial Statements

Note 2.45

Employee Stock Option Schemes

The Company was operating Employee Stock Option Plans; ESOS Plan 2008 and ESOS Plan 2009, which covered eligible employees of the Company and its Subsidiaries. ESOS Plan 2008 was operational till March 31, 2017 whereas ESOS Plan 2009 was operational till January 16, 2019. ESOS Plans were administered through an ESOS Trust. The Vesting of the Options was on the expiry of one year from the date of Grant as per Plan under the respective ESOS(s). In respect of Options granted, the accounting value of Options (based on market price of the share on the date of the grant of the Option) was accounted as deferred employee compensation, which was amortised on a straight line basis over the Vesting Period. Each Option entitles the holder thereof to apply for and be allotted/ transferred one Equity Share of the Company of ₹ 5 each upon payment of the Exercise Price during the Exercise Period. The maximum Exercise Period was 10 years from the date of Grant of Options.

The Company has established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of ₹ 387 crore (Previous year ₹ 387 crore) has been granted to the Trust and the said amount has been utilized by the Trust for purchasing 2.13 crore (Previous year 2.13 crore) Equity Shares during the earlier years. The fall in the value of these underlying shares on account of market volatility and loss, if any, can be determined upon sale of shares by Trust.

Note 2.46

Post Reporting Events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Note 2.47 Discontinued Operations:

Financial Performance of discontinued operations is presented hereunder:

	For the year ended March 31, 2022	(₹ in crore) For the year ended March 31, 2021
Income		
Revenue from Operations	-	-
Other Income	4	47
Total Income	4	47
Expenses		
Access Charges, License Fee and Network Expenses	-	-
Employee Benefit Expenses	-	-
Finance Costs	465	440
Sales and General Admin Expenses	-	3
Total Expenses	465	443
Profit / (Loss) before exceptional items and tax from discontinued operations	(461)	(396)
Cash flow from		
- Operating activities	(26)	169
- Investing activities	(23)	-
- Financing activities	-	-

Note 2.48 Non Provision of Interest and foreign Exchange Variation on Borrowings

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 were being worked out. The Corporate Debtor has not provided Interest of ₹ 4,491 crore calculated based on basic rate of interest as per terms of loan for the year ended March 31, 2022 and foreign exchange (gain)/loss aggregating to ₹ 541 crore for the year ended March 31, 2022. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by ₹ 5,032 crore for the year ended March 31, 2022. The Net Worth of the Company as on March 31, 2022 and March 31, 2021 would have been lower by ₹ 21,723 crore and ₹ 16,691 crore respectively. During the previous years, Interest of ₹ 15,090 crore and foreign exchange loss (net) aggregating to ₹ 1,601 crore were not provided.

Notes on Accounts to Financial Statements

Note 2.49 Related Parties

As per the Ind AS 24 "Related Party Disclosures" as referred to in Accounting Standard Rules, the disclosure of transactions with the related parties as defined therein are given below. All transactions entered into by the Company with related parties, were in ordinary course of business and on arm's length basis.

A List of Related Parties : where control exists

(i) Subsidiary Companies (direct and step down subsidiaries)

- 1 Reliance WiMax Limited (RWML)
- 2 Reliance Bhutan Limited
- 3 Reliance Webstore Limited (RWSL)
- 4 Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) (RRL)
- 5 Champion Properties Limited (CPL)
- 6 Reliance Tech Services Limited
- 7 Reliance Telecom Limited
- 8 Reliance Communications Infrastructure Limited (RCIL)
- 9 Globalcom IDC Limited (Formerly known as Reliance IDC Limited)
- 10 Reliance Infratel Limited (RITL)
- 11 Globalcom Mobile Commerce Limited (Formerly known as Reliance Mobile Commerce Limited)
- 12 Reliance BPO Private Limited
- 13 Reliance Communications Tamilnadu Limited
- 14 Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)
- 15 Reliance Infra Projects Limited
- 16 Realsoft Cyber Systems Private Limited
- 17 Worldtel Tamilnadu Private Limited
- 18 Internet ExchangeNext.com Limited
- 19 Reliance Globalcom B.V.
- 20 Reliance Communications (UK) Limited
- 21 Reliance Communications (Hong Kong) Limited
- 22 Reliance Communications (Singapore) Pte. Limited
- 23 Reliance Communications (New Zealand) Pte Limited
- 24 Reliance Communications (Australia) Pty Limited
- 25 Anupam Global Soft (U) Limited
- 26 Gateway Net Trading Pte Limited
- 27 Reliance Infocom Inc.
- 28 Reliance Communications Inc. (RCI)
- 29 Reliance Communications International Inc. (RCII)
- 30 Reliance Communications Canada Inc.
- 31 Bonn Investment Inc.
- 32 Aircom Holdco B.V
- 33 Towercom Infrastructure Private Limited
- 34 Reliance Telecom Infrastructure (Cyprus) Holdings Limited
- 35 Lagerwood Investments Limited
- 36 Reliance FLAG Pacific Holdings Limited

Reliance Communications Limited

Notes on Accounts to Financial Statements

(ii) Holding Company

- 1 Reliance Innoventures Private Limited (upto 6th February, 2019)

(iii) Individuals Promoters

- 1 Shri Anil D. Ambani, the person having significant influence during the year

(iv) Key Managerial Personnel (KMP)

- 1 Shri Vishwanath Devaraja Rao
- 2 Shri Rakesh Gupta

B List of Other Related Parties : where there have been transactions

(i) Associates

- 1 Warf Telecom International Private Limited
- 2 Mumbai Metro Transport Private Limited

(ii) Enterprises over which individual described in Sr. No. A (iii) above having significant influence

- 1 Reliance Capital Limited
- 2 Reliance General Insurance Company Limited
- 3 Reliance Home Finance Limited
- 4 Reliance Securities Limited
- 5 Reliance Infrastructure Limited
- 6 Mumbai Metro One Private Limited
- 7 GF Toll Road Private Limited
- 8 Reliance Energy Limited
- 9 DS Toll Road Limited
- 10 BSES Kerala Power Limited
- 11 Vidarbha Industries Power Limited
- 12 Reliance Power Limited
- 13 Sasan Power Limited
- 14 Reliance Cleangen Limited (RCGL)
- 15 Reliance Nippon Life Insurance Company Limited (Formerly known as Reliance Life Insurance Company Limited)
- 16 BSES Rajdhani Power Limited
- 17 Reliance Commercial Finance Limited
- 18 Reliance Defence Limited
- 19 SU Toll Road Private Limited
- 20 BSES Yamuna Power Limited
- 21 Reliance Communications Enterprises Private Limited
- 22 Metro One Operation Private Limited
- 23 Reliance Naval and Engineering Limited
- 24 Reliance Health Insurance Limited
- 25 Parbati Koldam Transmission Company Limited (upto January 8, 2021)
- 26 Reliance ADA Group Enterprises Private Limited
- 27 Reliance Big Private Limited
- 28 Rosa Power Supply Company Limited
- 29 Ralston Trading Private Limited
30. Reliance Big Entertainment Private limited

(iii) Employee Benefits Trust

- 1 Reliance Infocomm Limited Employees Gratuity Fund
- 2 Reliance Infocomm Limited Employees Superannuation Schemes

Notes on Accounts to Financial Statements

Transactions during the year with Related Parties.

(Figures in bracket represent Previous year)

Sr.	Nature of Transactions	Subsidiaries	Enterprises over which individual having Significant Influence	Employee Benefits	Associates/ Others	(₹ in crore)
						Total
1	Investments	11,474 (11,474)	- -		22 (22)	11,496 (11,496)
2	Trade Receivables	50 (10)	8 (8)		- -	58 (18)
3	Loans - Current Financial Assets					
	Balance as at April 1, 2021	6,545 (6,556)	- -		- -	6,545 (6,556)
	Foreign Exchange Fluctuation	12 (-11)	- -		- -	12 (-11)
	Balance as at March 31, 2022	6,557 (6,545)	- -		- -	6,557 (6,545)
4	Interest Accrued on Loans and Investments - Other Financial Assets	53 (53)	- -		- -	53 (53)
5	Other Current Assets					
	(i) Advances	83 (82)	- (6)		- -	83 (88)
6	Other Financial Assets	- (15)	- -		- -	- (15)
7	Trade Payables	259 (248)	- (1)		- -	259 (249)
8	Borrowings - Current	- -	4,607 (4,607)		- -	4,607 (4,607)
9	Other Financial Liabilities					
	Other Liabilities	11 (11)	- -		- -	11 (11)
10	Income					
	Revenue From Operations	1 (5)	5 (5)		- -	6 (10)
11	Expenditure					
	(i) Access Charges	13 (15)	- -		- -	13 (15)

Reliance Communications Limited

Notes on Accounts to Financial Statements

(Figures in bracket represent Previous year)

						(₹ in crore)
Sr.	Nature of Transactions	Subsidiaries	Enterprises over which individual having Significant Influence	Employee Benefits	Associates/ Others	Total
(ii)	Network Operation Expenses	41 (142)	1 (4)		-	42 (146)
(iii)	Employee Benefit Expenses	-	-	-	-	-
(iv)	General and Administration Expenses	42 (43)	-	-	-	42 (43)
(v)	Recovery of Expenses	12 (1)	-	-	-	12 (1)
12	Corporate Guarantee					
12.01	Given by the Company	5,137 (5,096)	-	-	-	5,137 (5,096)
12.02	Taken by the Company	-	-	-	-	-
		(1,400)	-	-	-	(1,400)
13	Person having Significant Influence during the year					
	Shri Anil D. Ambani- Sitting Fees [₹ Nil (Previous year ₹ Nil)]	-	-	-	-	-
		-	-	-	-	-
14	Managerial Remuneration					
	Shri. Vishwanath Devaraja Rao	-	-	-	2 (2)	2 (2)

The following table describes the components of compensation paid or payable to key management personnel for the services rendered during the year ended:

	Amount in ₹	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and other benefits	1 52 92 732	1 49 53 829
Contributions to defined contribution plans	9 86 795	22 31 275
Total	1 62 79 527	1 71 85 104

Some of the key management personnel of the Company are also covered under the Company's Gratuity Plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's Gratuity Plan have not been separately included in the above disclosure.

Notes on Accounts to Financial Statements

Note: 2.50 Additional Regulatory Information

- 1) Details of all Immovable Property whose title deeds are not held in name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.

Relevant line item in the Balance sheet	Description of item of Property	Gross carrying Value (₹ In crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land	14 Nos. MCN and IS	12	RCIL & RTL	No	01.04.2006	Transfer under court approved scheme
Freehold Land	359 Nos. MCN and IS and SAX and Others	133	RCIL & RTL	No	01.04.2006	
Buildings	376 Nos. MCN and IS and SAX and Others	245	RCIL & RTL	No	01.04.2006	

Relative here means relative as defined in the Companies Act, 2013.

* Promoter here means promoter as defined in the Companies Act, 2013.

- 2) Disclosure of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
(b) without specifying any terms or period of repayment.

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ In crore)	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	6,557	100

- 3) Capital-Work-in Progress (CWIP)

- (a) Ageing of Capital-work-in progress including Assets held for Sale is given below:

(₹ in crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	247	247

- (b) The Company does not have any capital work-in-progress, whose completion is overdue except project temporarily suspended shown above under ageing capital work in progress or has exceeded its cost compared to its original plan (Refer Note 2.01, 2.14 & 2.31).

Reliance Communications Limited

Notes on Accounts to Financial Statements

4) Intangible assets under development (IUD):

(a) Ageing of Intangible assets under development including Assets held for Sale is given below:

Intangible Assets under development	Amount in IUD for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	69	69

(₹ in crore)

(b) The Company does not have any intangible assets under development, whose completion is overdue except project temporarily suspended shown above under ageing intangible assets under development or has exceeded its cost compared to its original plan (Refer Note 2.02, 2.14 & 2.31).

5) Relationship with Struck off Companies

Balance Outstanding with Companies struck off under section 248 of the Companies Act 2013, are as follows:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (₹ In cr)	Relationship with the Struck off company, if any, to be disclosed
Telspin Projects Pvt Ltd	Receivables	1	External Customer

The Company has provided for, the entire receivable from the above party.

6) Registration of charges or satisfaction with Registrar of Companies (ROC)

There is no MCA filing during the financial year ending 31st March, 2022 of Registration of charges or satisfaction of charge with Registrar of Companies (ROC) of the Company.

7) Compliance with number of layers of companies

Company has complied with the number of layers of subsidiary companies as required under clause (87) of section 2 of Companies Act, 2013 and rules made thereunder.

8) Accounting Ratios

	31-Mar-22	31-Mar-21	Variance (%)
i Current Ratio (times)	0.18	0.20	(7%)
ii Debt-Equity Ratio (times) (Refer Note 1 below)	-	-	-
iii Debt Service Coverage Ratio (times) (Refer Note 1 below)	-	-	-
iv Return on Equity (times) (Refer Note 1 below)	-	-	-
v Inventory Turnover Ratio (times) (Refer Note 3 below)	24.64	16.10	53%
vi Trade Receivable turnover (Days)	116	150	(23%)
vii Trade Payable turnover (times)	0.17	0.21	(19%)
viii Net Capital Turnover Ratio (times) (Refer Note 2 below)	0.03	0.04	(27%)
ix Net Profit margin (%) (Continuing operations) (Refer Note 2 below)	(75.97)	(52.13)	46%
x Return on capital employed (times) (Refer Note 1 below)	-	-	-
xi Interest Service Coverage Ratio (Times) (Refer Note 1 below)	-	-	-
xii Operating margin (%) (Continuing operations) (Refer Note 2 below)	(77.12)	(52.13)	48%

Note :

- wherever the ratios are negative, the same is shown as Nil (-)
- Higher reduction in Net profit margin, Operating Margin and Net Capital Turnover Ratio in March 31, 2022 compared to previous year is due to lower revenue in March 31, 2022
- Higher Inventory Turnover ratio in March 31, 2022 compared to previous year is due to lower inventory and revenue in March 31, 2022

Notes on Accounts to Financial Statements

Formula used for computation of Ratios:

- i Current Ratio = Current Assets / Current Liabilities
- ii Debt Equity Ratio = Debt / Equity;
- iii Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax / (Interest + Principal repayment);
- iv Return on Equity = Net profit after tax / Shareholder's fund
- v Inventory Turnover Ratio = Turnover / Average Inventory
- vi Trade Receivable turnover = Average Trade receivables / (Value of Sales and Services / no of days for the year)
- vii Trade Payable turnover = Net credit purchase / Average Trade Payables)
- viii Net Capital Turnover Ratios = Turnover / working Capital
- ix Net Profit margin (%) (Continuing operations) = Profit / (Loss) after tax / Value of Sales and Service.
- x Return on capital employed = EBIT / Capital employed
- xi Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax / (Interest expense).
- xii Operating margin (%) (Continuing operations) = EBIT - Other Income / Value of Sale and Services.

9) Utilisation of Borrowed funds and share premium:

During the year, there is no fresh borrowings and Share premium

10) During the year, the Company has not received as well as given advances (excluding transactions in the normal course of business) or loans or invested funds or provided any guarantee, security or the like from/ to any other person(s) or entity(ies), directly or indirectly, including any foreign entity(ies).

11) During the year, the Company has not surrendered or disclosed any income, previously unrecorded in the books of account as income, in the tax assessments under the Income Tax Act, 1961.

Note 2.51

Segment Performance

Disclosure as per Ind AS 108 "Operating Segments" is reported in Consolidated Accounts of the Company. Therefore, the same has not been separately disclosed in line with the provision of Ind AS.

Note 2.52

Note on Disqualification of Directors

During the earlier year, Shri Anil D Ambani, Smt. Manjari Kacker, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors tendered their resignation as Directors of the Company, however the Committee of Creditors of the Company ("CoC"), in its meeting held on 20th November, 2019 refused to accept the resignations tendered by above mentioned directors and instructed the Resolution Professional to convey to the directors to continue with their duties and responsibilities as directors and provide all co-operation in the Corporate Insolvency Resolution Process, at least until the completion of the corporate insolvency resolution process of the Company. In light of the above, it was duly communicated to the aforesaid directors of the Company that their resignations have not been accepted and they were advised to continue to perform their duties and responsibilities as the directors of the Company and provide all co-operation to Resolution Professional in the corporate insolvency resolution process. Accordingly, Shri Anil D Ambani, Smt. Chhaya Virani, Smt. Manjari Kacker, Smt. Ryna Karani and Shri Suresh Rangachar continues to reflect in the composition of the board of directors and the respective committees of the Company. Due to above mentioned events, the Company has not received annual disclosures as required under section 164(2) and Section 184(1) of the Companies Act, 2013 from Shri Anil D Ambani, Smt. Manjari Kacker, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors of the Company. As per legal opinion obtained by the company, none of the Directors were disqualified under section 164(2) of the Companies Act, 2013 for default in payment of interest and principal of debentures.

Reliance Communications Limited

Notes on Accounts to Financial Statements

Note 2.53

Lease:

The assets of the Company 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.

Note 2.54

The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016 ("Circular") and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited ("RITL") and Reliance Telecom Limited ("RTL") being fraudulent in terms of the Circular.

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

Note 2.55

During the previous year ended March 31, 2021, quarter ended June 30, 2021 and during the quarter ended March 31, 2022, certain banks had issued show cause notices to the Corporate Debtor, certain subsidiaries and certain directors seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. The Corporate Debtor and its subsidiaries have responded to the show cause notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the banks to withdraw the notices. Further, certain banks had issued notices seeking personal hearing by the authorized representative of the Corporate Debtor and its subsidiaries in respect of the aforesaid matter. Hearings were attended to and necessary submissions were made in accordance with the submissions made earlier in the responses to the show cause notices. No further response has been received from the banks since then.

During the quarter ended June 30, 2021, a bank has served notice seeking explanation as to why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and RTL have responded back to the bank highlighting the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 (Code) and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor for classification as fraud. No further response has been received from the bank since then. Currently, there is no impact of such notices issued from banks, in the standalone financial statements.

Note 2.56

Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Act. Accordingly, Section 186 of the Act is not applicable to the Company.

Note 2.57

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

Notes on Accounts to Financial Statements

Note 2.58

Authorisation of Financial Statements

The Directors of the Company have approved the financial statements at their meeting held on May 28, 2022 which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Company and RP took the same on record, basis recommendation from the directors.

With respect to the financial statements for the year ended March 31, 2022, 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;
- (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 statements and while signing this statement of financial statements, 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 statements. The financial statements of the Corporate Debtor for the year ended March 31, 2022 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements 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 statements.
- (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.

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No:F5951

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, 2022

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

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	349	349
	2	Total Expenditure	611	611
	3	Net Profit/(Loss) before Exceptional items	(262)	(262)
	4	Exceptional Item (Refer Note 2.39.1 above)	-	-
	5	Net Profit/(Loss) after Exceptional items	(262)	(262)
	6	Net Profit / (Loss) from Discontinued Operations	(5,355)	(10,387)
	7	Earnings Per Share (₹)	(20.47)	(38.80)
	8	Total Assets	44,500	44,500
	9	Total Liabilities	87,950	109,673
	10	Net worth	(43,450)	(65,173)
	11	Any other financial item(s) (as felt appropriate by the management)		

II Audit Qualification (each audit qualification separately):

- a. Details of Audit Qualification: Non Provision of Interest and Foreign Exchange variation (Refer Note 2.48)
- 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 Fifth 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 2.14 & 2.31), Lease (Refer Note 2.53)
- (i) Management's estimation on the impact of audit qualification: Impact is not ascertainable as the Company is under IBC and CIR process initiated
- (ii) If management is unable to estimate the impact, reasons for the same: Impact is not ascertainable as the Company is under IBC and CIR process initiated
- (iii) Auditors' Comments on (i) or (ii) above: Refer 'Basis for Qualified Opinion' in audit report read with relevant notes in the financial statements, the same is self explanatory.

III Signatories:

Resolution Professional
Executive Director and Chief Financial Officer
Statutory Auditor

Anish Niranjana Nanavaty
Vishwanath Devraja Rao
For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration No. 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851
UDIN: 22161851AJUHDC8735

Place : Mumbai

Date : May 28, 2022

Independent Auditors' Report

**To the Members of Reliance Communications Limited
Report on the Audit of the Consolidated Financial Statements
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 an operational/financial creditor against Reliance Communications Limited ("the Holding Company") and its four subsidiaries, appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Reliance Communications Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, the consolidated changes in equity, the consolidated loss (including consolidated other comprehensive loss) and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) We draw attention to Note no 2.15,2.35& 2.43.2(b) of the consolidated financial statements regarding, "Assets Held for Sale (AHS)" regarding Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) alongwith liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non-payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of fair value of Assets Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the year ended March 31, 2022.
- b) We draw attention to Note no. 2.52 of the consolidated financial statements regarding admission of the Holding Company and its four subsidiaries into Corporate Insolvency Resolution Process ("CIRP") and pending determination of obligations and liabilities including various claims submitted by the Operational/financial/ other creditors and

employees including interest payable on loans during CIRP. We are unable to comment the accounting impact thereof pending reconciliation and determination of final obligation.

- The Holding Company and some of its subsidiaries have not provided interest on borrowings amounting to Rs. 4,995crore for the year ended March 31, 2022and Rs. 17,108crore up to the previous financial year based on the basic rates of interest as per the terms of the borrowings. The Holding Company and some of its subsidiaries further has not debited / credited for foreign exchange loss amounting to Rs. 663crore for the year ended March 31, 2022 and Rs. 1,963crore foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the year ended March 31, 2022 would have been higher by Rs. 5,658crore and the Net worth of the Group would have been lower by Rs. 24,729 crore as at March 31, 2022 and Rs. 19,071 crore as at March 31, 2021. Non provision of interest and non-recognition of foreign exchange variation (gain) / loss is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.
- c) We draw attention to Note no 2.35 of the consolidated financial statements, regarding the pending comprehensive review of all assets (including investments, receivables and balances lying in Goods and Service Tax) & liabilities, impairment of goodwill on consolidation and non-provision for impairment of carrying value of assetsand write back of liabilities if any, has not been made in the books of account by the Group pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all other assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the year ended March 31, 2022. Non determination of fair value of financial assets & liabilities and impairment in carrying amount of other assets & liabilities are not in compliance with Ind AS 109 "Financial Instrument", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
- d) We draw attention to Note no 2.40 of the consolidated financial statements, regarding non adoption of Ind AS 116 i.e. "Leases" effective from April 01, 2019 and the impact thereof. The Holding Company and some of its subsidiaries have not applied Ind AS 116. The aforesaid accounting treatment is not in accordance with the relevant Ind AS 116.
- e) We draw attention to Note no 2.35 &2.43.2(a) of the consolidated financial statements regarding termination of definitive binding agreement for monetization of assets of the Holding Company and two of its subsidiaries namely RTL&RITL and the ongoing CIRP, the outcome of which cannot be presently ascertained. Holding Company's subsidiary namely Reliance Communication Infrastructure Limited (RCIL) and Reliance Tech Services Limited (RTSL) has also been admitted under Code with effect from September 25, 2019 and August 4, 2020 respectively. The Group has continued to incur losses, its current liabilities exceed current assets and has defaulted in repayment of its borrowings and payment of statutory dues and pending

Reliance Communications Limited

Independent Auditors' Report

renewal of telecom licenses. Further, auditors of material subsidiaries of the Holding Company have qualified their reports with respect to Going Concern of the company's on account of reasons mentioned above.

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

- f) We draw attention to Note no. 2.60 of the consolidated financial statements regarding unbilled revenue recognized by one of the Holding Company's subsidiary amounting to Rs. 1021 crore with respect to services provided, which has not been billed by the subsidiary for the reasons mentioned in the aforesaid note. We are unable to comment on the ultimate outcome of reconciliation and its realizability and its impact on the revenue recognized during the year and in earlier years.
- g) We draw attention to Note no 2.59 of the consolidated financial statements regarding non receipt of balance confirmation from balance with Industrial and Commercial Bank of China in Fixed Deposit account amounting to Rs. 31.62 crore as at March 31, 2022 in respect of one of the Holding Company's Subsidiary. Pending receipt of balance confirmation as on reporting date, we are unable to comment on the consequential impact if any, on the consolidated financial statements of the Group.

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements 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 consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraph

We draw attention to Note no. 2.43.2(a) of the consolidated financial statements, regarding provision of license fee and spectrum usage charges by the Holding Company and one of its subsidiary, based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter.

Our Opinion is not modified in respect of the above matter2.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters stated in our Basis for Qualified Opinion paragraph we have determined the matters described below to be the key audit matters to be communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Revenue Recognition</p> <p>The accuracy and completeness of revenue amounts recorded by the Group is an inherent industry risk. The revenue of the Group is categorised broadly into service and wholesale revenue. Service revenue mainly consists of income from fixed line, broadband, rentals and installations. Wholesale revenue comprises revenue from interconnection, external administration, capacity sales and from resellers. We considered revenue recognition as a key audit matter as the amount involved is material to the consolidated financial statements and due to the complexity of the systems and processes used to record revenue. The accounting policy and relevant disclosures relating to revenue are set out in notes 1.3(m) and 2.27 respectively, to the consolidated financial statements.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • Testing the end-to-end reconciliation from business support systems to billing and to the general ledger; • Performing tests on the accuracy of customer bill generation process on a sample basis and testing of a sample of the credits and discounts applied to such customer bills; • Performed substantive analytical procedures over the significant revenue streams; • Involving verification of controls surrounding revenue invoicing; • Assessed transactions taking place before and after year-end to ensure that revenue was recognised in the appropriate period; • Performing specific procedures to test the accuracy and completeness of adjustments, and performing procedures to ensure that the revenue recognition criteria adopted by the Group is in line with the Group's accounting policies.

Independent Auditors' Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2. Valuation and disclosure of accrual estimates for legal claims, litigations, regulatory matters and contingencies and deposits against the same legal matters including provision of license fee and spectrum usage charges, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019</p> <p>The Group is involved as a party in legal proceedings, including regulatory and other governmental proceedings. The Group has also deposited substantial amounts with regulatory authorities against the demands in dispute, which has been classified as deposit.</p> <p>This area is significant to our audit, since the accounting and disclosure for (contingent) legal liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts involved are, or can be, material to the consolidated financial statements as a whole. Further reference is made to Note no 2.39 Contingent liabilities and Note No 2.43.2(a) on provision of Licence fees and Spectrum Usage Charges.</p>	<ul style="list-style-type: none"> • Our audit procedures included, amongst others, testing the effectiveness of the Group's internal controls around the identification and evaluation of claims/provisions, proceedings and investigations at different levels in the group, and the recording and continuous re-assessment of the related (contingent) liabilities and provisions and disclosures. We inquired with both internal legal staff including Resolution Professional (RP) as well as with the company's financial staff in respect of ongoing investigations or claims, proceedings and investigations, inspected relevant correspondence, inspected the minutes of the meetings of the Audit Committee and requested a confirmation from the group's in-house responsible officials and RP. • Also, the Group has obtained legal opinions in past against these disputes. For claims settled during the year, we vouched the payments, as appropriate, and read the related orders to verify whether the settlements were properly accounted for. • We also assessed the adequacy of the disclosure around legal claims, litigations, regulatory matters and contingencies as included in Note No. 2.39 Contingent liabilities. • We consider management's conclusion on the predicted outcome and estimation of potential impact to be reasonable and we assessed that the disclosures in Note No 2.39, Contingent liabilities are reasonable.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The consolidated financial statements, which is the responsibility of the Holding Company's Management and is relied upon by the Resolution Professional based on the assistance provided by the Directors and taken on record by the Resolution Professional as fully described in Note No 2.64 of the consolidated financial statements. The Holding Company's Management are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group including its associates in accordance

with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 statements 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 statements by the Directors of the Holding Company, as aforesaid.

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

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

Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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. Misstatement 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 statements.

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 statements, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors / Resolution Professional/ Monitoring Committee.
- Conclude on the appropriateness of Board of Directors / Resolution Professional / Monitoring Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the entities within the Group and its associates to express an opinion on

the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 statements 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 Statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Reliance Communications Limited ("the Holding Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the resolution professional ("RP") for the Corporate Debtor, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019). In case of RITL, NCLT has approved the resolution plan on December 03, 2020 and accordingly a Monitoring committee has been formed.
2. 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

Independent Auditors' Report

application and ordered the commencement of corporate insolvency resolution process ("CIRP") of its subsidiary namely Reliance Communications Infrastructure Limited (RCIL) 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 NiranjanaNanavaty as the interim resolution professional for RCIL ("IRP") vide the CIRP Order who has been confirmed as the resolution professional of RCIL ("RP") by the committee of creditors.

3. Further, during the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Holding Company, has been admitted by NCLT on August 04, 2020 for CIRP under the Code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the Hon'ble NCLT.
4. The consolidated financial statements of the Holding Company 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 statements. As mentioned in Note No. 2.64 of the consolidated financial statements, in view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the RP.
5. We did not audit the financial statements / financial information of eighteen subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2,661 crore as at March 31, 2022, total revenues of Rs. 38 crore and net cash outflows amounting to Rs. 0.48 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. (0.11) crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.
6. We did not audit the financial statements / financial information of thirteen subsidiaries, whose financial statements / financial information reflect total assets of Rs. 3,517 crore as at March 31, 2022, total revenues of Rs. 7 crore and net cash outflows amounting to Rs. 0.98 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid 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 Management, these financial statements / financial information are not material to the Group.

Our Opinion on the consolidated financial statements, and our report on other Legal and Regulatory requirements below, 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 statements or information certified by the respective management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) Except for the matters described in the Basis of Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) Except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above, in our opinion, proper books of account as required by law have been kept so far it appears from our examination of those books and the reports of other auditors
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statements of Cash Flows and the Consolidated Statements of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, except requirement of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations", Ind AS 23 "Borrowing Cost", Ind AS 21 "Effects of Changes in foreign exchanges", Ind AS 116 "Leases", Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", with regard to matters described in the Basis of Qualified Opinion paragraph above.
 - (e) Matters described under the Basis for Qualified Opinion paragraph above and Qualified Opinion paragraph of 'Annexure A' to this report in our opinion, may have an adverse effect on functioning of the Group and on the amounts disclosed in consolidated financial statements of the Group;
 - (f) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

Independent Auditors' Report

(g) On the basis of the written representations received from two directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and based on legal opinion obtained by the Holding Company with regard to non payment of debenture holder's due and the reports of statutory auditors of its subsidiary companies and associate companies incorporated in India, these two directors are not disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act. Further as mentioned in Note no. 2.56 of the consolidated financial statements, the directors of the Holding Company have resigned from the position of director, however their resignation has not been accepted for the reason stated in the said note and the Holding Company has not received declaration from these directors in this regard, accordingly we are unable to comment whether these directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

In case of certain subsidiaries incorporated in India, those companies have not received declaration from one of the director in terms of section 164(2) of the Act (Refer Note 2.56 of the consolidated financial statements), accordingly we are unable to comment whether the said director is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the managerial remuneration paid/provided by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the requisite approval, where applicable, by shareholders as mandated by the provision of section 197 read with schedule V of the Act.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements have disclosed the impact of pending litigations on

its consolidated financial position of the Group and its associates – Refer Note no 2.39 to the consolidated financial statements;

ii. The Group and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India during the year ended March 31, 2022.

iv. (a) The respective managements of the Holding Company, its subsidiaries and associates which are incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company, its subsidiaries and associates which are incorporated in India whose financial statements have represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances performed by us and that performed by the other auditors of the subsidiaries, and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

Independent Auditors' Report

- v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year.
2. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included

in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by the respective auditors of its subsidiaries included in the consolidated financial statements, to which reporting under CARO is applicable, the adverse/qualified remarks are as under:

Sr. No.	Name	CIN	Holding/ Subsidiary/ Associate	Clause number of the CARO report which is qualified or adverse
1.	Reliance Communications Limited	L45309MH2004PLC147531	Holding	3 (iii), (vii), (ix) (a) and (xix)
2.	Reliance Infratel Limited	U72900MH2001PLC131598	Subsidiary	3(iii), (vii), (ix) (a) & 3(xix)
3.	Reliance Communications Infrastructure Limited	U64203MH1997PLC166329	Subsidiary	3(iii), (vii), (ix) (a) & 3(xix)
4.	Reliance Realty Limited	U45300MH1993PLC173775	Subsidiary	3(iii), (vii), (ix) (a) & 3(xix)
5.	Reliance Telecom Limited	U32100MH1994PLC162841	Subsidiary	3(iii), (vii), (ix) (a) & 3(xix)
6.	Globalcom IDC Ltd	U72900MH2001PLC131600	Subsidiary	3(iii) and (vii)
7.	Campion Properties Limited	U55101MH2001PLC218815	Subsidiary	3(xix)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of the entities	CIN	Holding Subsidiary/Joint Venture/Associate
Reliance Tech Service Limited	U72900MH2007PLC172690	Subsidiary Company

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

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 22161851ALPBEU7135

Place: Mumbai
Date: May 28, 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated financial statements of the Reliance Communications Limited ("the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to the consolidated financial statements of Reliance Communications Limited and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with respect to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries and associates, which are companies incorporated in India, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient

and appropriate to provide a basis for our qualified opinion on the internal financial controls system with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Group's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A Group's internal financial control with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to the consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company and some of its subsidiary companies internal financial controls with reference to consolidated financial statements as at March 31, 2022:

- i. In case of the Holding Company and some of its subsidiaries internal process with regard to confirmation and reconciliation of Balances of trade receivable, trade payables and other liabilities and loan & advances which are not providing for adjustments, which are required to be made to the carrying values of such assets and liabilities (Read with Note no.2.35).
- ii. In case of the Holding Company and some of its subsidiaries the internal control process in respect of closure of outstanding entries in Bank Reconciliation Statements which are pending to be reconciled.
- iii. The Holding Company and some of its subsidiaries have delayed in payment of certain statutory dues and delays in filing of certain statutory returns during the year with the respective authorities.

'Annexure A' to the Independent Auditor's Report - March 31, 2022

iv. The Group's internal financial control with regard to the compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in basis for qualified opinion paragraph of our main report, resulting in the Group not providing for adjustments, which are required to be made, to the consolidated financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Group's financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in other matters paragraph below, except for the effects / possible effects of the material weaknesses described above under Basis for Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Holding Company, its subsidiaries and associates, which are incorporated in India, has, in all material respects an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial statements issued by the ICAI.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the group for the year ended March 31, 2022 and these material weaknesses affect our opinion on the consolidated financial statements of the Group for the year ended March 31, 2022 [our audit report dated May 28, 2022, which expressed a qualified opinion on those consolidated financial statements of the group].

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of 13 subsidiaries and 1 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

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

Chartered Accountants

Firm's Registration No:107783W/W100593

Jigar T. Shah

Partner

Membership No:161851

UDIN: 22161851ALPBEU7135

Place: Mumbai

Date: May 28, 2022

Reliance Communications Limited

Consolidated Balance Sheet as at March 31, 2022

Particulars	Notes	As at		(₹ in crore)
		March 31, 2022	March 31, 2021	As at March 31, 2021
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	2.01	1,971		2,078
(b) Capital Work in Progress	2.01	158		196
(c) Goodwill	2.02	1,473		1,470
(d) Other Intangible Assets	2.03	9		13
(e) Financial Assets				
(i) Investment in Associates and others	2.04	50		57
(ii) Other Financial Assets	2.05	1		2
(f) Deferred Tax Asset (net)	2.06	20		10
(g) Income Tax Asset (net)		455		380
(h) Other Non Current Assets	2.07	1,043	5,180	1,031
				5,237
Current Assets				
(a) Inventories	2.08	2		29
(b) Financial Assets				
(i) Investments	2.09(a)	-		-
(ii) Loans	2.09(b)	-		-
(iii) Trade Receivables	2.10	295		448
(iv) Cash and Cash Equivalents	2.11	479		709
(v) Bank Balances other than (iii) above	2.12	390		117
(vi) Other Financial Assets	2.13	353		385
(c) Other Current Assets	2.14	5,508		5,580
(d) Assets held for Sale	2.15	35,350	42,377	35,321
Total Assets			47,557	47,826
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.16		1,383	1,383
(b) Other Equity	2.17		(61,956)	(55,289)
Equity Attributable to Shareholders of the parent			(60,573)	(53,906)
Non-Controlling Interest	2.18		278	294
Total Equity			(60,295)	(53,612)
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.19	454		463
(b) Other Non-Current Liabilities	2.20	114		129
(c) Deferred Tax Liabilities (net)	2.06	1,060		1,193
(d) Provisions	2.21	10	1,638	11
				1,796
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.22	45,118		45,114
(ii) Trade Payables	2.23			
Due to Micro and Small Enterprises		80		79
Due to Creditors Other than Micro and Small Enterprises		4,011		4,027
(iii) Other Financial Liabilities	2.24	43,942		38,108
(b) Deferred Revenue (Refer Note 2.53 and 2.60)		2,041		2,048
(c) Other Current Liabilities	2.25	980		961
(d) Income Tax Liabilities (net) ₹ 28,00,735		-		2
(e) Provisions	2.26	1,465		1,466
(f) Liabilities directly related to Asset held for Sale	2.15	8,577	106,214	7,837
Total Equity and Liabilities			47,557	99,642
Significant Accounting Policies	1			
Notes on Accounts	2			

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional
Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No: F5951

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	For the year ended March 31, 2022	(₹ in crore) For the year ended March 31, 2021
1 INCOME			
(a) Revenue from Operations	2.27	556	760
(b) Other Income	2.28	28	19
(c) Total Income ((a) + (b))		584	779
2 EXPENSES			
(a) Access Charges, License Fees and Network Expenses	2.29	366	562
(b) Employee Benefits Expenses	2.30	70	91
(c) Finance Costs	2.31	47	48
(d) Depreciation, Impairment and Amortisation	2.01 & 2.03	151	154
(e) Sales and General Administration Expenses	2.32	182	124
(f) Total Expenses ((a) to (e))		816	979
3 Profit/ (Loss) before share of Profit of associates, exceptional items and Tax (1(c) - 2(f))		(232)	(200)
4 Share of Loss/ (Profit) of Associates (Loss ₹ 11,19,901)		-	1
5 Profit/ (Loss) before Exceptional Items and Tax (3 - 4)		(232)	(201)
6 Exceptional Items	2.43.1	-	-
7 Profit/ (Loss) before Tax (5 + 6)		(232)	(201)
8 Tax expense:			
(a) Current Tax		7	15
(b) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	2.06	(8)	(5)
9 Profit/ (Loss) After Tax from Continuing Operations (7 - 8)		(231)	(211)
10 Profit/(Loss) before Exceptional Items and Tax from Discontinued Operations	2.51	(1,099)	(939)
11 Exceptional Items relating to Discontinued Operations			
Provision for Liability on account of License and Spectrum Fee	2.43.2	5,441	4,713
12 Profit/(Loss) before Tax (10 - 11)		(6,540)	(5,652)
13 Tax Credit / (Expenses) on Discontinued Operations			
(a) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)		(134)	(61)
(b) Earlier year tax		-	10
14 Profit/(Loss) after Tax from Discontinued Operations (12 - 13)		(6,406)	(5,601)
15 Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement gain/ (loss) of defined employee benefit plans (net of tax)		-	(1)
(ii) Net gain/ (loss) on Equity Shares carried out at fair value (net of tax)		(8)	5
(b) Items that will be reclassified to profit or loss			
(i) Exchange gain/ (loss) on translation of financial statements of foreign operations		(39)	37
Other Comprehensive Income/ (Loss) for the year		(47)	41
16 Total Comprehensive Income/(Loss) for the year(9+ 14 + 15)		(6,684)	(5,771)
17 Profit/ (Loss) for the year attributable to			
Shareholders		(6,620)	(5,791)
Non Controlling Interest		(17)	(21)
18 Total Comprehensive Income/ (Loss) attributable to		(6,667)	(5,750)
Shareholders		(6,667)	(5,750)
Non Controlling Interest		(17)	(21)
19 Earnings per Share of ₹ 5 each fully paid up (Basic and Diluted) (before exceptional items)	2.42		
(a) Continuing Operations		(0.84)	(0.77)
(b) Discontinued Operations		(3.46)	(3.16)
(c) Continuing and Discontinued Operations (after exceptional items)		(4.30)	(3.93)
(a) Continuing Operations		(0.84)	(0.77)
(b) Discontinued Operations		(23.28)	(20.33)
(c) Continuing and Discontinued Operations		(24.12)	(21.10)
Significant Accounting Policies	1		
Notes on Accounts	2		

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

For **Reliance Communications Limited**

Resolution Professional

Anish Niranjana Nanavaty

Executive Director and Chief Financial Officer

Vishwanath Devaraja Rao
(DIN: 08607657)

Jigar T. Shah
Partner
Membership No. 161851

Company Secretary

Rakesh Gupta
Membership No:F5951

Place : Mumbai
Date : May 28, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

	(₹ in crore)	
		For the year ended March 31, 2021
(a) Equity Share Capital (Refer Note 2.16)		
Balance at the beginning of the year	1,383	1,383
Change in equity share capital during the year	-	-
Balance at the end of the year	<u>1,383</u>	<u>1,383</u>

(b) Other Equity (Refer Note 2.17)	(₹ in crore)
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Particulars	Attributable to the equity holders of the parent							Total	
	Reserves and Surplus				Other Comprehensive Income / (Loss)		Others		
	Capital Reserve	Securities Premium	General Reserve	Debt Redemption Reserve	Retained Earnings	Treasury Equity			Exchange Fluctuation Reserve
Balance as at April 01, 2021	1,507	13,894	34	590	(71,009)	(391)	55	31	(55,289)
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	(6,620)	-	-	-	(6,620)
Other Comprehensive Income	-	-	-	-	-	-	(39)	(8)	(47)
Balance as at March 31, 2022	1,507	13,894	34	590	(77,629)	(391)	16	23	(61,956)
Balance as at April 01, 2020	1,507	13,894	34	590	(65,218)	(391)	18	27	(49,539)
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	(5,791)	-	-	-	(5,791)
Other Comprehensive Income/ (Loss)	-	-	-	-	-	-	37	4	41
Balance as at March 31, 2021	1,507	13,894	34	590	(71,009)	(391)	55	31	(55,289)

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraj Rao
(DIN: 086607657)

Rakesh Gupta
Membership No:F5951

Consolidated Cash Flow Statement for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(₹ in Crore)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax from Continuing Operations	(232)	(201)
Profit/ (Loss) before tax from Discontinued Operations	(6,540)	(5,652)
Adjusted for:		
Provision for Doubtful Debts, Loans and Advances	2	29
Depreciation/Impairment and Amortisation	152	156
Effect of Changes in Foreign Exchange Rate (net)	55	(43)
Finance Costs	822	769
Share of (Profit)/ Loss on investment in associates	-	1
Advance written off / (write back) of old Liabilities	-	(8)
Interest Income	(11)	(60)
Operating Profit / (Loss) before Working Capital Changes	1,020	844
Adjusted for:	(5,752)	(5,009)
Receivables, Advances and Other Assets	164	64
Inventories	27	3
Trade Payables and Other Liabilities	5,710	5,039
Cash Generated from Operations	5,901	5,106
Income Tax Refund	42	312
Income Tax Paid	(72)	(81)
Net Cash generated from / (Used in) Operating Activities	119	328
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible under Development	(35)	(9)
Investment in Bank deposits (having original maturity for more than 3 months)	(273)	(4)
Interest Income	10	7
Net Cash generated from / (Used in) Investing Activities	(298)	(6)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from / (Repayment) of Short term Borrowings (net)	(5)	(7)
Finance Cost	(46)	(48)
Net Cash generated from / (used in) Financing Activities	(51)	(55)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(230)	267
Opening Balance of Cash and Cash Equivalents	709	442
Closing Balance of Cash and Cash Equivalents	479	709

Particulars	April 1, 2021	Cashflow net	Foreign Exchange Movement	Net impact of Consolidation/ Deconsolidation	March 31, 2022
Borrowings (Refer Note 2.19 and 2.22)	45,577	(5)	-	-	45,572
	April 1, 2020	Cashflow net	Foreign Exchange Movement	Net impact of Consolidation/ Deconsolidation	March 31, 2021
Borrowings (Refer Note 2.19 and 2.22)	45,584	(7)	-	-	45,577

Note:

- (a) Cash and Cash Equivalents includes cash on hand, cheques on hand, remittances- in-transit and bank balance including Fixed Deposits with Banks.
 (b) Cashflow Statement has been prepared under the indirect method set out in Indian Accounting Standard 7 "Statement of Cashflows"
 (c) Cash and Cash Equivalents is net of Bank overdraft as required under Ind AS 7
 (d) Breakup of Cash and Cash Equivalents

	As at	As at
	March 31, 2022	March 31, 2021
(i) Cash and Cash Equivalents (Refer Note 2.11)	479	709
(ii) Less: Bank overdraft	-	-
(iii) Cash and Cash Equivalents (net) as per Ind AS 7	<u>479</u>	<u>709</u>

As per our report of even date
 For **Pathak H.D. & Associates LLP**
 Chartered Accountants
 Firm Reg. No.: 107783W/W100593

Jigar T. Shah
 Partner
 Membership No. 161851

Place : Mumbai
 Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional
 Executive Director and Chief Financial Officer
 Company Secretary

Anish Niranjan Nanavaty
Vishwanath Devaraja Rao
 (DIN: 08607657)

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Reliance Communications Limited

Significant Accounting Policies to the Consolidated Financial Statements

1 General Information and Significant Accounting Policies

1.1 General Information

Reliance Communications Limited ("RCOM" or "the Company" or "Corporate Debtor"), is registered under the Companies Act, 1956, having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 and its securities are listed on the BSE Limited and the National Stock Exchange of India Limited.

RCOM has established pan India, next generation, digital network that is capable of supporting the best of class services spanning the entire communications value chain. RCOM and its subsidiaries own and operate the world's largest next generation IP enabled connectivity infrastructure, comprising of fibre optic cable systems in India and globally.

Corporate Insolvency Resolution Process ("CIR Process") has been initiated in case of the Company and four of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stands vested with the Interim Resolution Professional ("IRP") appointed by the NCLT. Further, the management of affairs of three subsidiaries and powers of board of directors of three subsidiaries stands vested with the Interim Resolution Professional ("IRP") appointed by the NCLT and in case of one subsidiary with the Monitoring Committee.

1.2 Principles of Consolidation

The Consolidated Financial Statements relate to the Company, all of its subsidiary companies and associates (hereinafter collectively referred to as "the Group"). The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in associates and the joint venture are accounted for using the equity method. The financial statements of entities are included in the consolidated financial statements from the date on which control commences and until the date on which control ceases. The Consolidated Financial Statements have been prepared on the following bases.

- (a) The financial statements of the Company and its subsidiaries are consolidated by combining like items of assets, liabilities, incomes and expenses and cash flows after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or loss in accordance with the Indian Accounting Standard ("Ind AS") 110 "Consolidated Financial Statements" as referred to in the Indian Accounting Standards Rules, 2015 and as amended from time to time.
- (b) Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of investment or on the date of the financial statements immediately preceding the date of investment in subsidiaries are recognised as Goodwill or Capital Reserve, as the case may be. Investment in associates and joint ventures are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity accounted investees, until the date on which significant influence or joint control ceases. When the Group's share of loss in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.
- (c) Changes in ownership interests for transactions with non controlling interests that do not result in loss of control are treated as the transactions with the equity owners of the Group. For purchases from non controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset.
- (d) Share of Non Controlling Interest in net profit or loss of consolidated subsidiaries for the year is identified and adjusted against income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company.
- (e) Share of Non Controlling Interest in net assets of consolidated subsidiaries is identified and presented in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet respectively as a separate item from liabilities and the Shareholders' Equity.
- (f) The Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as far as possible, as the standalone financial statements of the Company.

1.3 Other Significant Accounting Policies

(a) Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared under historical cost convention/ fair valuation under the Scheme approved by the Hon'ble High Court, in accordance with the generally accepted accounting principles (GAAP) in India and

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in compliance with the Ind AS specified under Section 133 of the Companies Act, 2013 ("the Act") except matter specified in note 2.15, 2.35, 2.40 and 2.52, read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

(b) Functional Currency and Presentation Currency

These consolidated financial statements are presented in Indian Rupees ("Rupees" or "₹") which is functional currency of the Group. All amounts are rounded off to the nearest crore, unless stated otherwise.

(c) Use of Estimates

The preparation and presentation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The Management also needs to exercise judgement in applying the accounting policies. This note provides an overview of the areas that involved a higher degree of judgments or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

(d) Property, Plant and Equipment

(i) Property, Plant and Equipment (PPE) are stated at cost net of Modvat/ Cenvat / GST less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate.

(iii) As per Para 46A of Accounting Standard (AS) 11, 'The Effects of Changes in Foreign Exchange Rates', related to acquisition of depreciable capital assets pursuant to the notifications dated December 29, 2011 and August 9, 2012 issued by Ministry of Corporate Affairs (MCA), under the Companies (Accounting Standards) (Second Amendment) Rules 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets is capitalised and subsequently, on adoption of Indian Accounting Standard also, the same is allowed for the transactions recorded upto March 31, 2016.

(iv) Depreciation is provided on Straight Line Method based on the useful life prescribed in Schedule II to the Act except in case of the following assets where useful life is different than those that prescribed in Schedule II, based on technical evaluation.

- (1) Telecom Electronic Equipments - 20 years
- (2) Telecom Towers - 35 years
- (3) Ducts and OFC - 35 years
- (4) Batteries - 9 years
- (5) Furniture, Fixtures and Office Equipments - 5, 10 years
- (6) Customer Premises Equipments (CPE) - 3 to 5 years (where assets are installed on customer's premises)
- (7) Vehicles - 5 years
- (8) Leasehold improvements - Shorter of the remaining lease term or useful life

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- (v) Expenditure of capital nature incurred on assets taken on operating lease is depreciated over the remaining period of the lease term.
- (vi) Leasehold Land with lease term of more than 50 years is classified as finance lease and depreciated over the period of the lease term.
- (vii) Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Consolidated Statement of profit or loss.
- (viii) CPE's are treated as part of PPE, as the associated risk and rewards remain with the Group.
- (ix) Depreciation on all the assets capitalised pursuant to para 46A of AS 11 is provided over the remaining useful life of the depreciable capital asset.
- (x) Depreciation on additions is calculated pro rata basis from the following month of addition.
- (xi) Expenses incurred relating to project, prior to commencement of commercial operations, are considered as project development expenditure and shown under Capital Work in Progress.

(e) Intangible Assets other than Goodwill

- (i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.
- (ii) Telecom Licenses are stated at cost as applicable less accumulated amortisation and impairment, if any.
- (iii) Indefeasible Right of Connectivity (IRC) are stated at cost less accumulated amortisation.
- (iv) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
- (v) Intangible assets, namely entry fees/ fees for Telecom Licenses and Brand Licenses are amortised on the basis of Straight Line Method, over the balance period of Licenses. IRC and Software are amortized from the date of acquisition or commencement of commercial services, whichever is later.
- (vi) There is no intangible asset assessed with indefinite useful life.

The life of amortisation of the intangible assets are as follows.

- (1) Telecom Licenses - 12.50 to 20 years
 - (2) Brand License - 10 years
 - (3) Indefeasible Right of Connectivity - In the year of purchase or, 15/ 20 years, as the case may be.
 - (4) Software - 5 years
 - (5) Trade Names and Trademarks - 5 to 10 years
 - (6) Intellectual Property - 7 years
 - (7) Building Access Rights - 5 years
- (vii) Amortisation methods, useful lives and residual values are reviewed periodically at each reporting date.
 - (viii) Any gain or loss on disposal of an item of intangible assets is recognised in consolidated statement of profit and loss.

(f) Lease

i) Operating lease:

As a Lessee:

Where the lessor effectively retains substantially all risks and benefits of ownership of the leased assets, they are classified as operating lease. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

As a Lessor:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase; such increases are recognised in the year in which such benefits accrue. Assets given on operating lease are included in PPE/ Intangible Assets. Costs, including depreciation/ amortisation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

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ii) Finance lease:

As a Lessee:

Assets held under finance leases are initially recognised as assets at the commencement of the lease at their fair value or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Such assets are depreciated/ amortised over the period of lease or estimated useful life of the assets whichever is less.

As a Lessor:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(g) Non current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as the assets held for sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and/ or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

A disposal group qualifies as discontinued operations if it is a component of the Group that either has been disposed off or is classified as held for sale, and; represents a separate a major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Non-current assets are not depreciated or amortised while they are classified as held for sale.

When the group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described are met, regardless of whether the group will retain a non controlling interest in its former subsidiary after the sale.

Loss is recognised for any initial or subsequent write down of such non current assets (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset (or disposal group) but not in excess of any cumulative loss previously recognised.

If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a Subsidiary acquired exclusively with a view to resale. The results of discontinued operations or presented separately in the Consolidated Statement of Profit and Loss.

(h) Impairment of Non Financial Assets

Goodwill and intangible assets that have indefinite useful life are tested annually for impairment or more frequently, if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. Impairment loss recognised in prior accounting period is increased/ reversed (for the assets other than Goodwill) where there is change in the estimate of recoverable value. Recoverable value is higher of net selling price and value in use.

(i) Inventories of Stores, Spares and Communication Devices

Inventories of stores, spares and communication devices are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realisable value, whichever is less. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

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(j) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absence such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized as an expense during the period.

Long term employee benefits

(i) Defined contribution plan

The Group's contribution towards employees' Superannuation Plan is recognized as an expense during the period in which it accrues.

(ii) Defined benefit plans

Provident Fund

Provident Fund contributions are made to a Trust administered by the Trustees or other recognised fund. Interest payable to the Provident Fund members, shall not be at a rate lower than the statutory rate. Liability is recognized for any shortfall in the Income of the fund vis-à-vis liability of the interest as per statutory rates to the members. The Group's contribution towards employees' Provident fund is recognized as an expense during the period in which it accrues.

Gratuity Plan

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

Present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

Obligation is measured at present value of the estimated future cash flows. Discount rates used for determining present value of obligation under the defined benefit plan, are based on market yield of Government Securities as at the balance sheet date that have terms approximating to the terms of the related obligation.

Remeasurements which comprise of actuarial gain and losses, the return of plan assets (excluding interest) and the effect of assets ceiling (if any, excluding interest) are recognised in Other Comprehensive Income.

Plan Assets of Defined Benefit Plans have been measured at fair value.

(iii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. Discount rates used for determining present value of the obligation under the defined benefit plan, are based on the market yield on Government Securities as at the balance sheet date. Remeasurements gains or losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(k) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(l) Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- (iii) Non monetary foreign currency items are carried at cost (i.e. translated using the exchange rates at the time of initial transactions).
- (iv) Exchange difference on monetary items is recognised in the Consolidated Statement of Profit and Loss in the period in which it arises except for:
 - (a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
 - (b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

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- (v) All long term foreign currency monetary items consisting of loans taken before March 31, 2016 and which relate to the acquisition of depreciable capital assets at the end of the period/ year are restated at the rate prevailing at the balance sheet date. Exchange difference including attributable to the interest arising as a result is added to or deducted from cost of the assets as per notification dated December 29, 2011 and August 9, 2012 issued by the Ministry of Company Affairs (MCA), Government of India and depreciated over the balance life of the capital asset. Exchange difference on other long term foreign currency loans is accumulated in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" which will be amortized over the balance period of monetary assets or liabilities.
- (vi) Accounting of transactions that include the receipt or payment of advance consideration in a foreign currency the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the nonmonetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.
- (vii) The results and financial position of foreign operations with functional currency different from the presentation currency, are translated into the presentation currency as follows:
 - (a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
 - (b) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
 - (c) all resulting exchange differences are recognised in other comprehensive income.
- (viii) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into rupee, the functional currency of the Group, at the exchange rates at the reporting date. Exchange difference arising are recognised in other comprehensive income and accumulated in equity, except to the extent that the exchange differences is allocated to the non controlling interests.

(m) Revenue Recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.
- (ii) Revenue is recognised as and when services are provided on the basis of actual usage of the Group's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods are recognised over the estimated useful life of the subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.
- (iii) The Group sells Right of Use (ROUs) that provide to the customers with network capacity/ passive infrastructure, typically over a period of 5 to 20 years without transferring legal title or giving an option to purchase the network capacity/ passive infrastructure. Capacity services revenues are accounted as operating lease and recognised in the Group's income statement over the life of the contract. Bills raised on the customers/ payments received from the customers for long term contracts and for which revenue is not recognised are included in deferred revenue. Revenue on non cancellable ROUs are also recognised as licencing income over the period of contract. Revenue on non cancellable contracts for right to use of specified fibre pairs/ ducts for a period of 15 to 20 years or economic useful life is recognized as revenue on delivery of such assets to the customers. In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met: (1) the deliverable has value to the customer on a standalone basis and (2) there is evidence of the fair value of the item. The arrangement considered is allocated to each separate unit of accounting based on its relative fair value.
- (iv) Standby maintenance charges are invoiced separately from capacity sales. Revenue relating to standby maintenance is recognised over the period in which service is provided. Any amount billed prior to providing of service is included in deferred revenue. Revenue from other service is recognized as and when service is rendered.
- (v) Network services include capacity lease services, IP transit, IPLC (private lines leased to customers), backup service for other network operators and all other services. The customer typically pays charges for network services periodically over the life of the contract, which may be up to three years. Network revenue is recognised in the Group's Consolidated Statement of Profit and Loss over the term of the contract.
- (vi) Sale of handsets and accessories are recognised when goods are supplied and are recorded net of trade discounts, rebates, commissions to distributors and dealers and sales taxes. It does not include inter company transfers.
- (vii) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition. Dividend is considered when right

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to receive is established. The Group recognises income from units in the Fixed Income Schemes of Mutual Funds, where income accrued is held till declaration or payment thereof for the benefit of the unit holders.

- (viii) Revenue is recognised net of taxes when the Base Transceiver Station (BTS) Tower is Ready For Installation of customer equipments and as per the terms of the agreements.
- (ix) Revenue from Contracts with Customers

The Group has applied the practical expedient of Ind AS 115 "Revenue from Contracts with Customers" w.e.f. April 1, 2018, using the cumulative effect method and therefore comparative information has not been restated and continues to be reported under Ind AS 18. Revenue is recognised when control over goods or services is transferred to a customer. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

The Group determines whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it is required to determine whether control is transferred over time. If not, only then revenue be recognised at a point in time, or else over time. The Group also determines if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration gets allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.

The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense/gain.

(n) Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Group will pay normal income tax during the specified period.

(o) Government Grants

Subsidies granted by the Government for providing telecom services in rural areas are recognised as other operating income in accordance with relevant terms and conditions of the applicable scheme and agreement.

(p) Provisions including Asset Retirement Obligation (ARO) and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined by discounting expected future cashflows at the pre tax rate that reflects current market assumptions of time value of money and risk specific to the liability. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Asset Retirement Obligation (ARO) relates to the removal of telecom towers, sub marine cable systems and equipments when they will be retired from its active use. Provision is recognised based on the best estimate, of the management, of the eventual costs (net of recovery), using discounted cash flow, that relates to such obligation and is adjusted to the cost of such assets. Estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

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(q) Earning per Share

In determining Earning per Share, the Group considers net profit / (loss) after tax attributable to equity shareholder and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

(r) Employee Stock Option Scheme

In respect of stock options granted pursuant to the Group's Employee Stock Options Scheme, fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period. Employee compensation cost recognised earlier on grant of options is reversed in the period when the options are surrendered by any employee or lapsed as per the terms of the scheme.

(s) Treasury Shares

The Group has created an Employee Stock Option Scheme Trust (ESOS Trust) for providing share-based payment to its employees. The Group uses ESOS Trust as a vehicle for distributing shares to the employees under the employee remuneration schemes. The ESOS Trust buys shares of the Company from the market, for giving shares to the employees. The Group treats ESOS Trust as its extension and the shares held by ESOS Trust are treated as treasury equity.

Own equity instruments that are reacquired (treasury equity) are recognised at cost and deducted from equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss, on purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between carrying amount and consideration, if reissued, is recognised in equity.

(t) Measurement of Fair value of financial instruments

The Group's accounting policies and disclosures require measurement of fair values for the financial instruments. The Group has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet requirements of Ind AS, including level in fair value hierarchy in which such valuations should be classified. When measuring fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred. (Refer to note 2.41.1) for disclosures pertaining to the measurement of fair values).

(u) Financial Instruments

A financial instrument is any contract that gives rise to the financial asset of one entity and the financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

Financial Assets

i Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Consolidated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

ii Subsequent measurement

Subsequent measurement of the debt instruments depends on the Group's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

Financial Assets measured at amortised cost:

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

Significant Accounting Policies to the Consolidated Financial Statements

- b) Contractual terms of the asset give rise to cash flows, on specified dates, that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. Losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and
- b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

Financial Assets measured at fair value through profit or loss (FVTPL):

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if, doing so reduces or eliminates measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments :

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Group decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. Also, the Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: (I) Rights to receive cash flows from the asset have expired, or (II) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. Impairment methodology applied depends on whether there has been a significant increase in the credit risk. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Significant Accounting Policies to the Consolidated Financial Statements

Financial liabilities at Fair Value through Profit or Loss: Financial liabilities at Fair Value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit or Loss.

Financial liabilities measured at amortised cost: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gains or losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

(v) Business Combinations and Goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their acquisition date fair values. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value, resulting gain or loss is recognised in Consolidated Statement of Profit and Loss or Other Comprehensive Income, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of net assets acquired is in excess of the aggregate consideration the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amount payable in the future is discounted to its present value as at the date of exchange. Contingent consideration is classified either as equity or a financial liability. Amount classified as a financial liability is subsequently remeasured to fair value with change in fair value recognised in Consolidated Statement in Profit and Loss.

Business Combinations that occurred before April 1, 2008, are not restated retrospectively in accordance with Ind AS 103 "Business Combinations". Carrying amounts of assets acquired and liabilities assumed as part of past business combinations as well as the amounts of goodwill that arose from such transactions as they were determined under the previous GAAP are considered as their deemed cost under Ind AS as at the date of transition. In respect of business combinations that occurred prior to April 1, 2008, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

(w) Critical estimates and judgements

The Group has based assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgements pertain to current tax expense and tax payable (Note 2.06), fair value of unlisted securities (Note 2.04), goodwill impairment (Note 2.02), estimated useful life of property, plant and equipment including intangible assets (Note 2.01 and 2.03), measurement of defined benefit obligation (Note 2.47), provision for asset retirement obligation (Note 2.21 and Note 2.26), recognition of deferred tax assets for carried forward tax losses (Note 2.06), impairment of trade receivables and other financial assets (Note 2.05, 2.10, 2.13 and 2.35) assets held for sale (Note 2.15), liabilities held for sale (Note 2.15). Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

- (i) Useful life of Property, Plant and Equipment including intangible assets: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Significant Accounting Policies to the Consolidated Financial Statements

- (ii) Taxes : The Group provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilized.
- (iii) Fair value measurement and valuation process: The Group measured financial assets and liabilities if any, at fair value for financial reporting purposes.
- (iv) Trade receivables and other financial assets: The Group follows a 'simplified approach' (i.e. based on lifetime Expected Credit Loss (ECL)) for recognition of impairment of loss allowance on Trade receivables (including lease receivables). For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amount based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectable.
- (v) Defined benefit plans (gratuity benefits) : The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining appropriate discount rate, the management considers interest rates of government bonds in currencies, consistent with the currencies of the postemployment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates.
- (vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.
- (vii) Determination of net realisable value for Assets held for Sale and related liabilities.
- (viii) Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.
- (ix) The Group has provided liability against License & Spectrum Fee dues along with interest and penalty, for the demands raised by DoT considering Non-Telecom income till FY 2014-15 and for the balance years, for which demand have not been raised by DoT, the group has computed estimated liability on Non-Telecom revenue from FY 2015-16 onwards along with interest and penalty thereof.

(x) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022 effective from 1st April, 2022, has made amendments to the following Ind AS applicable to the Group:

- (i) Ind AS 103 – Business Combination
- (ii) Ind AS 109 – Financial Instrument
- (iii) Ind AS 16 – Property, Plant and Equipment
- (iv) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Amendments to these Ind AS, are not expected to have any significant impact on the consolidated financial statements.

Notes on Accounts to the Consolidated Financial Statements

**Note 2.01
Property, Plant and Equipment**

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital Work in Progress
(₹ in crore)									
Gross carrying value									
As at April 1, 2020	231	99	1,727	19,153	55	86	56	21,407	193
Additions	-	-	-	11	-	-	-	11	14
(Deductions)/ Adjustment including Currency Translation	-	-	(2)	(9)	-	-	-	(11)	(11)
As at March 31, 2021	231	99	1,725	19,155	55	86	56	21,407	196
Additions	-	-	-	40	-	-	-	40	2
(Deductions)/ Adjustment including Currency Translation	-	(1)	2	6	-	-	-	7	(40)
As at March 31, 2022	231	98	1,727	19,201	55	86	56	21,454	158
Accumulated Depreciation									
As at April 1, 2020	1	-	1,157	17,837	55	82	53	19,185	
Depreciation for the year	-	-	13	136	-	-	-	149	
(Deductions)/ Adjustment including Currency Translation	-	-	(1)	(4)	-	-	-	(5)	
As at March 31, 2021	1	-	1,169	17,969	55	82	53	19,329	
Depreciation for the year	-	-	13	136	-	-	-	149	
(Deductions)/ Adjustment including Currency Translation	-	-	1	4	-	-	-	5	
As at March 31, 2022	1	-	1,183	18,109	55	82	53	19,483	
Net Carrying Value									
As at March 31, 2021	230	99	556	1,186	-	4	3	2,078	
As at March 31, 2022	230	98	544	1,092	-	4	3	1,971	

Notes:

- 2.01.1 Freehold Land includes ₹ 1 crore (Previous year ₹ 1 crore) towards land acquired, the transfer of ownership is under process.
- 2.01.2 Building includes ₹ 250 (Previous year ₹ 250) towards cost of Shares in Co-operative Society (held by Reliance Telecom Limited).
- 2.01.3 Capital Work in Progress includes ₹ 8 crore (Previous year ₹ 8 crore) on account of materials at site.
- 2.01.4 Transfer of title of certain land and buildings received from Reliance Industries Limited pursuant to the Schemes of Arrangements is under process.
- 2.01.5 Refer Note 2.22.1 for security in favour of the Lenders. Non fund based outstanding of ₹ 1,361 crore availed by the Company, ₹ 246 crore availed by RTL and ₹ 4 crore by RCIL have been secured by second pari passu charge on movable Fixed Assets of the Borrower Group.
- 2.01.6 Above notes to be read with Note 2.15 "Assets Held for Sale".
- 2.01.7 On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Group will carry out a comprehensive impairment review of its tangible assets.
- 2.01.8 There is no Revaluation of Property, Plant and Equipments during the current and previous year.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note 2.02

Goodwill

Goodwill is recognised on consolidation of financial statements of subsidiaries financial as details given herein:

	As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Goodwill on Consolidation	<u>1,473</u>	<u>1,470</u>	<u>3</u>	<u>(2)</u>

(₹ in crore)

There is an increase in Goodwill on consolidation mainly on account of changes in foreign exchange currency fluctuation. On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Group will carry out a comprehensive impairment review of its Goodwill. (Refer Note 2.35)

Note 2.03

Other Intangible Assets

Particulars	Telecom Licences	Indefeasible Right of Connectivity	Software	Brand License	Licence and Knowhow	Total
Gross carrying value						
As at April 1, 2020	243	519	162	169	1	1,094
Additions	-	-	-	-	-	-
Deductions/ Adjustment including Currency Translation	-	-	(4)	-	-	(4)
As at March 31, 2021	243	519	158	169	1	1,090
Additions	-	-	-	-	-	-
Deductions/ Adjustment including Currency Translation	-	10	6	-	-	16
As at March 31, 2022	<u>243</u>	<u>529</u>	<u>164</u>	<u>169</u>	<u>1</u>	<u>1,106</u>
Accumulated amortisation						
As at April 1, 2020	240	505	161	169	-	1,075
Amortisation for the year	1	6	-	-	-	7
Deductions/ Adjustment including Currency Translation	-	(1)	(4)	-	-	(5)
As at March 31, 2021	241	510	157	169	-	1,077
Amortisation for the year	2	2	-	-	-	4
Deductions/ Adjustment including Currency Translation	-	10	6	-	-	16
As at March 31, 2022	<u>243</u>	<u>522</u>	<u>163</u>	<u>169</u>	<u>-</u>	<u>1,097</u>
Net Carrying Value						
As at March 31, 2021	2	9	1	-	1	13
As at March 31, 2022	<u>-</u>	<u>7</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>9</u>

(₹ in crore)

2.03.1 During the earlier years, the Company and Reliance Telecom Limited (RTL) a subsidiary of the Group, successfully bid under auction conducted for spectrum by Department of Telecommunications (DoT) and won spectrum in 17 service areas at a total cost of ₹ 4,519 crore. The Company had made upfront payment of ₹ 1,190 crore under deferred payment option and balance was payable in 10 annual installments for Mumbai and Jammu and Kashmir Circle and 16 annual installments for other Circles.

The Company and RTL had defaulted the payment of Installment of ₹ 493 crore each which was due on April 9, 2019, April 9, 2020 and April 9, 2021 with the delay of 1,088 days, 723 days and 357 days respectively and ₹ 6 crore which is due on October 20, 2019, October 20, 2020 and October 20, 2021 with the delay of 894 days, 528 days and 163 days respectively. Further, an installment of ₹ 22 crore due on March 03, 2019, March 3, 2020, March 3, 2021 and March 3, 2022 is defaulted by 1,125 days, 759 days, 394 days and 29 days respectively as at March 31, 2022. Apart from above, balance installments not due as at March 31, 2022 is aggregating to ₹ 6,041 crore including interest @10% per annum. An Installment of ₹ 297 crore, due on April 9, 2022 is yet to be paid.

During an earlier year, the Company acquired Spectrum of ₹ 4,513 crore under Scheme of Demerger along with corresponding Deferred Payment Liability of ₹ 2,013 crore. (Refer Note No. 2.37.1 (viii)). Above was payable in annual installments of ₹ 281 crore each.

The Company has defaulted an installment of ₹ 281 crore on March 26, 2019, March 26, 2020, March 26, 2021 and March 26, 2022 with a delay of 1,102 days, 737 days, 371 days and 6 days respectively. Apart from above, balance installments not due as at March 31, 2022 is aggregating to ₹ 2,534 crore including interest @10% per annum.

Department of Telecommunications issued show cause notice to the Company and RTL for revocation/ termination of spectrum due to non-payment 3rd installment due on March 03, 2019 for 0.6 MHz Spectrum acquired in 1800 MHz band in Mumbai, which was stayed by the Hon'ble NCLAT. The said order of stay of NCLAT stood merged with its final order dated 30.04.2019 as a result of which RCOM's CIRP got recommenced at NCLT Mumbai and order of Moratorium got restored. Further, in the matter of One Time Spectrum Charges, TDSAT's order dated 04.02.2019 *inter alia* directing for the return of Bank Guarantee of ₹ 2000 crore, has been stayed by Hon'ble Supreme court on 19.08.2019 in an appeal filed by Union of India.

2.03.2 Refer Note 2.22.1 for security in favour of the Lenders.

2.03.3 Above notes to be read with Note 2.15 "Asset held for Sale".

2.03.4 There is no Revaluation of Other Intangible Assets during the current and previous year.

Notes on Accounts to the Consolidated Financial Statements

Particulars	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note 2.04		
Investment in Associates and Others		
a) Investment in Associates (Valued as per Equity Method)		
Equity Shares		
Unquoted, fully paid up		
6,50,25,000 Warf Telecom International Private Limited of MRf 1 each (6,50,25,000)	22	22
Add/ Less : Share Profit / (Loss) in Loss of Associates	8	8
	30	30
13 000 Mumbai Metro Transport Private Limited of ₹ 10 each (13 000) ₹ 1,30,000 (₹ 1,30,000)	-	-
b) Investment in Equity Shares of Other Companies (Fair valued through other Comprehensive Income)		
Quoted, fully paid up		
39,342 Groupon Inc.-Class A Common Stock of USD 0.0001 each (39,342)	6	1
595,074 Sequans Communications SA of Euro 0.02 each (595,074)	14	26
	20	27
c) Other Investments (At amortised cost)		
400 Nationwide Communication Private Limited of ₹ 10 each (400) ₹ 4,000 (4,000)	-	-
1,00,00,000 Independent TV Limited (Formerly Reliance Big TV Limited) of (1,00,00,000) ₹ 10 each	10	10
Provision for Diminution in the value Investment	(10)	(10)
12,00,000 Reliance Globalcom Limited, Bermuda Class A Common Shares (12,00,000) of USD 0.01 each	233	233
Provision for Diminution in the value Investment *	(233)	(233)
	50	57
Aggregate book value of investments in Equity Shares in Companies		
Quoted	20	27
Unquoted	273	273
Aggregate market Value of quoted investments		
	20	27
Aggregate value of impairment		
	243	243
Aggregate information for all investments in Associates:		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Summarised Consolidated Statement of Profit and Loss Account		
Share of Profit/ (Loss) (₹ (-) 11,19,901)	-	(1)
Share of Other Comprehensive Income	-	(1)
Total	-	(2)
Amount in ₹		
Unrecognised share in Loss of Associate		
Unrecognised Share in Loss of Associates for the year	51,877	60,905
₹ in crore		
Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of interest in these Associates	30	30
Amount in ₹		
Aggregate of unrecognised share in Loss of Associates	528,313	476,436
Aggregate value of Impairment	Nil	Nil

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note 2.05

Other Financial Assets (Unsecured, Considered good/ unless stated otherwise)

Particulars	As at		(₹ in crore)	
	March 31, 2022	March 31, 2021	As at	March 31, 2021
Bank Deposits with Maturity for more than 12 months	1	2		
	<u>1</u>	<u>2</u>		

Note 2.06

Deferred Tax Assets/ Liabilities

2.06 (a) Deferred Tax Assets

The Deferred Tax Assets of the Company and its subsidiaries comprise of the following.

Particulars	As at		For the year ended		(₹ in crore)
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
(i) Deferred Tax Assets					
Related to carried forward loss	12,155	10,907	1,248	1,460	
MAT Credit Entitlement	5	35	(30)	(2)	
Disallowances, under the Income Tax Act, 1961	1,634	1,633	1	12	
Provision for Liabilities on account of License & Spectrum Fees	12,914	11,204	1,710	1,482	
Deferred tax on fair valuation of investment	2,088	2,088	-	-	
Related to temporary difference on depreciation/ amortisation	34	152	(118)	(124)	
	<u>28,830</u>	<u>26,019</u>	<u>2,811</u>	<u>2,828</u>	
(ii) Deferred Tax Liabilities					
Related to temporary difference on depreciation/ amortisation and indexed Cost	2,734	1,958	776	831	
Deferred tax on fair valuation of investment	-	-	-	-	
Net Deferred Tax Assets (I)	<u>26,096</u>	<u>24,061</u>	<u>2,035</u>	<u>1,997</u>	
Restricted to	<u>20</u>	<u>10</u>	<u>(10)</u>	<u>(2)</u>	

2.06 (b) Deferred Tax Liabilities

(i) Deferred Tax Liabilities

Related to timing difference on depreciation on fixed assets	2,248	2,036	212	248
Related to Temporary difference on other items	736	814	(77)	(25)
Total	<u>2,984</u>	<u>2,850</u>	<u>135</u>	<u>223</u>

(ii) Deferred Tax Assets

MAT Credit Entitlement	11	7	4	-
Related to carried forward loss			-	(19)
Relating to unabsorbed Depreciation	1,683	1,420	263	247
Related to other disallowances	230	230	-	59
Total	<u>1,924</u>	<u>1,657</u>	<u>267</u>	<u>287</u>

(iii) Impact of Consolidation of Subsidiaries

(Refer Note 2.43.1)			-	-
Net Deferred Tax Liabilities (II)	<u>1,060</u>	<u>1,193</u>	<u>(132)</u>	<u>(64)</u>
Deferred Tax Charge/ (Credit) (II - I)			<u>(142)</u>	<u>(66)</u>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes on Accounts to the Consolidated Financial Statements

Deferred Tax Assets are not provided on undistributed earnings of ₹ 1,195 crore as at March 31, 2022 (Previous year ₹ 1,195 crore), of the subsidiaries, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. Generally, the Company indefinitely reinvests all the accumulated undistributed earnings of subsidiaries and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of such entities. It is impracticable to determine the taxes payable when these earnings are remitted.

Significant management judgement has been considered in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. Recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Deferred Tax Assets have not been recognised in respect of losses of certain subsidiaries due to non existence of reasonable certainty in the near future, Year wise expiry of total Losses of ₹ 35,393 crore are as under:

Sr. Particulars	Amount of Loss (₹ in crore)
(i) Expiring within 1 year	511
(ii) Expiring within 1 to 5 year	9,293
(iii) Expiring within 5 to 8 year	7,437
(iv) Without expiry limit	18,152
	35,393

(a) Amounts recognised in Consolidated Statement of profit and loss

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Current income tax	7	-	7	15	10	25
Deferred income tax liability / (asset), net	<u>(8)</u>	<u>(134)</u>	<u>(142)</u>	<u>(5)</u>	<u>(61)</u>	<u>(66)</u>
Tax expense for the year	(1)	(134)	(135)	10	(51)	(41)

(b) Amounts recognised in other comprehensive income

- -

2.06 (c) Reconciliation of Tax Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/ (Loss) before Tax	(6,772)	(5,853)
Applicable Tax Rate	34.46%	34.46%
Computed Tax Expenses (I)	(2,334)	(2,017)
Add: Items not considered for Tax Computation		
Tax Charges/ (Credit) on account of temporary difference	148	137
Deferred Tax on carried forward losses	204	184
Tax on rate difference on fair valuation of investment and Liability on account of License & Spectrum fee / Tax rate difference on Fair Value of Investment	1,711	1,484
Expenses disallowed for tax purpose	133	161
Deferred tax not recognised for the year (restricted)		
Others	2	9
Subtotal (II)	2,198	1,975
Less: Items not considered for Tax Computation		
Effect of Tax impact in Foreign jurisdiction	-	(1)
Additional Expenses allowed for tax purpose	(1)	-
Subtotal (III)	(1)	(1)
Income Tax Expenses charge/ (credit) to Consolidated Statement of Profit and Loss (I + II - III)	(135)	(41)

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

(₹ in crore)

Note 2.07

Other Non Current Assets (Unsecured, Considered good – unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances (Refer Note 2.57)	25	25
Deposits	670	659
Other Loans and Advances (Refer Note 2.39(vii))	348	347
	1,043	1,031

Note 2.08

Inventories (valued at lower of cost or net realisable value)

Stores and Spares	2	29
	2	29

Note 2.09 (a)

Investments

a) **Investment in Government Securities** (Fair Valued through Consolidated Statement of Profit and Loss)

Quoted

34,000 6.83% GOI Bonds – 2039 of ₹ 100 each fully paid up (34,000) (₹ 30,52,000) (Previous year ₹ 30,52,000)	-	-
---	---	---

b) **Investment in Government Securities** (At amortised cost)

Unquoted, fully paid up

6 Year National Savings Certificates (lodged with the Sales Tax Department) ₹ 2,49,500 (Previous year ₹ 2,49,500)	-	-
---	---	---

5 1/2 years Kisan Vikas Patra (lodged with Chennai Metropolitan Development Authority) ₹ 5,000 (₹ 5,000)	-	-
--	---	---

Aggregate book value of investments

Quoted (₹ 30,52,000) (Previous year ₹ 30,52,000)	-	-
Unquoted	-	-

Aggregate market value of quoted investments

(₹ 33,42,064) (Previous year ₹ 37,40,000)	-	-
---	---	---

Aggregate value of Impairment

Nil	Nil
-----	-----

Note 2.09 (b)

Loans (Unsecured – unless state otherwise)

Credit Impaired	516	521
Less : Provision for Allowance for Credit Impaired	516	521
	-	-

Notes on Accounts to the Consolidated Financial Statements

(₹ in crore)

Note 2.10

Trade Receivables (Unsecured) (Refer Note 2.35 and 2.46)

Particulars

	As at March 31, 2022	As at March 31, 2021
Considered Good	146	255
Which have significant increase in credit risk	149	193
Credit Impaired	<u>2,368</u>	<u>2,366</u>
	<u>2,663</u>	<u>2,814</u>
Less: Provision for allowance for credit impaired	<u>2,368</u>	<u>2,366</u>
	<u>295</u>	<u>448</u>

2.10.1 Trade Receivables ageing schedule

(₹ in crore)

Sr.	Particulars	Less Than 6 months	6 month to 1 years	1-2 years	2-3 Years	More than 3 years	Total
As at March 31, 2022							
(i)	Undisputed Trade receivables considered good	30	42	20	12	15	119
(ii)	Undisputed Trade receivables which have significant increase in credit risk	18	2	-	7	105	132
(iii)	Undisputed Trade receivables - Credit Impaired	9	14	13	3	509	548
(iv)	Disputed Trade receivables considered good	7	-	9	2	9	27
(v)	Disputed Trade receivables which have significant increase in credit risk	3	-	2	4	8	17
(vi)	Disputed Trade receivables - Credit Impaired	4	4	20	8	1 784	1 820
	Total - A	71	62	64	36	2 430	2 663
	Provision for allowance of credit impaired (B)	(13)	(18)	(33)	(11)	(2 293)	(2 368)
	Total - A + B	<u>58</u>	<u>44</u>	<u>31</u>	<u>25</u>	<u>137</u>	<u>295</u>

As at March 31, 2021

(₹ in crore)

(i)	Undisputed Trade receivables considered good	114	20	16	20	18	188
(ii)	Undisputed Trade receivables which have significant increase in credit risk	5	2	10	26	135	178
(iii)	Undisputed Trade receivables - Credit Impaired	7	17	4	5	416	449
(iv)	Disputed Trade receivables considered good	48	2	3	2	12	67
(v)	Disputed Trade receivables which have significant increase in credit risk	5	1	1	-	8	15
(vi)	Disputed Trade receivables - Credit Impaired	7	17	38	97	1 758	1 917
	Total	186	59	72	150	2 347	2 814
	Provision for allowance of credit impaired (B)	(14)	(34)	(42)	(102)	(2 174)	(2 366)
	Total - A + B	<u>172</u>	<u>25</u>	<u>30</u>	<u>48</u>	<u>173</u>	<u>448</u>

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note 2.11

Cash and Cash Equivalents

Cheques on hand	-	2
Balance with Banks*	454	693
Bank deposits with less than 3 months' maturity	25	14
	<u>479</u>	<u>709</u>

* includes ₹ 18,173 in respect of one bank account (Previous year ₹ 0.24 crore in respect of eight bank accounts) which is subject to confirmation from Bank.

Note 2.12

Bank Balances other than Cash and Cash Equivalents referred in Note 2.11 above

Bank deposits with less than 12 months' maturity (Refer Note 2.59)	390	117
Earmarked Balances - Unpaid Dividend ₹ 11,04,192 (Previous year ₹ 11,09, 642)*	-	-
	<u>390</u>	<u>117</u>

* Transferred ₹ Nil (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)

Note 2.13

Other Financial Assets (Unsecured, Considered good)

Deposits	319	318
Unbilled Revenue	23	61
Interest accrued on Investments	11	6
	<u>353</u>	<u>385</u>

Note 2.14

Other Current Assets (Unsecured)

a) Advances and Receivables (Refer Note 2.35 and 2.46)

Considered good **	3,014	3,091
Credit Impaired	212	212
Less: Allowance for Credit Impaired	212	212
	<u>3,014</u>	<u>3,091</u>

b) Others (Considered good) (Refer Note 2.35)

Deposits *	1,692	1,690
Balance with Customs, Central Excise Authorities etc.	495	493
Others	307	306
	<u>5,508</u>	<u>5,580</u>

* Deposits include ₹ 1565 crore (Previous year ₹ 1565 crore) paid against disputed claims.

** Includes prepaid expenses, service tax, Goods and Service Tax (GST), service tax credits, advances to vendor and other receivables.

Notes on Accounts to the Consolidated Financial Statements

Note 2.15
(a) Assets held for Sale

The assets pertaining to Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) continued to be classified as assets held for sale at the value ascertained at the end of March 31, 2018 and recorded at lower of carrying amount and fair value less selling cost. Refer Note 2.22.1 for security in favour of lender. On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Group will carry out a comprehensive impairment review of its tangible, intangible assets and Assets held for Sale. Details of assets held for sale are as under:

Particulars	Net Block Reclassified from PPE and intangible Assets For the year ended March 31,		Provision for Impairment		Write off		Asset Held for Sale (net)	
	2022	2021	As at March, 31,	As at March, 31,	Additional write off as per Consolidated statement of Profit and Loss	Additional write off as per Consolidated statement of Profit and Loss	2022	2021
	1	2	3	4	5	6	7 = (8+1-6)	8
Tangible								
Lease hold Land	-	-	-	-	-	-	23	23
Freehold Land	-	-	-	-	-	-	362	362
Building	-	-	-	-	-	-	796	796
Plant and Machinery	29	-	-	-	-	-	17,690	17,661
Office Equipment	-	-	-	-	-	-	1	1
Furniture and Fixtures	-	-	-	-	-	-	4	4
Capital work in Progress	-	-	-	-	-	-	274	274
Subtotal	29	-	-	-	-	-	19,150	19,121
Intangible								
Telecom License	-	-	-	-	-	-	15,278	15,278
Software	-	-	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-	922	922
Subtotal	-	-	-	-	-	-	16,200	16,200
Total	29	-	-	-	-	-	35,350	35,321

(b) Assets held for sale including Wireless Spectrum, Towers, Fibre 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 are 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 vide letter dated May 20,2020 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 Company and RTL has not paid the installments.

(c) Liabilities directly related to Assets held for Sale

	As at March 31,	
	2022	2021
Deferred Payment Liabilities	5,340	5,340
Interest Accrued on Deferred Payment Liabilities	3,237	2,497
	8,577	7,837

(d) Above notes to be read with Note 2.01 "Property, Plant and Equipment" and Note 2.03 "Other Intangible Assets".

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Note 2.16		
Share Capital		
Authorised		
5,00,00,00,000 Equity Shares of ₹ 5 each (5,00,00,00,000)	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
Issued, Subscribed and Paid up		
2,76,55,33,050 Equity Shares of ₹ 5 each fully paid up (2,76,55,33,050)	1,383	1,383
	<u>1,383</u>	<u>1,383</u>

(1) Shares held by Holding/ Ultimate Holding Company and/ or their Subsidiaries/ Associates

	No. of Shares	No. of Shares
(a) Reliance Communications Enterprises Private Limited, Subsidiary of Holding Company	10,172	10,172
(b) Reliance Wind Turbine Installators Industries Private Limited, Subsidiary of the Holding Company	84,98,729	84,98,729
(c) Reliance Ornatus Enterprises and Ventures Private Limited, Subsidiary of the the Holding Company	9,20,00,000	9,20,00,000
(d) Reliance Telecom Infrainvest Private Limited, Subsidiary of the Holding Company * upto February 6, 2019.	66,667	66,667

(2) Shareholding Pattern of Promoters and Promoters Group Shares held by promoters at the end of the year

Sr. no	Promoters Name	No. of Shares	% of Total shares	% change during the year
1	Anil D. Ambani	18 59 171	0.07	Nil
2	Jai Anshul A Ambani	100	-	Nil
3	Jai Anmol A Ambani	16 69 759	0.06	Nil
4	Kokila D Ambani	46 65 847	0.17	Nil
5	Tina A Ambani	16 50 832	0.06	Nil

(3) Details of Shareholders holding more than 5% shares in the Company

As on March 31, 2022, none of the shareholders are holding more than 5% share in the Company.

(4) Term/ right attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(5) Reconciliation of shares outstanding at the beginning and at the end of the reporting period,

	As at March 31, 2022		As at March 31, 2021	
	Number	(₹ in crore)	Number	(₹ in crore)
Equity Shares				
At the beginning of the year	2,76,55,33,050	1,383	2,76,55,33,050	1,383
Add: Changes during the year	-	-	-	-
At the end of the year	<u>2,76,55,33,050</u>	<u>1,383</u>	<u>2,76,55,33,050</u>	<u>1,383</u>

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Note 2.17		
Other equity		
Capital Reserve		
(i) As per last Balance Sheet	1,507	1,507
(ii) Deduction during the year	-	-
	<u>1,507</u>	<u>1,507</u>
Debenture Redemption Reserve		
(i) Opening balance	590	590
(ii) Transfer to General Reserve	-	-
	<u>590</u>	<u>590</u>
Securities Premium		
(i) Opening balance	13,894	13,894
(ii) Additions during the year	-	-
	<u>13,894</u>	<u>13,894</u>
General Reserve		
(i) Opening balance	34	34
(ii) Less: Transferred to Consolidated Statement of Profit and Loss	-	-
	<u>34</u>	<u>34</u>
Treasury Reserve		
(i) Opening balance	(391)	(391)
(ii) Additions during the year	-	-
	<u>(391)</u>	<u>(391)</u>
Surplus/ (deficit) in retained earnings		
(i) Opening balance	(71,009)	(65,218)
(ii) Add: Profit/ (loss) for the year from Continued Operations	(231)	(211)
(iii) Add: Profit/ (loss) for the year from Discontinued Operations	(6,389)	(5,580)
	<u>(77,629)</u>	<u>(71,009)</u>
Other Comprehensive Income		
(a) Exchange difference on translation of financial statement of foreign operation		
(i) Opening balance	55	18
(ii) Additions during the year (net)	(39)	37
	<u>16</u>	<u>55</u>
(b) Remeasurement of defined employee benefit and fair valuation of investment and others		
(i) Opening balance	31	27
(ii) Additions during the year (net)	(8)	4
	<u>23</u>	<u>31</u>
	<u>(61,956)</u>	<u>(55,289)</u>

Nature and Purpose of Reserve

Capital Reserve

Capital Reserve represents surplus arising on consolidation of financials of subsidiaries at the time of acquisition. It also includes Equity Share Capital of the Company, which was cancelled pursuant to the Scheme of Demerger of undertaking from Reliance Industries Limited. During the earlier year, Capital Reserve is created under scheme of demerger (Refer Note 2.37.1(viii))

Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits for the respective year as required under the Act then applicable which shall be utilised for the purpose of redemption of Debentures issued by the Company.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Exchange Fluctuation Reserve

Exchange Fluctuation Reserve represents the unrealised gains and losses on account of translation of foreign subsidiaries into the reporting currency.

Securities Premium

Securities premium reserves represents the premium charged to the shareholders at the time of issuance of shares. It also includes ₹ 8,047 created pursuant to Schemes of Amalgamation/ Arrangement of earlier years. The securities premium reserves can be utilised based on the relevant requirements of the Act.

General Reserve

General reserve of ₹ 34 crore (Previous year ₹ 34 crore) represents created out of the retained earnings permitted to be distributed to shareholders as part of dividend.

Treasury Equity

Treasury Equity represents 2,12,79,000 Nos. of Equity Shares held by the ESOS Trust.

Note 2.18

Non Controlling Interest

Information regarding non-controlling interest

Particulars	(₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Accumulated balances of non-controlling interest at the beginning	294	316
Profit/(Loss) added to non-controlling interest	(17)	(21)
Foreign exchange variation and other movements	1	(1)
Accumulated balances of non-controlling interest at the closing	<u>278</u>	<u>294</u>

Financial information of subsidiaries that have material non-controlling interest is provided below :

Name of Subsidiary : Reliance Infratel Limited

NCI Percentage: 9.55%

Country of Incorporation : India

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations

Summarised Consolidated Statement of Profit or Loss

	(₹ in crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Revenue	1,190	1,216
Network Expenses	1,455	1,412
Employee benefits	22	21
Finance Cost	-	-
Depreciation	1	2
Provision for Impairment	-	-
Other expenses	23	32
(Loss) before tax	(311)	(251)
Income tax	(134)	(62)
(Loss) for the year	(177)	(189)
Total comprehensive income	-	-
Attributable to non-controlling interests	<u>(17)</u>	<u>(18)</u>
Dividends paid to non-controlling interests	Nil	Nil

Notes on Accounts to the Consolidated Financial Statements

Summarised Consolidated Balance Sheet

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Non-current liabilities	821	955
Current liabilities	11,729	11,322
Total Liability (i)	12,550	12,277
Property, Plant and Equipment including Capital work in progress	12	13
Non Current Assets	414	344
Current assets including Asset held for sale	14,713	14,686
Total Assets (ii)	15,139	15,043
Total Equity (ii) - (i)	2,589	2,766
Attributable to equity holders of parent	2,342	2,502
Non-controlling interest	247	264

Summarised Consolidated Cash flow Information

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from Operating activities	19	200
B. Cash flow from Investing activities	(164)	-
C. Cash flow from Financing activities	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(145)	200

Particulars

	As at March 31, 2022	(₹ in crore) As at March 31, 2021
Note 2.19		
Borrowings - Non Current		
Unsecured		
Loan from Corporate Body (Refer Note 2.61)	454	463
	<u>454</u>	<u>463</u>

Note 2.20

Other Non Current Liabilities

Income received in Advance	114	129
	<u>114</u>	<u>129</u>

Note 2.21

Provisions

Employee Benefits (Refer Note 2.48)	10	11
	<u>10</u>	<u>11</u>

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Note 2.22		
Borrowings – Current		
Debentures (Secured)		
6.5% Senior Secured Notes	1,955	1,955
Secured		
Foreign Currency Loans	12,532	12,532
Rupee Loans from Banks	4,207	4,207
Rupee Loans from others	646	646
Unsecured		
From Banks		
Rupee Loans from Banks	2,667	2,666
Rupee Loans from others	8,264	8,263
Current Maturities of Long Term Debts		
Secured (Refer Note 2.22.1)		
Debentures		
3,000 (3,000), 11.20 % Redeemable, Non Convertible Debentures of ₹ 1 crore each	3,000	3,000
1,500 (1,500), 11.25 % Redeemable, Non Convertible Debentures of ₹ 10 crore each	750	750
Foreign Currency Loans from Banks	1,641	1,640
Rupee Loans from Banks	6,960	6,960
Rupee Loans from others	1,193	1,193
Unsecured		
Rupee Loans from others	1,303	1,302
	45,118	45,114

2.22.1 Debenture and Term Loans

The Company, on March 2, 2009, allotted, 3,000, 11.20% Secured Redeemable, Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each, aggregating to ₹ 3,000 crore to be redeemed at the end of 10th year from the date of allotment thereof i.e. March 1, 2019 and the same remains outstanding as at March 31, 2022. The Company on February 7, 2012, also allotted, 1,500, 11.25% Secured Redeemable Non Convertible Debentures ("NCDs") of the face value of ₹ 1,00,00,000 each aggregating to ₹ 1,500 crore redeemable in four annual equal installments starting at the end of 4th year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2022. The Company had, on May 6, 2015, issued Senior Secured Notes (SCNs) of USD 300 million, face value of USD 100 per bond, bearing 6.5% p.a. interest, with a maturity of 5 1/2 years. GCX Limited, a subsidiary of the Company had, on August 1, 2014 issued Senior Secured Bonds of USD 350 million, face value of USD 100 per bond, bearing 7% p.a. interest, with a maturity of 5 year against pledge of Shares of material subsidiaries of GCX Limited. (Upto July, 1, 2019) (Refer Note 2.43.1(b) with regards to Secured Bond issued by GCX Limited)

The Company and its subsidiary had been sanctioned Rupee Loans of ₹ 6,750 crore (outstanding as on March 31, 2022 was ₹ 6,074 crore) (Term Loan Facility) under the consortium banking arrangement on the terms and conditions as set out in common loan agreement.

Outstanding NCDs along with 6.5 % SCNs of ₹ 5,705 crore, Foreign Currency Loans of ₹ 14,156 crore and Rupee Loans of ₹ 9,139 crore ("the said Secured Loans") have been secured by first *pari passu charge* on the whole of the movable plant and machinery including (without limitations) tower assets and optic fiber cables, if any (whether attached or otherwise), capital work in progress (pertaining to the movable fixed assets), both present and future including all the rights, title, interests, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group; comprising of the Company and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL), ("the Borrower Group"), in favour of the Security Trustee for the benefit of the NCD/ SCN Holders and the lenders of the said Secured Loans. The said loans also include ₹ 3,583 crore guaranteed by a director and ₹ 2,964 crore guaranteed by the Company. Apart from above Rupee Loan also includes ₹ 398 crore which is secured by first *pari passu charge* on Spectrum, acquired during the earlier year under the scheme of Demerger (Refer Note 2.37.1.(viii)) is pending to be executed. Outstanding Rupee Loans of ₹ 972 crore are secured by second *pari passu charge* on the movable plant and machinery and capital work in progress of the Borrower Group and is guaranteed by a director of the Company, Tower receivables, pledge of equity shares of Globalcom IDC (GIDC) held by Reliance Webstore Limited (RWL). The Company has provided non-disposal undertaking for its share holding in RWL. Charges over Tower receivable is pending to be executed. Further, Rupee loan of ₹ 2,496 crore is secured by Second Charge on movable Fixed Assets of Borrower Group, out of which, charge is pending to be created for ₹ 1072 crore. The Company, for the benefit of the Lenders

Notes on Accounts to the Consolidated Financial Statements

of 6.5% SCN of ₹ 1,955 crore and Foreign Currency Loans of ₹ 11,191 crore, 1,500, 11.25% NCDs aggregating to ₹ 750 crore and Rupee Loans of ₹ 7,403 crore has, apart from the above, also assigned 20 Telecom Licenses for services under Unified Access Services (UAS), National Long Distance (NLD) and International Long Distance (ILD) (collectively referred as "Telecom Licenses") by execution of the Tripartite Agreements with Department of Telecommunications (DoT) and the Security Trustee acting on behalf of the Lenders. Assignment of the Telecom Licences of the Company for Rupee Loan from banks of ₹ 1,000 crore and from others of ₹ 740 crore is pending to be executed. Further, RTL, a subsidiary company, for the benefit of lenders of the Foreign Currency Loans of ₹ 1,341 crore and Rupee Term Loans of ₹ 611 crore have also assigned eight Unified Access Services (UAS) Licences, by execution of Tripartite Agreements with DoT and the Security Trustee acting on behalf of the Lenders. Assignment of Telecom Licenses for the Rupee Term Loans is pending to be executed.

The Company has, for the benefit of the Lenders of 6.5% SCNs, Foreign Currency Loans and Rupee Loans aggregating to ₹ 21,053 crore, apart from the above security, pledged equity shares of RCIL held by the Company and of RTL held by the Company and Reliance Realty Limited (Formerly Reliance Infocomm Infrastructure Limited) by execution of the Share Pledge Agreement with the Share Pledge Security Trustee. Rupee Loans of ₹ 6,074 crore is also secured by pledge of equity shares of RITL held by RCIL, current assets, movable assets including intangible, both present and future of the Borrower Group. During the earlier year, charge over the three immovable assets of the Borrower Group was created. However charge over balance immovables assets except of the Borrower Group and RGBV security for Rupee loan of ₹ 6,074 crore is pending to be executed. RGBV, a subsidiary of the Company has outstanding loan of USD 2 million, availed against pledged of shares of its material subsidiaries.

During the earlier year, lenders have invoked guarantees provided by borrower group for outstanding rupee loan of ₹ 7,046 crore.

During the earlier year, the Company created first ranking exclusive charge (*pari passu* inter se the Lenders) over Designated Account with future rights, title and interest therein, including all of its rights in respect of any amount standing to the credit of the Designated Account and the debt represented by it, in favour of State Bank of India, the Convenor (for the benefit of the Lenders) as continuing security.

Foreign Currency Loans taken by the Company and its Indian Subsidiaries has been stated at exchange rate prevailing as at March 31, 2018.

The Group has not taken any loan during the year. Increase in Borrowings is due to devolvement of Bank Guarantee.

2.2.2.2 Delay/ Default in repayment of Borrowing (Current and Non Current) and Interest

The Group has delayed/ defaulted in the payment of dues to the financial institutions, banks and debenture holders. The lender wise details are as under.

Sr.	Name of Lender	Amount represents rupees in crore and period represents maximum days							
		Borrowings		Interest		Borrowings		Interest	
		Default As on		Default As on		Default As on		Default As on	
		March 31, 2022		March 31, 2022		March 31, 2021		March 31, 2021	
	Amount	Period	Amount	Period	Amount	Period	Amount	Period	
I	Loan From Banks								
	Burlington Loan Management DAC	163	1,573	-	-	163	1,208	-	-
	Shubh Holdings Pte Ltd	2,460	1,860			2,460	1,495		
	Bank of Baroda	1,837	1,851	11	1,827	1,837	1,486	11	1,462
	Bank of India	690	1,828	10	1,827	690	1,463	10	1,462
	Bank of Maharashtra	473	1,780	-	-	473	1,415	-	-
	Canara Bank	673	1,737	-	-	673	1,372	-	-
	Central Bank of India	276	1,828	3	1,827	276	1,463	3	1,462
	China Development Bank* ²	3,099	1,860	155	1,859	3,099	1,495	155	1,494
	Corporation Bank (merged with Union Bank of India)	707	1,850	8	1,827	707	1,485	8	1,462
	Dena Bank (merged with Bank of Baroda)	250	1,515	-	-	250	1,150	-	-
	Deutsche Bank*	530	1,573	1	1,745	530	1,208	1	1,380
	Doha Bank Q.S.C.	326	1,762	6	1,761	326	1,397	6	1,396
	Emirates NBD Bank PJSC	261	1,762	5	1,761	261	1,397	5	1,396
	Export Import Bank of China*	2,649	1,860	54	1,859	2,649	1,495	54	1,494
	HongKong and Shanghai Banking Corporation	261	1,772	4	1,771	261	1,407	4	1,406
	IDBI Bank	1,056	1,841	13	1,827	1,056	1,476	13	1,462
	Indian Overseas Bank	138	1,828	1	1,827	138	1,463	1	1,462
	Industrial and Commercial Bank of China*	1,416	1,860	37	1,859	1,416	1,495	37	1,494

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Amount represents rupees in crore and period represents maximum days

Sr.	Name of Lender	Borrowings		Interest		Borrowings		Interest	
		Default As on		Default As on		Default As on		Default As on	
		March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
		Amount	Period	Amount	Period	Amount	Period	Amount	Period
	Oriental Bank of Commerce (merged with Punjab National Bank)	203	1,828	2	1,827	203	1,463	2	1,462
	Punjab National Bank	811	1,853	-	-	811	1,488	-	-
	Standard Chartered Bank	1,264	1,820	-	-	1,264	1,455	-	-
	Standard Chartered Bank, London ³	18	1,762	7	365	18	1,397	-	-
	State Bank of India	2,828	1,828	23	1,827	2,827	1,463	23	1,462
	Syndicate Bank (merged with Canara Bank)	745	1,851	5	1,827	745	1,486	5	1,462
	SC Lowy Financials (HK) Ltd 1, ²	2,175	1,494	-	-	2,175	1,495	-	-
	SC Lowy Primary Investments Ltd ³	407	1,860	-	-	407	1,495	7	1,396
	UCO Bank	681	1,828	9	1,827	681	1,463	9	1,462
	Union Bank of India	764	1,828	3	1,827	764	1,463	3	1,462
	United Bank of India (merged with Punjab National Bank)	424	1,828	2	1,827	424	1,463	2	1,462
	VTB Capital PLC	407	1,762	7	1,761	407	1,397	7	1,396
	Vijaya Bank	16	1,417	-	-	16	1,052	-	-
	6.5% Senior Secured Notes	1,955				1,955			
II	Debentures								
	Life Insurance Corporation of India	3,750	1,514	-	-	3,750	784	-	-
III	Other Loans								
	Asset Core and Reconstruction Enterprises Limited (ACRE)	492	1,108	-	-	492	1,108	-	-
	Neptune Steel Strips Limited	68	92	-	-	68	92	-	-
	India Infrastructure Finance Corporation Limited	248	914	4	1,843	248	914	4	1,478
	Industrial Finance Corporation of India Limited	200	1,113	4	1,858	200	1,113	4	1,493
	Reliance Capital Limited	1,000	1,111	5	1,841	1,000	1,111	5	1,476
	Deep Industrial Finance Ltd	260	121	-	-	260	121	-	-
	Pearl Housing Finance Ltd	260	121	-	-	260	121	-	-
	Shriyam Auto Fin Ltd	260	121	-	-	260	121	-	-
	Traitrya Construction Finance Ltd.	260	121	-	-	260	121	-	-
	Vishvakarma Equipment Finance Limited	260	121	-	-	260	121	-	-
	Mahimna Mercantile Credits Limited	433	91	-	-	433	91	-	-
	Other Lenders	7,664	Various Dates	68	Various Dates	7,661	Various Dates	68	Various Dates
IV	Total	45,118		447		45,114		447	

2.22.3 * facility recalled

During the earlier year, (1) Shubh Holdings Pte Ltd has assigned loan by ₹ 2,175 crore to SC Lowy Financial (HK) Ltd and ₹ 387 crore to Deutsche Bank, (2) China Development Bank has assigned loan by ₹ 13 crore to Deutsche Bank AG London and (3.) Standard Chartered Bank has assigned the loan by ₹ 407 crore to SC Lowy Primary Investments Ltd.

2.22.4 Since the Company and three of its subsidiaries are under CIR Process and claims have been filed by lenders, the overall obligations and liabilities including obligation for interest on loans shall be determined during the CIRP. The total loan amount has been disclosed in delay/ default during the current year. However, corresponding amounts of the previous year's delay/ default are based on original terms of facility and from the date of recall, where loans have been recalled

2.22.5 Apart from above outstanding of Interest, the Group has not provided Interest Expenses of ₹ 4,995 crore, ₹ 4,362 crore, ₹ 4,748 crore, ₹ 4,389 crore and ₹ 3,609 crore for the year ended March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively which includes interest on NCDs from LIC of ₹ 420 crore, ₹ 421 crore,

Notes on Accounts to the Consolidated Financial Statements

₹ 420 crore, ₹ 420 crore and ₹ 418 crore for the year ended March 31, 2022, March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively. Therefore it has not been disclosed.

- 2.22.6 The Group had been sanctioned working capital limits from banks in earlier years on the basis of security of current assets. As there was no requirement to file quarterly returns, the Group has not filed the same with such banks.

	(₹ in Crore)
Particulars	As at
	March 31, 2022 As at
	March 31, 2021
Note 2.23	
Trade Payables (Refer Note 2.35 and 2.46)	
Due to Micro and Small Enterprises	80 79
Due to Creditors other than Micro and Small Enterprises	4,011 4,027
	<u>4,091</u> <u>4,106</u>

2.23.1 Trade payable ageing schedule

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
(i) MSME	-	12	-	13	55	80
(ii) Other than (i) above	3	122	147	170	3,569	4,011
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than (iii) above	-	-	-	-	-	-
Total	<u>3</u>	<u>134</u>	<u>147</u>	<u>183</u>	<u>3,624</u>	<u>4,091</u>

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2021						
(i) MSME	-	6	18	11	44	79
(ii) Other than (i) above	1	110	173	375	3,368	4,027
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than (iii) above	-	-	-	-	-	-
Total	<u>1</u>	<u>116</u>	<u>191</u>	<u>386</u>	<u>3,412</u>	<u>4,106</u>

2.23.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises.

	(₹ in crore)
	As at
	March 31, 2022 As at
	March 31, 2021
Principal amount due to the enterprises defined under MSMED	83 81
Interest due thereon to the enterprises defined under MSMED	46 35
Amount of Interest paid to the enterprises under Section 16 of MSMED	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	117 128
Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year but without adding the interest specified under MSMED	1 1
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	47 36
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	34 25

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Note 2.24		
Other Financial Liabilities		
Interest accrued but not due	28	28
Interest accrued and due	424	424
Unclaimed Dividend *	-	1
Capital Creditors	391	383
Other Liabilities (Refer Note 2.43.2(a))	43,099	37,272
	<u>43,942</u>	<u>38,108</u>

* Transferred ₹ Nil (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)

Note 2.25

Other Current Liabilities (Unsecured unless stated otherwise)

Advance from Customers	55	56
Other Current Liabilities (Refer Note 2.39)	655	637
Security Deposit	270	268
	<u>980</u>	<u>961</u>

Note 2.26

Provisions

Provision for Employee Benefit

Employee Benefits (Refer Note 2.48)	16	17
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Others

Disputed and Other Claims (Refer Note 2.38)	1,215	1,215
Asset Retirement Obligations	233	233
Wealth Tax	1	1
	<u>1,465</u>	<u>1,466</u>

Note 2.27

Particulars	(₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021

Revenue from Operations

Sale of services	556	760
	<u>556</u>	<u>760</u>

Note 2.28

Other Income

Interest Income on Debt securities at amortised cost	12	10
Miscellaneous Income	16	9
	<u>28</u>	<u>19</u>

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 2.29		
Access Charges, License Fees and Network Expenses		
Access Charges	22	24
License Fees	46	69
Rent, Rates and Taxes	14	31
Network Repairs and Maintenance	71	130
Stores and Spares Consumed	8	4
Power, Fuel and Utilities	118	191
Bandwidth Charges	49	61
Other Network Operating Expenses	38	52
	<u>366</u>	<u>562</u>
Note 2.30		
Employee Benefits Expenses (Refer Note 2.46)		
Salaries (Including Managerial Remuneration)	62	81
Contribution to Provident, Gratuity and Superannuation Fund	3	3
Employee Welfare and Other Amenities	5	7
	<u>70</u>	<u>91</u>
Note 2.31		
Finance Costs		
Interest on financial liabilities measured at amortised cost and Other Financial Cost	47	48
	<u>47</u>	<u>48</u>
Note 2.32		
Sales and General Administration Expenses		
Selling Expenses		
Selling and Marketing	2	2
Provision for Doubtful Debts, Loans and Advances		
	2	16
General Administration Expenses		
Insurance	9	10
Rent, Rates and Taxes	6	6
Repairs and Maintenance		
- Others	8	9
Travelling	-	1
Professional Fees	12	10
Foreign Exchange (Gain) / Loss (net)	49	(38)
AMC Cost	-	1
CIRP Cost	14	15
Hire Charges	28	28
Other General and Administrative Expenses	51	63
	<u>177</u>	105
Payment to Auditors	1	1
	<u>182</u>	<u>124</u>

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note : 2.33

Previous Year

Figures of the previous year have been regrouped and reclassified, wherever required. Amount in consolidated financial statements are presented in Rupees in crore, except as otherwise stated.

Note : 2.34

Consolidation

(a) The following subsidiary companies are included in the Consolidated Financial Statements.

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2022	As at March 31, 2021
1	Reliance WiMax Limited	India	100.00%	100.00%
2	Reliance Bhutan Limited	India	90.45%	90.45%
3	Reliance Webstore Limited	India	100.00%	100.00%
4	Campion Properties Limited	India	100.00%	100.00%
5	Reliance Tech Services Limited	India	100.00%	100.00%
6	Reliance Telecom Limited	India	100.00%	100.00%
7	Reliance Communications Infrastructure Limited	India	100.00%	100.00%
8	Globalcom IDC Limited (Formerly Reliance IDC Limited)	India	100.00%	100.00%
9	Reliance Infratel Limited	India	90.45%	90.45%
10	Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)	India	100.00%	100.00%
11	Reliance BPO Private Limited	India	100.00%	100.00%
12	Reliance Communications Tamilnadu Limited	India	100.00%	100.00%
13	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	India	100.00%	100.00%
14	Internet Exchangenext.com Limited	India	100.00%	100.00%
15	Realsoft Cyber Systems Private Limited	India	100.00%	100.00%
16	Worldtel Tamilnadu Private Limited	India	100.00%	100.00%
17	Towercom Infrastructure Private Limited	India	99.52%	99.52%
18	Reliance Realty Limited	India	100.00%	100.00%
19	Reliance Infra Projects Limited	India	100.00%	100.00%
20	Reliance Globalcom B.V.	The Netherlands	100.00%	100.00%
21	Aircom Holdco B.V.	The Netherlands	100.00%	100.00%
22	Reliance Communications (UK) Limited	United Kingdom	100.00%	100.00%
23	Reliance Communications (Hong Kong) Limited	Hong Kong	100.00%	100.00%
24	Reliance Communications (Singapore) Pte. Limited	Singapore	100.00%	100.00%
25	Reliance Communications (New Zealand) Pte Limited	New Zealand	100.00%	100.00%
26	Reliance Communications (Australia) Pty Limited	Australia	100.00%	100.00%
27	Anupam Global Soft (U) Limited	Uganda	90.00%	90.00%
28	Gateway Net Trading Pte Limited	Singapore	100.00%	100.00%
29	Reliance FLAG Pacific Holdings Limited	Bermuda	100.00%	100.00%
30	Reliance Infocom Inc.	USA	100.00%	100.00%
31	Reliance Communications Inc.	USA	100.00%	100.00%
32	Reliance Communications International Inc.	USA	100.00%	100.00%
33	Reliance Communications Canada Inc.	USA	100.00%	100.00%
34	Bonn Investment Inc.	USA	100.00%	100.00%

(b) The Group also consolidates the following companies as it exercises control over ownership and / or composition of Board of Directors.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	
1	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	Cyprus	0.00%	0.00%
2	Lagerwood Investments Limited	Cyprus	0.00%	0.00%

Notes on Accounts to the Consolidated Financial Statements

(c) The associate companies considered in the Consolidated Financial Statements are :

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	
1	Warf Telecom International Private Limited	Maldives	20.00%	20.00%
2	Mumbai Metro Transport Private Limited	India	26.00%	26.00%

Note : 2.35

Going Concern

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

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

During an earlier year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019. In the meeting held on August 05, 2021, the CoC with requisite majority approved the resolution plan submitted by Reliance Projects & Property Management Services Limited, and in accordance with the section 30(6) of the Insolvency and Bankruptcy Code, 2016, on August 31, 2021, the plan was submitted to Hon'ble NCLT for its due consideration and approval. The matter is currently sub-judice.

During the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the year, the resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial statements of RTSL and the consequential impact in the consolidated financial statements will be given basis the decision of the NCLT on the application.

During an earlier year, 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.

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, has approved the resolution plan submitted by Reliance Projects and Property Management Services Limited, in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty has ceased to be the resolution professional of RITL, and RITL is currently under the supervision of a Monitoring Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the Resolution Applicant (RA) and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). The approved resolution plan is yet to be implemented and a status report in respect of implementation of the resolution plan has been submitted to the NCLT.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

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

An application had been filed by Doha Bank before the NCLT, Mumbai Bench challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of deed of hypothecation. The NCLT has, vide order dated March 2, 2021, dismissed the application. An appeal has been filed by Doha Bank against the order of the NCLT before the NCLAT. On June 22, 2021 the NCLAT has granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The matter is currently sub judice.

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

On completion of the corporate insolvency resolution process, the Group will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, Liabilities and Impairment of Goodwill on Consolidation and accordingly provide for impairment of assets and write back of liabilities, if any.

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 consolidated financial statements continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. However, since the Group continues to incur loss, current liabilities exceed current assets and Group has defaulted in repayment of borrowings, payment of regulatory, statutory dues and pending renewal of Telecom licences these events indicate that material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern.

In case of Four overseas subsidiaries and two domestic subsidiaries, it indicates the existence of material uncertainty due to loss during year ended March 31, 2022, total liabilities exceeding total assets and holding company Reliance Communications Limited is undergoing insolvency proceeding. The above has been qualified by respective Auditors in their Audit Reports of these subsidiaries. Further, in case of two other overseas subsidiaries the Auditors have given Qualification and Emphasis of Matter paragraph for Material Uncertainty on Going Concern in their respective audit reports.

The following overseas subsidiary companies have given note on the Going Concern which have been qualified by the respective auditors. The said notes as given in respective financial statements are reproduced below:

Reliance Communications Inc. : For the year ended March 31, 2022, the Company has incurred a net loss of US \$ 6,71,294 and as of date, the Company's total liabilities exceeds its total assets by \$ 49,09,805 and the ultimate parent company in India is undergoing insolvency proceedings. The material uncertainty exists which may cast doubt on Company's ability to continue as a going concern.

Reliance Communications Canada Inc: For the year ended March 31, 2022, the Company's total liabilities exceed its total assets by \$ 35,151 and the ultimate parent company in India is undergoing insolvency proceedings. The material uncertainty exists which may cast doubt on Company's ability to continue as a going concern.

Reliance Communications International Inc.: For the year ended March 31, 2022, the Company's total liabilities exceeds its total assets by \$ 7,993,105. However, the ultimate parent company in India is undergoing insolvency proceedings. Based on these events and conditions along with other matters, indicate that the material uncertainty exists which may cast significant doubt on Company's ability to continue as a going concern. The rationale for the management, to prepare the financial statements on a going concern basis is that profitable operations are continuing and its likely that a suitable investor will be found.

Reliance Infocomm Inc: For the year ended March 31, 2022, the Company's total liabilities exceeds its total assets by \$ 2,023,392 and the ultimate parent company in India is undergoing insolvency proceedings. The material uncertainty exists which may cast doubt on Company's ability to continue as a going concern.

Bonn Investment Inc: For the year ended March 31, 2022, the Company has incurred a net loss of US \$ 78,169 and as of date, the Company's total liabilities exceeds its total assets by \$ 1,997,282 and the ultimate parent company in India is undergoing insolvency proceedings. The material uncertainty exists which may cast doubt on Company's ability to continue as a going concern.

Notes on Accounts to the Consolidated Financial Statements

Note : 2.36

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

Note : 2.37

Schemes of Amalgamation and Arrangement

1. Pertaining to earlier years,

The Company, in the earlier years, underwent various restructuring Schemes through Court including restructuring of ownership of telecom business so as to align the interest of the shareholders. Accordingly, pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by Hon'ble High Court of respective judicature, the Company, during the respective years, recorded all necessary accounting effects, along with requisite disclosure in the notes to the accounts, in accordance with the provisions of the said Schemes. Reserves, pursuant to the said Schemes, include:

- (i) ₹ 8,047 crore being Securities Premium Account, which was part of the Securities Premium of erstwhile Reliance Infocomm Limited (RIC), the transferor company.
- (ii) ₹ 12,345 crore, being part of General Reserve, on fair valuation of assets and liabilities of the Company in accordance with the Scheme of Amalgamation, amalgamating Reliance Gateway Net Limited (RGNL) into the Company.
- (iii) During the earlier year, ₹ 7 crore being Goodwill arising on consolidation pursuant to the Scheme of Amalgamation between subsidiaries debited to General Reserve.
- (iv) During the earlier year, additional depreciation consequent upon fair valuation of assets carried out has been adjusted to General Reserve by subsidiaries.
- (v) During the earlier year, ₹ 470 crore being excess of liabilities over assets has been adjusted from General Reserve pursuant to demerger of BPO division to RCIL.
- (vi) Pursuant to the said Scheme of Amalgamation (Refer Note (ii) above), on account of the fair valuation during the year ended on March 31, 2009, additions / adjustments to the fixed assets included increase in Freehold Land by ₹ 225 crore, Buildings by ₹ 130 crore and Telecom Licenses by ₹ 14,145 crore.
- (vii) Pursuant to the demerger, the Company computed goodwill of ₹ 2,659 crore arising on consolidation using the step up method based on date of original investment by Reliance Industries Limited (RIL) prior to demerger instead of considering the date of demerger as the date of investment in absence of specific guidance in Accounting Standard (AS) 21 "Consolidated Financial Statements" in a demerged scenario.
- (viii) During the earlier year, pursuant to the Scheme of Demerger ("the Scheme") sanctioned by the Hon'ble High Court of Judicature at Bombay and at Jaipur, the Company has acquired Wireless undertaking of Systema Shyam Teleservices Limited (SSTL) with effect from October 31, 2017. Upon merger of Wireless undertaking of SSTL, ₹ 1,397 crore being excess of assets over liabilities taken over has been credited to Capital Reserve. The Company had also allotted 27,65,53,305 nos of Equity Shares of ₹ 5 each, on October 31, 2017, to shareholder of SSTL.

Note : 2.38

Movement of Provisions

(₹ in crore)

Particulars	Current For the year ended		Non Current For the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for Retirement Benefit				
Balance at the beginning of the year	17	17	11	12
Additional provision / (Reversal)	(1)	-	(1)	(1)
Deconsolidation of Subsidiaries	-	-	-	-
Balance at the close of the year	<u>16</u>	<u>17</u>	<u>10</u>	<u>11</u>

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note : 2.38

Movement of Provisions

(₹ in crore)

Particulars	Current For the year ended		Non Current For the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Asset Retirement Obligations				
Balances at the beginning of the year	233	233	-	-
Unwinding of discount on account of ARO	-	-	-	-
Exchange Fluctuation	-	-	-	-
Deconsolidation of Subsidiaries	-	-	-	-
Balances at the close of the year	<u>233</u>	<u>233</u>	<u>-</u>	<u>-</u>
Others - Disputed and Other claims / wealth tax				
Balances at the beginning of the year	1,215	1,215	-	-
Additional provision/(Reduction)	-	-	-	-
Balances at the close of the year	<u>1,215</u>	<u>1,215</u>	<u>-</u>	<u>-</u>

Provisions include, provision for disputed claims for verification of customer ₹ 9 crore (Previous year ₹ 9 crore) and others of ₹ 1,206 crore (Previous year ₹ 1,206 crore). The aforesaid provisions shall be utilised on settlement of the claims, if any, there against.

Note : 2.39

Contingent Liabilities and Capital Commitment (as represented by the Management)

(₹ in crore)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1	2
(ii) Disputed Liabilities not provided for		
- Sales Tax and VAT	526	117
- Custom, Excise and Service Tax	11,609	336
- Entry Tax and Octroi	61	61
- Income Tax	1,743	1,268
- Employee related	1	1
- Other Litigations	8,938	8,597
(iii) Claims against the Company not acknowledged as debts	1,721	1,201
(iv) Guarantees given by the Company	792	796
(v) Consequent to the investigations by an investigative agency (CBI) in relation to the entire telecom sector in India, certain preliminary charges were framed by a Trial Court in October, 2011 against Reliance Telecom Limited (RTL), a wholly owned subsidiary of the Company and three of the executives of the group. The Special CBI Judge vide judgment dated December 21, 2017 has acquitted the persons so named. CBI has filed an appeal before the Hon'ble Delhi High Court challenging the said Trial Court order. These proceedings have no impact on the business, operations and/or licenses of the Company and, even more so, are not connected in any manner to any other Group companies.		

Notes on Accounts to the Consolidated Financial Statements

(vi) Spectrum Charges

Department of Telecommunication (DoT) had, during the earlier years, issued demand on the Company for ₹ 1,758 Crore towards levy of one time Spectrum Charges (OTSC), being the prospective charges for holding CDMA spectrum beyond 2.5 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. DoT had also issued a demand on RTL, a Subsidiary of the Company one time Spectrum Charges, being retrospective charges of ₹ 5 crore for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and respective charge of ₹ 169 crore for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. Based on a petition filed by the Company and its subsidiary the Hon'ble TDSAT, vide its order dated February 4, 2019, set aside the impugned orders and demands for OTSC except for Bihar circle. The said order passed by Hon'ble TDSAT has been stayed by Hon'ble Supreme Court vide its order dated August 19, 2019 and the matter remains sub judice.

(vii) In Reliance Realty Limited (RRL) or the Company has filed a Writ Petition challenging an order passed by Maharashtra State Electricity Distribution Company Limited (MSEDCL) in the purported exercise of its powers under section 126 of the Electricity Act, 2003. By the said order MSEDCL has purported to demand a sum of ₹ 1184.23 crore for alleged unauthorized use of electricity for the period of 18th March, 2009 to 19th March, 2015. MSEDCL has filed an Interim Application dated 5th August, 2021, there by stating that, the Company had moved a Civil application in 2015 pursuant to which the ad-interim order directing a deposit of ₹ 600 crores stood modified with the Hon'ble Bombay High Court granting two installments of ₹ 200 crores and ₹ 100 crores aggregating to ₹ 300 crores. It is further alleged that, the Company has failed to deposit ₹ 100 crores in accordance with the Order dated 20.08.2015 and the Petition and Civil Application were pending for hearing. The matter will be listed for final hearing in due course. Further, RRL or the Company has challenged an Order by which MSEDCL has purported to confirm the provisional assessment done by it and notice issued in this regard under Section 126 of the Electricity Act, 2003 requiring the Company to pay an exorbitant amount of ₹ 18.77 crore inter alia on the purported ground that it does not have a Registration from the Government of Maharashtra under the relevant IT/ ITES Policy. The matter will be listed in due course.

(viii) Pursuant to an agreement for assignment entered into between RRL, a subsidiary of the Company and STT Global Data Centres India Private Limited (STT) in an earlier year for transfer of leasehold right, title and interest of Land admeasuring 34873 sq. mts forming part of the larger land located at DAKC along with building (Larger land) thereupon and substation to be constructed on the land, the Company has received an amount of ₹ 26.99 crore from STT which is reflected as Advance Received from Customer under Other Liabilities in the consolidated financial statements.

STT (the Claimant) invoked arbitration proceedings against the RRL in accordance with the terms of the agreement for assignment and filed its Claim before the Arbitral Tribunal seeking claim comprising of Loss of Profit ₹ 36.05 crore and Interest at the rate of 18% p.a. to the tune of ₹ 14.28 crore and Legal costs incurred by the Claimant.

The cross-examination of the Claimant's Witness has been concluded. Pleadings of both the parties are completed. Oral arguments have been concluded on 18th December, 2021 and the Award is reserved.

Note : 2.40

Leases

The Assets of the Company and its four subsidiaries are held for sale as per Ind AS 105 and being short term in nature and accordingly lease agreements are considered to be short term in nature. Hence, Ind AS 116 has not been applied by the Group.

Note : 2.41

2.41.1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

The carrying value and fair value of financial instruments by categories as of March 31, 2022 and March 31, 2021 were as follows:

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortised cost:		
Cash and cash equivalents (Refer Note 2.11)	479	709
Bank Balances (Refer Note 2.12)	390	117
Trade receivables (Refer Note 2.10)	295	448
Other financial assets (Refer Note 2.13 & 2.05)	354	387
Total	1,518	1,661
Financial assets at fair value through Consolidated statement of Profit and Loss:	Nil	Nil
Investments (Refer Note 2.04 & 2.09 (a))	30	30
Financial assets at fair value through other Comprehensive Income:		
Investments (Refer Note 2.04 & 2.09 (a))	20	27
Financial liabilities at amortised cost:		
Trade payables (Refer note 2.23)	4,091	4,106
Other financial liabilities (Refer Note 2.24)	43,942	38,108
Borrowings (Refer Note 2.19 & 2.22)	45,572	45,577
Liabilities directly related to asset held for sale (Refer Note 2.15)	8,577	7,837
Total	102,182	95,628
Financial liabilities at fair value through Consolidated Statement of Profit and Loss:	Nil	Nil
Financial Liabilities at fair value through other Comprehensive Income:	Nil	Nil

2.41.2 Financial Risk Management Objectives and Policies

Activities of the Group expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process ("CIR Process") has been initiated in case of the Company and four of its subsidiaries under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company and its four subsidiaries stand vested with the Resolution Professional ("RP") appointed by the NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. In case of RITL, NCLT has approved the resolution plan on December 03, 2020 and accordingly a Monitoring committee has been formed. Presently, the financial management activities are restricted to management of current assets and liabilities of the Group and the day to day cashflow and its associated risks are as under:

Market risk

The Group also operates internationally and hence, a portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which it sells and services, purchases from overseas suppliers and borrowings in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect income or value of its holding financial assets / instruments. The exchange rate between rupee and foreign currencies has changed substantially in recent years and may fluctuate significantly in the future. As a result, operations of the Group are adversely affected as the rupee appreciates / depreciates against US dollar, Euro, GB pound etc. Since the Group and four of its subsidiaries are under CIR Process, it is not required to meet any loan or interest obligation till the resolution plan is implemented. As the overall obligation and liabilities shall be determined during CIR Process, foreign currency loans are stated at exchange rate as at March 31, 2018.

Notes on Accounts to the Consolidated Financial Statements

Foreign Currency Risk from financial instruments as of :

Particulars	March 31, 2022				Total
	U.S. dollars	Euro	GB Pound	Other Currency	
Trade Receivables	16	-	-	-	16
Other financial assets	325	-	-	-	325
Borrowings	(16,111)	-	-	-	(16,111)
Trade payables and other financial liabilities	(1,883)	-	-	(253)	(2,136)
					-
Net assets / (liabilities)	(17,653)	-	-	(253)	(17,906)

Particulars	March 31, 2021				Total
	U.S. dollars	Euro	GB Pound	Other Currency	
Trade Receivables	62	-	-	-	62
Other financial assets	313	-	-	-	313
Borrowings	(16,111)	-	-	-	(16,111)
Trade payables and other financial liabilities	(1,935)	-	-	(12)	(1,947)
					-
Net assets / (liabilities)	(17,671)	-	-	(12)	(17,683)

Sensitivity Analysis

Not relevant till the time resolution plan is implemented. In case of RITL, not relevant till the implementation of approved resolution plan.

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Since, the Company and three of its subsidiaries are undergoing CIR Process, it could not meet interest obligation during the year and shall be finalised when resolution plan is implemented. In case of RITL, not relevant till the implementation of approved resolution plan.

Exposure to interest rate risk

Not relevant till the time resolution plan is implemented. In case of RITL, not relevant till the implementation of approved resolution plan.

Derivative financial instruments

The Group does not hold derivative financial instruments.

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss (ECL) model to assess the impairment loss or gain. ECL methodology depends on whether there is any significant increase in credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for the customers.

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and / or domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by the Government and Quasi Government organizations and certificates of deposits which are funds deposited at a bank for a specified time period.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Ageing of Trade Receivable

(₹ in crore)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Gross Amount	Weighted Average Rate	Credit Impaired	Gross Amount	Weighted Average Rate	Credit Impaired
India Operation						
Not Due	24	0%	-	70	4%	3
0-90 days	18	22%	4	69	13%	9
91-180 days	29	31%	9	47	4%	2
181-365 days	55	33%	18	48	71%	34
Above 365 days	2,504	93%	2,337	2,551	91%	2,318
Subtotal	2,630		2,368	2,785		2,366
Global Operation						
Not Due	-	0%	-	-	0%	-
0-90 days	-	0%	-	-	0%	-
91-180 days	-	0%	-	-	0%	-
181-365 days	7	0%	-	11	0%	-
Above 365 days	26	0%	-	18	0%	-
Subtotal	33		-	29		-
Total	2,663		2,368	2,814		2,366

Movement of Provision for Credit Impaired

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	2,366	2,350
Add: Provision during the year	2	16
Less: Impact of Consolidation / Deconsolidation of Subsidiaries during the year	-	-
Less : Write off during the year	-	-
Closing Balance	2,368	2,366

Liquidity risk

The Company and four of its subsidiaries are under CIR Process. The Company depends upon timely receipt from sales and delay in sales realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since, the Company and its subsidiaries are under CIR Process, it is not required to meet any loan or interest obligation till the resolution plan is implemented. In case of RITL, RITL is in the process of implementation of its approved resolution plan.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entails liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of assets, liabilities focused on a medium to long-term perspective and future net cash flows on a day by day basis in order to assess liquidity risk.

As the Company and four of its subsidiaries are under CIR Process, Liquidity Periodic budget and rolling forecasts shall be determined during CIR process.

Notes on Accounts to the Consolidated Financial Statements

Note : 2.42

Earnings per Share (EPS)	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic and Diluted EPS (after Exceptional Items) from continuing operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(231)	(211)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(0.84)	(0.77)
Basic and Diluted EPS (after Exceptional Items) from discontinued operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(6,389)	(5,580)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(23.28)	(20.33)
Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(6,620)	(5,791)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(24.12)	(21.10)
Basic and Diluted EPS (before Exceptional Items) from continuing operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(231)	(211)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(0.84)	(0.77)
Basic and Diluted EPS (before Exceptional Items) from discontinued operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(948)	(867)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(3.46)	(3.16)
Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(1,179)	(1,078)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	2,74,42,54,050	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	(4.30)	(3.93)
Reconciliation of weighted average number of ordinary shares		
Issued ordinary shares at April 1	2,76,55,33,050	2,76,55,33,050
Effect of Treasury shares held	(2,12,79,000)	(2,12,79,000)
Weighted average number of shares for basic and diluted EPS	2,74,42,54,050	2,74,42,54,050

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note : 2.43

Exceptional Items

2.43.1 Relating to Continuing Operations

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

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the "Effective Date" of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective).

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

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

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

During the year, disclosure as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015 regarding disposal of indirect equity interest in GCX Companies was intimated to the Stock Exchange.

2.43.2 Relating to Discontinued Operations

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

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

The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgement. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court, which are currently sub judice. On August 2, 2021, the appeals were listed when the bench issued notice in the matter and tagged the same with Civil Appeal No 1810 of 2021 (being the appeal filed by the COC of Aircel companies) and also allowed the application seeking permission to file the civil appeal. On February 22, 2022, the Supreme Court has granted a period of six weeks to the DoT to file counter affidavit. The matter was last listed on May 2, 2022 wherein the SC directed the matter to be tentatively listed in the third week of July 2022. The appeals are currently sub judice.

Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor and RTL has not received any such demand in this regard till date.

Notes on Accounts to the Consolidated Financial Statements

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 and RTL had provided for estimated liability aggregating to ₹ 35,550 crore upto the previous year ended March 31, 2021 and has provided additional charge of ₹ 5,441 crore during the year ended March 31, 2022 and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings).

- (b) The assets pertaining to Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) continued to be classified as assets held for sale at the value ascertained at March 31, 2018, along with liabilities, and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Note : 2.44

General Reserve

The Company has, from the year ended on March 31, 2008 onwards, combined the balances of General Reserve I and II and disclosed as General Reserve in Consolidated Accounts. General Reserve I and II were arising pursuant to the Schemes of demerger of 'Telecommunication Undertaking' of Reliance Industries Limited (RIL) into the Company and the Scheme of Amalgamation and Arrangement of Group Companies respectively in earlier years. General Reserve I includes the reserve arising pursuant to the Schemes of Amalgamation with RGNL.

Note : 2.45

Corporate Social Responsibility (CSR) Expenses

- (a) **Gross amount required to be spent by a Subsidiary during the year ₹ 0.45 crore (Previous year ₹ 0.33 crore).**

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
(b) Amount spent during the year on:				
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	-	0.45	-	0.33

The Group has contributed towards PM CARE FUND during the year for CSR expenses of FY 20-21.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Note : 2.46

1 Related Parties

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standards Rules, disclosure of the transactions with the related parties as defined therein are given below. All transactions entered into by the Group with related parties, were in ordinary course of business and on arms' length basis.

A List of related party

Holding Company

- 1 Reliance Innoventures Private Limited (up to February 6, 2019)

Person having Significant influence during the year

- 2 Shri Anil D. Ambani

Enterprises over which individual described in Sr. No. 2 above having Significant influence

- 3 Reliance Capital Limited
- 4 Mumbai Metro One Private Limited
- 5 Reliance General Insurance Company Limited
- 6 Reliance Home Finance Limited
- 7 Reliance Infrastructure Limited
- 8 GF Toll Road Private Limited
- 9 DS Toll Road Limited
- 10 Reliance Defence Limited
- 11 Reliance Power Limited
- 12 BSES Kerala Power Limited
- 13 Sasan Power Limited
- 14 Reliance Cleangen Limited (RCGL)
- 15 SU Toll Road Private Limited
- 16 Metro One Operation Private Limited
- 17 Parbati Koldam Transmission Company Limited (upto January 08, 2021)
- 18 Reliance ADA Group Enterprises Private Limited
- 19 Reliance Energy Limited
- 20 BSES Rajdhani Power Limited
- 21 Reliance Nippon Life Insurance Company Limited
- 22 BSES Yamuna Power limited
- 23 Reliance Health Insurance Limited
- 24 Reliance Defence Systems & Tech Limited
- 25 Reliance Naval and Engineering Limited
- 26 Rosa Power Supply Company Limited
- 27 Reliance Big Private Limited
- 28 Reliance Securities Limited
- 29 Ralston Trading Private Limited
- 30 Reliance Commodities Limited
- 31 Reliance Wealth Management Limited
- 32 Reliance Financial Limited
- 33 Reliance Money Solutions Private Limited
- 34 Vidarbha Industries Power Limited
- 35 Reliance Nippon Life Assets Management Limited

Enterprises over which individual described in Sr. No. 2 above having Significant influence

- 36 Reliance Commercial Finance Limited
- 37 Reliance Life Insurance Limited
- 38 Unlimit IOT Private Limited
- 39 Reliance Capital Asset Management Company Limited
- 40 Reliance Transport & Travels Limited
- 41 Big Flicks Private Limited
- 42 Zapak Digital Entertainment Limited
- 43 Reliance Money Precious Metals Private Limited
- 44 Delhi Airport Metro Express Private Limited
- 45 NK Toll Road Limited
- 46 TD Toll Road Private Limited
- 47 Reliance Coal Resources Private Limited
- 48 Coastal Andhra Power Limited
- 49 Reliance Spot Exchange Infrastructure Limited
- 50 Reliance Big Broadcasting Private Limited
- 51 Reliance Big Entertainment Private limited
- 52 Big Animation (India) Private Limited
- 53 NIS Sparta Education & Learning Technologies Private Limited
- 54 Reliance Defence and Engineering Limited
- 55 Reliance Communications Enterprises Private Limited

Key Managerial Personnel (KMP)

- 56 Shri Vishwanath Devaraja Rao
- 57 Shri Rakesh Gupta

Employee Benefits Trust

- 58 Reliance Infocomm Limited Employees Provident Fund
- 59 Reliance Communications Infrastructure Limited Employees Provident Fund
- 60 Reliance Telecom Limited Employees Provident Fund
- 61 Reliance Infocomm Limited Employees Superannuation Scheme
- 62 Reliance Communications Infrastructure Limited Employees Superannuation Scheme
- 63 Reliance Telecom Ltd Employees Superannuation Scheme
- 64 Chemical and Fiber of India Limited Provident Fund
- 65 Reliance Infocomm Limited Employees Gratuity Fund
- 66 Reliance Communications Infrastructure Limited Employees Gratuity Fund
- 67 Reliance Telecom Limited Employees Gratuity Fund

Notes on Accounts to the Consolidated Financial Statements

B Transactions during the year with related parties

(Figures in bracket represent Previous year)

Particulars	Enterprises over which person having significant influence	Employee Benefits Trust/ KMP/ Others	(₹ in crore) Total
(i) Trade Receivable	31 (32)	- (-)	31 (32)
(ii) Advances given/ Deposit	7 (11)	- (1)	7 (12)
(iii) Other Current Assets	1 (3)	- (-)	1 (3)
(iv) Other Financial Assets	- (-)	- (-)	- (-)
(v) Trade Payable	21 (26)	- (-)	21 (26)
(vi) Borrowings - Current	4,607 (4,607)	- (-)	4,607 (4,607)
(vii) Other Current Liabilities	3 (5)	- (-)	3 (5)
(viii) Income			
Service Income	14 (24)	- (-)	14 (24)
(ix) Expenditure			
Network Operation Expenses	20 (23)	- (-)	20 (23)
(x) Employee Benefit Expenses	- (-)	- (3)	- (3)
(xi) Person having significant influence during the year			
Shri Anil D. Ambani - Sitting fees	-	-	-
Nil (Previous year ₹ Nil)	(-)	(-)	(-)
(xii) Key Managerial Personnel			
Managerial Remuneration			
Shri Vishwanathan Devaraja Rao	- (-)	2 (2)	2 (2)

	For the year ended March 31, 2022	Amount in ₹ For the year ended March 31, 2021
Salaries and other benefits	1,52,92,732	1,49,53,829
Contributions to defined contribution plans	9,86,795	22,31,275
Total	1,62,79,527	1,71,85,104

Some of the key management personnel of the Company are also covered under the Company's Gratuity Plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's Gratuity Plan have not been separately included in the above disclosure.

Note : 2.47

Employee Stock Option Scheme

The Group was operating two Employee Stock Option Plans; ESOS Plan 2008 and ESOS Plan 2009, which cover eligible employees of the Company and its Subsidiaries. ESOS Plan 2008 was operational till previous year whereas ESOS Plan 2009 was operational till January 16, 2019 in the earlier year. ESOS Plans are administered through an ESOS Trust. The Vesting of the options was on the expiry of one year from the date of Grant as per Plan under the respective ESOS(s). In respect of Options granted, the accounting value of Options (based on market price of the share on the date of the grant of the option) was accounted as deferred employee compensation, which was amortised on a straight line basis over the Vesting Period. Each Option entitles the holder thereof to apply for and be allotted/ transferred one Equity Share of the Company of ₹ 5 each upon payment of the Exercise Price during the Exercise Period. The maximum Exercise Period was 10 years from the date of Grant of Options.

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

The Group has established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of ₹ 387 crore (Previous year ₹ 387 crore) has been granted to the Trust and the said amount has been utilised by the Trust for purchasing 2.13 crore (Previous year 2.13 crore) Equity Shares during the earlier years. The fall in the value of these underlying shares on account of market volatility and the loss, if any, can be determined upon sale of shares by Trust.

There is no options outstanding at the end of the year and no remaining contractual life available.

Note : 2.48

Employee Benefits

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The Group is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The management is responsible for the overall governance of the plan. The management has outsourced the investment management of the fund to insurance company which in turn manages these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Group operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2022 and March 31, 2021, the contributions towards the plans have been invested in Insurer Managed Funds.

The plan is in the nature of defined benefit plan which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The defined benefit plan exposes the Group to actuarial risk such as longevity risk, interest risk and market (Investment) risk.

The following table set out the status of the Gratuity Plan as required under Ind AS 19 "Employee Benefits":

Particulars	(₹ in crore)	
	As at	
	March 31, 2022	March 31, 2021
(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at beginning of the year	16	17
Service cost	1	1
Interest cost	1	1
Actuarial (gain)/ loss recognised in other comprehensive income (₹ (-) 47,16,016)	-	(1)
Experience adjustment	-	-
Liabilities transferred on acquisition	-	1
Benefits paid	(5)	(3)
Liabilities Extinguished on Settlement	-	-
Obligation at year end	13	16
Defined benefit obligation liability is wholly funded by the Company		
(ii) Change in plan assets		
Plan assets at beginning of the year, at fair value	12	18
Expected return on plan assets	1	1
Actuarial (gain)/ loss recognised in other comprehensive income	-	-
Contributions	-	-
Benefits paid from the fund	(3)	(3)
Assets distributed on settlement	(4)	(4)
Plan assets at year end, at fair value	6	12
(iii) Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	6	12
Present value of the defined benefit obligations at the end of the year	13	16
Liability / (Asset) recognised in the Balance Sheet	7	4
(iv) Expense recognised in Consolidated Statement of Profit or Loss		
Service Cost	1	1
Interest Cost	1	1
Total	2	2

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2022	March 31, 2021
(v) Amount recognised in other comprehensive income		
Actuarial (gain) / loss recognised in other comprehensive income	(1)	1
Expected return on plan assets	-	-
Total	(1)	1
(vi) Experience adjustment		
On Plan Liabilities (Gain)/Loss	-	-
On Plan Assets Gain / (Loss)	-	-
(vii) Investment details of plan assets		
100% of the plan assets are invested in balanced Fund Instruments		
(viii) Actual return on plan assets	1	1
(ix) Assumptions		
Interest rate	4.97%	4.54%
Estimated return on plan assets	4.97%	4.54%
Salary Growth rate	Nil	Nil
Employee Turnover Rate	50% for all age group	50% for all age group

Mortality in Retirement: LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(x) Particulars of the amounts for the year and previous years

	Gratuity for the year ended March 31,				
	2022	2021	2020	2019	2018
Present Value of benefit obligation	13	16	17	31	41
Fair value of plan assets	6	12	19	28	8
Excess of (obligation over plan assets) / plan assets over obligation	7	4	(2)	3	33

The expected contribution is based on the same assumptions used to measure the Group's gratuity obligations as of March 31, 2022.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(₹ in crore)	
	As at March 31, 2022	As at March 31, 2021
Discount rate (+1% movement)	(0.15)	(0.15)
Discount rate (-1% movement)	0.16	0.15
Future salary growth (+1% movement)	-	-
Future salary growth (-1% movement)	-	-
Employee Turnover (+ 1% movement) [amount in ₹ 1,064] (Previous year ₹ (978)]	-	-
Employee Turnover (- 1% movement) [amount in ₹ 1,136] (Previous year ₹ 1,037]	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. In the current year, as valuation has been done on Nil Salary increment so Sensitivity on Future Salary increment has not given

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Notes on Accounts to the Consolidated Financial Statements

(xi) Maturity analysis defined benefit plan (fund)	(₹ in crore)	
	Amount	Amount
Project benefit payable in future from the date of reporting		
1 st following year	6	8
2 nd following year	4	4
3 rd following year	2	2
4 th following year	1	1
5 th following year [₹ 40,74,110 (Previous year ₹ 45,55,667)]	-	-
6 th following year [₹ 24,77,331 (Previous year ₹ 27,39,903)]	-	-
6 th years onwards [₹ 12,63,146 (Previous year ₹ 11,81,264)]	-	-

Provident Fund: During the earlier year, the Company has received a notice from the Regional Provident Fund Commissioner (RPFC) to surrender the Provident fund Trust due to losses in consecutive past four years. Accordingly, the Company has initiated the process to surrender the Trust and started making payment of monthly contribution directly to RPFC. During the year ended, the Company has contributed towards provident fund ₹ 6.07 crore (Previous year ₹ 7.64 crore) to the RPFC. The Company is in the process to transfer the accumulated funds to RPFC after completion of inspection/ audit by RPFC hence any liability towards the short fall on sale of securities, if any, will be recognised at the time of transfer of funds.

Note: 2.49

Capital Management

Capital of the Group, for the purpose of capital management, includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The Group's objective when managing the capital is to safeguard the Company's ability to continue as a going concern. The Company and its four subsidiaries is presently under CIRP process and thereby continue to operate as a going concern.

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Equity	(60,573)	(53,906)
(b) Debt	45,572	45,577
(c) Equity and Debt (a + b)	(15,001)	(8,329)
(d) Capital Gearing Ratio (b / c)	-304%	-547%

Decrease in Capital gearing ratio reflects reduction in equity on account of net losses incurred by the Company due to Provision of Liability on account of License & Spectrum fee during the year.

Note : 2.50

Post Reporting Events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Notes on Accounts to the Consolidated Financial Statements

Note : 2.51

Discontinued Operations:

Financial Performance of discontinued operations forming part of India Operations is presented hereunder:

	For the year ended March 31, 2022	For the year ended March 31, 2021
		(₹ in crore)
Income		
Revenue from Operations	1,148	1,077
Other Income	12	65
Total Income	1,160	1,142
Expenses		
Access Charges, License Fee and Network Expenses	1,420	1,278
Employee Benefit Expenses	25	29
Finance Costs	775	721
Depreciation, Impairment and Amortisation	2	2
Sales and General Admin Expenses	37	51
Total Expenses	2,259	2,081
Profit/(Loss) before exceptional items and tax from discontinued operations	(1,099)	(939)

Cashflow from discontinued operations

- Operating activities	276	284
- Investing activities	(307)	(3)
- Financing activities	3	(2)

Note : 2.52

Non Provision of Interest and Foreign Exchange Variation on Borrowings

Considering various factors including admission of the Company 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/ disclosure if any will be given on completion of CIRP.

Further, prior to May 15, 2018, the Company and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Company and some of its subsidiaries have not provided Interest of ₹ 4,995 crore calculated based on basic rate of interest as per terms of loan for year ended March 31, 2022 and foreign exchange (gain)/loss aggregating to ₹ 663 crore loss for the year ended March 31, 2022. Had the Company provided Interest and foreign exchange variation, the Loss would have been higher by ₹ 5,658 crore for year ended March 31, 2022 and the Net worth of the Group would have been lower by ₹ 24,729 crore as at March 31, 2022 and ₹ 19,071 crore as at March 31, 2021. During the previous years, Interest of ₹ 17,108 crore and foreign exchange loss (net) aggregating to ₹ 1,963 crore were not provided.

Note : 2.53

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers".

Continued Operations Revenue for the year from sale of services includes ₹ 556 crore pertains to revenue from contract with customers recognised over a period of time. The Group has not given any volume discounts, service level credits, etc during the year. The revenue is further disaggregated as Revenue pertains to India Operations ₹ 545 crore and Global Operation ₹ 11 crore.

Discontinued Operations Revenue for the year from sale of services includes ₹ 1,148 crore pertains to revenue from contract with customers recognised over a period of time. The Group has not given any volume discounts, service level credits, etc during the year. The revenue is no further disaggregated.

The Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to pending performance obligations which are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). No consideration from contracts with customers is excluded from the amount mentioned above.

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue if revenues is accrued. Receivable and unbilled revenue are a right to consideration that is unconditional upon passage of time. Receivable is presented net of impairment in the Balance Sheet. Unbilled revenue as at April 1, 2021, was ₹ 61 crore and it was billed during the year. Unbilled Revenue as at March 31, 2022 is ₹ 23 crore.

Unearned revenue with regards to continued operations and discontinued operations at March 31, 2022, was ₹ 41 crore and ₹ 2,002 crore (net of unbilled revenue of ₹ 1,021 crore pending reconciliation with customer on account of various business parameters) respectively.

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Notes on Accounts to the Consolidated Financial Statements

Note : 2.54

Additional Regulatory Information

1) Immovable Property whose title deeds are not held in name of the Group

Relevant line item in the Balance sheet	Description of item of Property	Gross carrying Value (₹ In crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Leasehold Land	14 Nos. MCN and IS	12	Reliance Communications	No	01.04.2006	Transfer under court approved scheme
Freehold Land	359 Nos. MCN and IS and SAX and Others	133	Infrastructure Limited & Reliance Telecom Limited	No	01.04.2006	
Buildings	376 Nos. MCN and IS and SAX and Others	245		No	01.04.2006	
Freehold Land	BTS Land	4	Reliance Communications Limited	No	10.04.2007	Pending Mutation
Freehold Land	BTS Land	4	Reliance Communications Infrastructure Limited	No	10.04.2007	
Freehold Land	BTS Land	0.24	Reliance Infocomm Limited	No	10.04.2007	
Freehold Land	BTS Land	*	Reliance Telecom Limited	No	10.04.2007	

*(₹ 44,253)

2) Capital-Work-in Progress (CWIP) (including assets Held for Sale)

(a) Ageing Schedule is given below:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	-	-	3	86	89
Projects temporarily suspended	-	-	-	343	343
Total	-	-	3	429	432

(b) Completion schedule is given below:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	-	89	-	-	89
Total	-	89	-	-	89

3) Intangible assets under development (including assets Held for Sale)

(a) Ageing Schedule is given below:

Intangible Assets under development	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	922	922
Total	-	-	-	922	922

(b) The Group does not have any intangible assets under development, whose completion is overdue except project temporarily suspended shown above under ageing intangible assets under development or has exceeded its cost compared to its original plan (Refer Note 2.15 & 2.35).

Notes on Accounts to the Consolidated Financial Statements

4) Relationship with Struck off Companies

Balance Outstanding with Companies struck off under section 248 of the Companies Act, 2013, or section 560 of Companies Act, 1956 are as follows:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (₹ In cr)	Relationship with the Struck off company, if any, to be disclosed
Telspin Projects Pvt Ltd	Receivables	1	External Customer

The Company has provided for, the entire receivable from the above party.

5) Registration of charges or satisfaction with Registrar of Companies (ROC)

There is no MCA filing during the financial year ending 31st March, 2022 of Registration of charges or satisfaction of charge with Registrar of Companies (ROC) of the Company.

6) Compliance with number of layers of companies

Company has complied with the number of layers of subsidiary companies as required under the Companies Act, 2013 and rules made thereunder.

7) Utilisation of Borrowed funds and share premium:

During the year, there is no fresh borrowings and Share premium by the Group.

8) During the year, the Group has not surrendered or disclosed any income, previously unrecorded in the books of account as income, in the tax assessments under the Income Tax Act, 1961.

9) During the year, the Group has not received as well as given advances (excluding transactions in the normal course of business) or loans or invested funds or provided any guarantee, security or the like from/ to any other person(s) or entity(ies), directly or indirectly, including any foreign entity(ies).

Note : 2.55

Consolidated Segment Information:

The Group has identified and disclosed segment information, as "India Operations" and "Global Operations". The segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organisational structure by geographical locations of its operations, where its service rendering activities are based. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment assets and liabilities represent the assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Information

Particulars					(₹ in crore)
	India Operations	Global Operations	Unallocable	Eliminations	Total
Segment Revenue					
External Revenue	562	22	-	-	584
	753	26	-	-	779
Inter Segment Revenue	1	13	-	(14)	-
	5	15	-	(20)	-
Total	563	35	-	(14)	584
	758	41	-	(20)	779
Segment Result before Exceptional and non recurring items, taxes	(190)	5	-	-	(185)
	(142)	(10)	-	-	(152)
Less: Finance Expenses	-	-	47	-	47
	-	-	48	-	48
Less: Exceptional Item	-	-	-	-	-
	-	-	-	-	-

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)				
	India Operations	Global Operations	Unallocable	Eliminations	Total
Segment Result after Exceptional and non recurring items before taxes	(190)	5	(47)	-	(232)
	<i>(142)</i>	<i>(10)</i>	<i>(48)</i>	-	<i>(200)</i>
Less: Provision for Taxation	-	-	(1)	-	(1)
	-	-	<i>10</i>	-	<i>10</i>
Segment Result after Tax	(190)	5	(46)	-	(231)
	<i>(142)</i>	<i>(10)</i>	<i>(58)</i>	-	<i>(210)</i>
Total Profit/(Loss) before Tax from Discontinued Operation	(6,540)	-	-	-	(6,540)
	<i>(5,652)</i>	-	-	-	<i>(5,652)</i>
Other Information					
Segment Assets	47,313	890	1,393	(2,039)	47,557
	<i>47,688</i>	<i>830</i>	<i>1,273</i>	<i>(1,965)</i>	<i>47,826</i>
Segment Liabilities	106,947	1,573	1,060	(1,728)	107,852
	<i>100,375</i>	<i>1,536</i>	<i>1,194</i>	<i>(1,667)</i>	<i>101,438</i>
Capital Expenditure	4	-	-	-	4
	<i>8</i>	-	-	-	<i>8</i>
Depreciation	145	6	-	-	151
	<i>148</i>	<i>6</i>	-	-	<i>154</i>

(Figures relating to current period are reflected in Bold, relating to previous year are reflected in italic.)

Indian Operations includes assets held for sale

(c) The reportable Segments are further described below:

- The India Operations includes operations of the Company and its subsidiary in India, Globalcom IDC Limited and Reliance Globalcom Limited
- The Global Operations includes the retail operations outside India of Reliance Communications (UK) Limited, Reliance Communications International Inc., Reliance Communications Canada Inc., Reliance Communications (Australia) Pty. Limited, Reliance Communications (New Zealand) Pte. Limited and wholesale operations outside India of its subsidiary viz. Reliance Globalcom BV and its subsidiaries.

Note : 2.56

Note on Disqualification of Directors

During an earlier year, Shri Anil D Ambani, Smt. Manjari Kacker, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, Directors tendered their resignation as Directors of the Company, however the Committee of Creditors of the Company ("CoC"), in its meeting held on 20th November, 2019 refused to accept the resignations tendered by above mentioned directors and instructed the Resolution Professional to convey to the directors to continue with their duties and responsibilities as directors and provide all cooperation in the corporate insolvency resolution process, at least until the completion of the corporate insolvency resolution process of the Company. In light of the above, it was duly communicated to the aforesaid directors of the Company that their resignations have not been accepted and they were advised to continue to perform their duties and responsibilities as the directors of the Company and provide all cooperation to Resolution Professional in the corporate insolvency resolution process. Accordingly, Shri Anil D Ambani, Smt. Chhaya Virani, Smt. Manjari Kacker, Smt. Ryna Karani and Shri Suresh Rangachar continues to be on the composition of the board of directors and the respective committees of the Company. Due to above mentioned events, the Company has not received necessary annual disclosures as required under section 164(2) and Section 184(1) of the Companies Act, 2013 from Shri Anil D Ambani, Smt. Chhaya Virani, Smt. Ryna Karani, Smt. Manjari Kacker and Shri Suresh Rangachar, Directors of the Company.

As per legal opinion obtained by the Company, none of the Directors were disqualified under section 164(2) of the Companies Act 2013 for default in payment of interest and principal of debentures.

Note : 2.57

During an earlier year, RRL had entered into a Development agreement with Reliance Globalcom Limited (RGL) for completion of Internet Data Centre 5 (IDC 5) building and paid ₹ 25.45 crore to RGL for completion of construction of IDC 5 building which has been reflected as Capital Advance under other non current assets in the financial statements, pending verification of invoices and work completion certification.

Note : 2.58

During an earlier year, RRL had issued, on behalf of Holding Company, Corporate Guarantee of ₹ 1,400 Crore in favour of Department of Telecommunications (DoT). As trading of spectrum did not fructify, the applications seeking permission of DoT to trade the spectrum was withdrawn. Subsequently, as advised, RCOM sought to withdraw its petition pending before TDSAT which was also consented by the counsel appearing for DoT as the matter had become infructuous. Accordingly, TDSAT on the basis of the joint

Notes on Accounts to the Consolidated Financial Statements

submissions made by the counsels of both RCOM and DoT, vide its order passed on 07.01.2022 disposed off the petition. Therefore, nothing remains pending and no undertaking / corporate guarantee survives.

Note : 2.59

During an earlier year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor had written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of ₹ 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 confirmation from ICBC.

Note : 2.60

A Subsidiary of the Company is in the process of reconciliation of unbilled revenue with a customers on account of various business parameters and has accrued unbilled revenue of ₹ 104 crore during the year ended March 31, 2022 and cumulative unbilled revenue accrued as on March 31, 2022 is ₹ 1,021 crore. Any GST applicable thereon shall be paid upon completion of pending reconciliation and billing thereof.

Note : 2.61

During an earlier year, the RRL has entered into a Long Term Lease agreement with a Customer for two buildings named Corporate Head Quarters (CHQ) and Business Head Quarters situated within the complex of Dhirubhai Ambani Knowledge City (DAKC) for the period from July 2019 to March 2041. The said Lease Agreement has been discounted @10% per annum and received ₹ 461.74 crore. Further, Monthly Lease Rental receivables have been assigned against payment of installment due on discounting. Equated Monthly Installment of ₹ 4.50 crore will be adjusted first towards the interest computed at the rate of 10% per annum on the principle amount outstanding and balance will be adjusted towards principle repayment upto March 2041.

Note : 2.62

The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016 ("Circular") and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited ("RITL") and Reliance Telecom Limited ("RTL") being fraudulent in terms of the Circular. The Corporate Debtor, RITL and RTL have been represented through their advocates and accepted notice in the petitions. The respective respondent-banks have been directed, on various dates of hearing, to maintain status quo until the next date of hearing by the High Court. The said petitions have been listed on various dates where counsels of various parties have made arguments and are presently sub judice before the Hon'ble High Court of Delhi. Currently, there is no impact of such declaration by the banks, in the consolidated financial statements.

Note : 2.63

During the previous year ended March 31, 2021, quarter ended June 30, 2021 and during the quarter ended March 31, 2022, certain banks had issued show cause notices to the Corporate Debtor, certain subsidiaries and certain directors seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. The Corporate Debtor and its subsidiaries have responded to the show cause notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the banks to withdraw the notices. Further, certain banks had issued notices seeking personal hearing by the authorized representative of the Corporate Debtor and its subsidiaries in respect of the aforesaid matter. Hearings were attended to and necessary submissions were made in accordance with the submissions made earlier in the responses to the show cause notices. No further response has been received from the banks since then.

During the quarter ended June 30, 2021, a bank has served notice seeking explanation as to why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and RTL have responded back to the bank highlighting the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 (Code) and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor for classification as fraud. No further response has been received from the bank since then. Currently, there is no impact of such notices issued from banks, in the consolidated financial statements.

Note : 2.64

Authorisation of Consolidated Financial Statements

The Directors of the Group have approved the above consolidated financial statements at their meeting held on May 28, 2022 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.

With respect to the consolidated financial statements for the year ended March 31, 2022, 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;

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

- (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 consolidated financial statements and while signing this consolidated financial statements, 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 consolidated financial statements. The consolidated financial statements of the Corporate Debtor for the year ended March 31, 2022 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements 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 consolidated financial statements.
- (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.

Note : 2.65

Additional Information of Subsidiaries / Associates as required under schedule III to the Companies Act, 2013

S L No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit o loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of consolidated total comprehensive income	Amount (₹ in crore)
Parent Company									
1	Reliance Communications Limited	71.73	(43,450.00)	84.85	(5,617.00)	-	-	84.25	(5,617.00)
Indian Subsidiaries									
2	Reliance WiMax Limited	(0.01)	3.91	0.00	(0.00)	-	-	0.00	(0.00)
3	Reliance Bhutan Limited	(0.00)	0.00	0.00	(0.00)	-	-	0.00	(0.00)
4	Reliance Webstore Limited	1.06	(640.60)	0.01	(0.54)	-	-	0.01	(0.54)
5	Campion Properties Limited	0.12	(74.19)	0.08	(5.61)	-	-	0.08	(5.61)
6	Reliance Tech Services Limited	0.03	(17.86)	(0.02)	1.59	-	-	(0.02)	1.59
7	Reliance Telecom Limited	19.34	(11,716.90)	13.19	(873.40)	(0.02)	0.01	13.10	(873.39)
8	Reliance Communications Infrastructure Limited	3.78	(2,290.74)	(0.02)	1.01	-	-	(0.02)	1.01
9	Globalcom IDC Limited	(0.13)	79.68	(0.33)	21.61	(0.04)	0.02	(0.32)	21.63
10	Reliance Infracel Limited	(1.30)	789.00	2.67	(177.00)	-	-	2.65	(177.00)
11	Globalcom Mobile Commerce Limited	0.00	(0.21)	0.00	(0.00)	-	-	0.00	(0.00)
12	Reliance BPO Private Limited	0.02	(9.50)	0.01	(0.36)	-	-	0.01	(0.36)
13	Reliance Communications Tamilnadu Limited	0.00	(1.65)	0.00	(0.01)	-	-	0.00	(0.01)
14	Globalcom Realty Limited	(0.00)	0.02	0.00	(0.01)	-	-	0.00	(0.01)
15	Internet Exchangenext.com Ltd.	(0.00)	0.04	0.00	(0.01)	-	-	0.00	(0.01)
16	Realsoft Cyber Systems Private Limited	0.00	(0.94)	0.00	(0.01)	-	-	0.00	(0.01)
17	Worldtel Tamilnadu Private Limited	0.17	(101.29)	0.00	(0.01)	-	-	0.00	(0.01)
18	Towercom Infrastructure Private Limited	(0.00)	0.00	(0.00)	0.00	-	-	(0.00)	0.00
19	Reliance Realty Limited	0.45	(271.63)	(0.12)	8.14	(0.05)	0.02	(0.12)	8.16
20	Reliance Infra Projects Limited	(0.00)	0.02	0.00	(0.01)	-	-	0.00	(0.01)
Foreign Subsidiaries									
21	Reliance Globalcom BV	3.92	(2,373.28)	0.00	(0.17)	178.89	(84.08)	1.26	(84.25)
22	Aircorn Holdingco B.V	0.00	(0.14)	0.00	(0.01)	(0.01)	0.00	0.00	(0.01)

Notes on Accounts to the Consolidated Financial Statements

S L No	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit o loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of consolidated total comprehensive income	Amount (₹ in crore)
23	Reliance Communications (U.K.) Limited	0.00	(1.49)	0.00	(0.02)	1.01	(0.47)	0.01	(0.50)
24	Reliance Communications (Hong Kong) Limited	0.02	(14.54)	0.00	(0.25)	1.09	(0.51)	0.01	(0.76)
25	Reliance Communications (Singapore) Pte. Limited	(3.15)	1,905.72	0.00	(0.11)	(143.47)	67.43	(1.01)	67.32
26	Reliance Communications (New Zealand) Pte. Limited	(0.00)	0.22	0.00	(0.02)	(0.01)	0.01	0.00	(0.01)
27	Reliance Communications (Australia) Pty. Limited	(0.00)	2.52	0.00	(0.04)	(0.19)	0.09	(0.00)	0.05
28	Anupam Globalsoft (U) Limited	(0.00)	2.42	-	-	(0.32)	0.15	(0.00)	0.15
29	Gateway Net Trading Pte. Limited	0.36	(219.26)	0.00	(0.10)	31.40	(14.76)	0.22	(14.85)
30	Reliance FLAG Pacific Holdings Limited	0.84	(511.52)	0.00	(0.00)	38.54	(18.11)	0.27	(18.12)
31	Reliance Infocom Inc.	0.03	(15.34)	(0.13)	8.84	2.02	(0.95)	(0.12)	7.89
32	Reliance Communications Inc.	0.06	(37.21)	0.08	(5.00)	5.45	(2.56)	0.11	(7.56)
33	Reliance Communications International Inc.	(0.10)	60.58	(0.01)	0.36	(4.53)	2.13	(0.04)	2.49
34	Reliance Communications Canada Inc.	0.00	(0.27)	(0.00)	0.00	0.02	(0.01)	0.00	(0.01)
35	Bonn Investment Inc.	0.02	(15.14)	0.01	(0.58)	1.14	(0.53)	0.02	(1.12)
36	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	(0.05)	31.62	0.00	(0.07)	(2.38)	1.12	(0.02)	1.05
37	Lagerwood Investments Limited	0.00	(0.29)	0.00	(0.03)	0.02	(0.01)	0.00	(0.04)
	Non Controlling Interest	(0.46)	278.00	-	17.00	-	-	-	17.00
	Indian								
1	Mumbai Metro Transport Private Limited	0.00	(0.05)	-	-	-	-	-	-
	Foreign								
2	Warf Telecom International Private Limited	(0.05)	30.31	0.00	(0.11)	-	-	0.00	(0.11)

As per our report of even date
For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No.: 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851

Place : Mumbai
Date : May 28, 2022

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

Anish Niranjana Nanavaty

Vishwanath Devaraja Rao
(DIN: 08607657)

Rakesh Gupta
Membership No: F5951

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

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, 2022
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	584	584
	2	Total Expenditure	816	816
	3	Net Profit/(Loss)	(232)	(232)
	4	Net Profit/ (Loss) from Discontinued Operations	(6,406)	(12,064)
	5	Earnings Per Share	(24.12)	(44.74)
	6	Total Assets	47,557	47,557
	7	Total Liabilities	107,852	132,581
	8	Net worth	(60,295)	(85,024)
	9	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	Non Provision of Interest and Foreign Exchange variation (Refer Note 4)	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Fifth 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 , lying in Goods and Service Tax, liabilities and Impairment of goodwill on Consolidation (Refer Note 3), Non Payment of Instalment due on Spectrum (Refer Note 7), Lease (Refer Note 14)	
			(ii) Qualification on Going Concern in some of Subsidiaries (Refer Note 6)	
	(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:		
III	Signatories:			
		Resolution Professional	Anish Niranjana Navaty	
		Executive Director and Chief Financial Officer	Vishwanath Devraja Rao	
		Statutory Auditor	For Pathak H. D. & Associates LLP Chartered Accountants Firm Registration No. 107783W/W100593	
			Jigar T. Shah Partner Membership No. 161851 UDIN: 22161851AJUHDC8735	

Place : Mumbai

Date : May 28, 2022

Notes on Accounts to the Consolidated Financial Statements

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

Part 'A' : Subsidiaries

Sl. No.	Particulars	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover*	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
1	Reliance WiMax Limited	1 st January 2006	68.71	322.05	510.62	119.86	-	-	(0.46)	-	(0.46)	-	100.00
2	Reliance Bhutan Limited	1 st January 2006	5.00	(5.00)	20,006.54	20,006.54	-	0.33	0.05	0.09	(0.04)	-	90.45
3	Reliance Webstore Limited	1 st January 2006	5.00	(64,065.44)	20,530.40	84,590.84	-	1.52	(54.44)	-	(54.44)	-	100.00
4	Campion Properties Limited	1 st January 2006	356.36	(7,775.34)	8,725.62	16,144.60	-	0.16	(560.79)	-	(560.79)	-	100.00
5	Reliance Tech Services Limited	30 th July 2007	5.00	(1,791.00)	7,541.00	9,327.00	-	335.00	159.00	-	159.00	-	100.00
6	Reliance Telecom Limited	1 st January 2006	8,500.00	(1,180,190.00)	382,158.00	1,553,848.00	-	10.00	(87,340.00)	-	(87,340.00)	-	100.00
7	Reliance Communication Infrastructure Limited	1 st January 2006	93,800.00	(322,873.77)	394,662.63	623,736.40	-	574.50	100.53	-	100.53	-	100.00
8	Globalcom IDC Limited	1 st January 2006	210.00	7,758.00	49,565.00	41,597.00	-	17,632.00	1,399.00	(762.00)	2,161.00	-	100.00
9	Reliance Infratel Limited	1 st January 2006	279,300.00	(200,400.00)	1,313,900.00	1,235,000.00	-	119,000.00	(31,100.00)	(13,400.00)	(17,700.00)	-	90.45
10	Globalcom Mobile Commerce Limited	6 th December, 2010	200.00	(220.86)	5.84	26.70	-	-	(0.49)	-	(0.49)	-	100.00
11	Reliance BPO Private Limited	30 th April, 2012	1.00	(951.22)	39.37	989.59	-	-	(35.71)	-	(35.71)	-	100.00
12	Reliance Communications, Tamilnadu Limited	15 th November, 2013	5.00	(170.06)	26,003.90	26,168.96	-	-	(0.82)	-	(0.82)	-	100.00
13	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	11 th November 2014	5.00	(2.95)	4.09	2.04	-	-	(0.72)	-	(0.72)	-	100.00
14	Internet Exchangenext.com Ltd.	10 th November 2015	15.07	(11.20)	65.10	61.23	-	-	(1.12)	-	(1.12)	-	100.00
15	Reasoft Cyber Systems Private Limited	10 th November 2015	1.00	(95.41)	4.30	98.71	-	-	(0.99)	-	(0.99)	-	100.00
16	Worldtel Tamilnadu Private Limited	10 th November 2015	1.00	(10,129.53)	5.70	10,134.24	-	-	(0.92)	-	(0.92)	-	100.00
17	Towercom Infrastructure Private Limited	17 th November, 2016	1.00	(0.92)	16.33	16.25	-	0.83	0.60	(0.28)	0.32	-	99.52
18	Reliance Realty Limited	10 th December, 2019	500.00	(27,663.22)	240,199.50	267,362.71	-	9,933.86	1,126.19	312.66	813.52	-	100.00
19	Reliance Infra Projects Limited	10 th December, 2019	5.00	(2.97)	3.68	1.65	-	-	(0.51)	-	(0.51)	-	100.00
20	Reliance Globalcom BV	1 st January 2006	1,578.65	(238,907.03)	141,593.17	378,921.55	1,944.51	-	(17.14)	-	(17.14)	-	100.00
21	Unit of Currency - USD	18 th July 2016	2,082.861	(315,211.965)	186,816.866	499,945.970	2,565.572	-	(23,000)	-	(23,000)	-	100.00
	Aircorn Holdingco BV		0.84	(15.02)	2.82	17.00	-	-	(1.08)	-	(1.08)	-	100.00
	Units of currency - Euro		1,000	(17,839)	3,351	20,190	-	-	(1,249)	-	(1,249)	-	100.00
22	Reliance Communications (U.K.) Limited	1 st January 2006	16.67	(165.88)	679.58	828.78	-	40.73	(2.17)	-	(2.17)	-	100.00
	Unit of Currency - GBP		16,766	(166,791)	683,300	833,325	-	40,014	(2,127)	-	(2,127)	-	100.00
23	Reliance Communications, (Hong Kong) Limited	1 st January 2006	0.00	(1,454.12)	4,517.02	5,971.13	-	333.46	(24.88)	-	(24.88)	-	100.00
	Unit of Currency - USD		1	(1,918.550)	5,959.713	7,878.262	-	447,570	(33,399)	-	(33,399)	-	100.00
24	Reliance Communications (Singapore) Pte. Limited	22 nd August 2006	54.91	190,517.35	190,706.17	133.90	-	-	(11.45)	-	(11.45)	-	100.00
	Unit of Currency - USD		72,450	251,367.022	251,616.143	176.670	-	-	(15,362)	-	(15,362)	-	100.00
25	Reliance Communications (New Zealand) Pte. Limited	17 th August 2006	0.00	21.60	32.08	10.48	-	-	(1.51)	-	(1.51)	-	100.00
	Unit of Currency - NZD		1	42,217	62,694	20,476	-	-	(2,903)	-	(2,903)	-	100.00
26	Reliance Communications (Australia) Pty. Limited	29 th August 2006	0.00	251.76	303.80	52.04	-	-	(3.92)	-	(3.92)	-	100.00
	Unit of Currency - AUD		1	451,968	545,393	93,424	-	-	(6,968)	-	(6,968)	-	90.00
27	Anupam Globalsoft (U) Limited	5 th March, 2008	636.00	(393.61)	2,210.08	1,967.69	-	-	-	-	-	-	90.00
	Unit of Currency - U.S\$		3,000,000,000	(1,856,651,920)	10,424,885,846	9,281,537,766	-	-	-	-	-	-	100.00
28	Gateway Net Trading Pte. Limited	1 st Oct, 2008	19,782.60	(41,708.38)	-	21,925.78	-	-	(9.62)	-	(9.62)	-	100.00
	Unit of Currency - USD		26,101,000	(55,029,693)	-	28,928,693	-	-	(12,914)	-	(12,914)	-	100.00

Reliance Communications Limited

Notes on Accounts to the Consolidated Financial Statements

Sl. No.	Particulars	Date from which they became subsidiary companies	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment	Turnover*	Profit / (Loss) before Taxation*	Provision for Taxation*	Profit / (Loss) after Taxation*	Proposed Dividend	% of Shareholding
29	Reliance FLAG Pacific Holdings Limited Unit of Currency - USD	1 st January 2006	9.10	(51,161.30)	513.75	51,665.95	-	-	(0.12)	-	(0.12)	-	100.00
30	Reliance Infocom Inc. Unit of Currency - USD	1 st January 2006	12,000	(67,501.349)	677.832	68,167.181	-	-	(1.60)	-	(1.60)	-	100.00
31	Reliance Communications Inc. Unit of Currency - USD	1 st January 2006	682.13	(2,215.71)	3,846.93	5,380.51	-	892.94	885.12	0.83	884.29	-	100.00
32	Reliance Communications International Inc. Unit of Currency - USD	1 st January 2006	900,000	(2,923.392)	5,075.613	7,099,005	-	1,198,507	1,188,002	1,108	1,186,894	-	100.00
33	Reliance Communications Canada Inc. Unit of Currency - USD	1 st January 2006	3,789.63	(7,510.89)	169,763.67	173,484.93	-	1,970.98	(264.91)	235.24	(500.15)	-	100.00
34	Bonn Investment Inc. Unit of Currency - USD	1 st January 2006	5,000,001	(9,909,805)	223,984,783	228,894,587	-	2,645,444	(355,557)	315,738	(671,295)	-	100.00
35	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 th June, 2007	7.58	6,050.59	12,319.72	6,261.54	-	770.45	39.96	3.57	36.39	-	100.00
36	Lagewood Investments Limited Unit of Currency - USD	1 st January 2006	10,000	7,983.105	16,254.532	8,261,427	-	1,034,093	53,634	4,791	48,843	-	100.00
37	Bonn Investment Inc. Unit of Currency - USD	1 st January 2006	7.58	(34.22)	284.80	311.44	-	27.42	0.38	0.02	0.35	-	100.00
38	Bonn Investment Inc. Unit of Currency - USD	1 st January 2006	10,000	(45,151)	375,759	410,910	-	36,798	509	33	476	-	100.00
39	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 th June, 2007	1.70	(2,007.282)	5,244.167	7,241,449	-	183,728	(77,174)	995	(78,169)	-	100.00
40	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 th June, 2007	2,246	4,169,945	4,718,714	546,523	-	-	(10,038)	-	(10,038)	-	100.00
41	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 th June, 2007	1.72	(31.01)	-	29.30	-	-	(2.62)	-	(2.62)	-	100.00
42	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 th June, 2007	2,268	(40,920)	-	38,652	-	-	(3,518)	-	(3,518)	-	100.00

Notes

- The Financial Year of the Subsidiaries is for 12 months from April 1, 2021 to March 31, 2022
- Investment exclude investment in Subsidiaries
- Exchange rate as of March 31, 2022 1 USD = ₹ 75.793 1 GBP = ₹ 99.455 1 EUR = ₹ 84.220 1 AUD = ₹ 55.703 1 NZD = ₹ 51.173 1 UShs = ₹ 0.0212 (* converted at average rate)

Name of subsidiaries which are yet to commence operations

- Gobalcom Mobile Commerce Limited
- Globalcom Realty Limited
- Reliance Infra Projects Limited

Name of subsidiaries which have been liquidated or sold during the year - Nil

Part "B" : Associates

Sr. No.	Name of Associates	Date from which they became associate	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end		Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year attributable to shareholders		Description of how there is significant influence	Reason why the associate is not consolidated
				No.	Amount of Investment in Associates		Considered in Consolidation	Not Considered in Consolidation		
1	Mumbai Metro Transport Private Limited	18 th January, 2010	31.03.2022	13000	-	(5.28)	-	(1.99)	-	-
2	Warf Telecom International Private Limited	1 st January, 2006	31.12.2021	65025000	2,230.00	3,031.12	(11.19)	-	-	-

Name of associates which are yet to commence operations - Nil

Name of associates which have been liquidated or sold during the year - Nil

Notes :

- There is significant influence due to percentage (%) of share Capital.
- The Company does not have any joint Venture during the year.