



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

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

September 03, 2021

**The General Manager**  
**Corporate Relationship Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001  
Fax No.: 2272 2037/39/41/61/3121/3719

**The Manager**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C/1, Block G  
Bandra - Kurla Complex, Bandra (East)  
Mumbai 400 051  
Fax No.: 2659 8237 / 38/8347/48 /  
66418124/25/26

**BSE Scrip Code: 532712**

**NSE Symbol: RCOM**

Dear Sir,

**Sub: Notice of 17<sup>th</sup> Annual General Meeting and Annual Report 2020-21**

This is to inform that the 17<sup>th</sup> Annual General Meeting (AGM) of the members of the Company will be held on Saturday, September 25, 2021 at 11:30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The Annual Report for the financial year 2020-21, 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.

Yours faithfully,  
For **Reliance Communications Limited**

**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  
2020-21**

## **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, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN: L45309MH2004PLC147531  
Tel.: +91 22 3038 6286  
Fax: +91 22 3037 6622  
E-mail: rcom.investors@relianceada.com  
Website: www.rcom.co.in

## Registrar and Transfer Agent

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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**17<sup>th</sup> Annual General Meeting on Saturday, September 25, 2021 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](http://www.rcom.co.in)



# Reliance Communications Limited

## Notice

Notice is hereby given that the 17<sup>th</sup> 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 25, 2021 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 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 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 of the Company resolved with the requisite voting share, to replace the IRP with Mr. Anish Niranjan Nanavaty, as the resolution professional for the Company ("RP" or "Resolution Professional"). Subsequently, the Hon'ble NCLT has appointed Mr. Anish Niranjan 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 committee of creditors of the Company ("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 financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Directors and Auditors thereon, and

- b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of the Auditors thereon.
2. To appoint Shri Vishwanath Devaraja Rao (DIN: 08607657), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), 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 Vishwanath Devaraja Rao (DIN: 08607657), 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).

3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the relevant rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Audit Committee and the Directors of the Company, the re-appointment of M/s. Pathak H.D. & Associates, LLP, Chartered Accountants (Firm Registration no. 107783W/W100593), whose term of tenure has been completed at this Annual General Meeting and who have confirmed their eligibility for the re-appointment pursuant to Section 139 and 141 of the Act, as Statutory Auditors of the Company, be and is hereby approved, for a term of five consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting, at such remuneration as shall be fixed by the Resolution Professional of the Company on the recommendation of the Directors 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 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."

### Special Business:

4. **Ratification of Remuneration payable to Cost Auditor**  
To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

Notice

"**RESOLVED THAT** a fee of ₹ 2.50 lakh (Rupees two lakh fifty thousand only) excluding tax and out of pocket expenses, if any, for the financial year 2021-22 payable to M/s. V. J. Talati & Co., Cost Accountants (Firm Registration Number R00213), 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, 2022 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."

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

**Rakesh Gupta**  
**Company Secretary & Compliance Officer**

**Registered Office:**

H Block, 1<sup>st</sup> Floor  
Dhirubhai Ambani Knowledge City  
Navi Mumbai 400 710  
CIN:L45309MH2004PLC147531  
Website: www.rcm.co.in

Place: Mumbai  
Date : June 26, 2021

**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.
- Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

- Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, 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 Vishwanath Devaraja Rao, Director of the Company shall retire by rotation under the provisions of the Act and being eligible, offers himself for re-appointment.

The Directors of the Company have recommended the reappointment of Shri Vishwanath Devaraja Rao.

The details pertaining to Shri Vishwanath Devaraja Rao 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 Vishwanath Devaraja Rao, aged 62 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 38 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 UnilLever and other listed companies handling accounts and finance functions.

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

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

Shri Rao does not hold any share in the Company as on March 31, 2021. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company. Except Shri Vishwanath Devaraja Rao, none of the Director / Key Managerial Personnel 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 the Notice.

- In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21, is being sent only through 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 2020-21 will also be available on the Company's website at www.rcm.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 on the website of Kfintech at www.kfintech.com.

# Reliance Communications Limited

## Notice

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](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 M/s. KFin Technologies Private Limited ("KFintech"), Registrars and Transfer Agent of the Company as the authorized agency for conducting e-AGM and providing e-voting facility to the members of the Company.
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. As mandated by SEBI, effective from April 01, 2019, the securities of listed companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise share(s) held by them in physical form.
13. 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](http://www.rcom.co.in) to aid the Company in its constant endeavour to enhance the standards of service to investors.
14. **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 18<sup>th</sup>, 2021 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, 21<sup>st</sup> September, 2021 to 5.00 P.M. (IST) on Friday, 24<sup>th</sup> September, 2021. 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 18, 2021.

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](mailto: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.

Notice

h. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

**Part A - E-voting**

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

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

## Notice

**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.

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 or call at toll free no.: evoting@nsdl.co.in 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at or contact helpdesk.evoting@cdslindia.com 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) xxxx, 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. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - xii. 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 [scrutinizeragl@gmail.com](mailto:scrutinizeragl@gmail.com) with a copy marked to [evoting@kfintech.com](mailto: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](mailto:evoting@kfintech.com).
- Members are requested to follow the process as guided to capture the email address and mobile number for 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](mailto:einward.ris@kfintech.com).



Notice

- 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, Internet Explorer, 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 Friday, September 24, 2021 (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 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. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid. 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 in the mail received from 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](mailto: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.
- 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@kfintech.com](mailto:evoting@kfintech.com).
- 15. The Resolution Professional on the recommendation of Directors of the Company has appointed Mr. Anil Lohia, Partner or in his absence Mr. Chandras Dayal, Partner, M/s. Dayal and Lohia, Chartered Accountants as the

### Notice

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](http://www.rcom.co.in) and also on the website of Kfintech at <https://evoting.kfintech.com>.

16. 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.kfintech.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 June 26, 2021**

**Item No. 3**

**To appoint Statutory Auditors of the Company and fix their remuneration**

As per the provisions of Companies Act, 2013 (hereinafter referred to as "the Act") and the relevant Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), it is proposed to re-appoint M/s. Pathak H.D. & Associates LLP, Chartered Accountants (Firm Registration No. 107783W/ W100593) as Statutory Auditors of the Company whose term expires at the end of ensuing Annual General Meeting (AGM).

The Audit Committee and Directors of the Company have recommended the re-appointment of M/s. Pathak H.D. & Associates LLP, Chartered Accountants as Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of 17<sup>th</sup> AGM till the conclusion of 22<sup>nd</sup> AGM of the Company.

Additional information about Statutory Auditors pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is provided below:

Details	Particulars
Proposed Fees payable to the Statutory Auditors	₹ 75 lakh per year from the financial year 2021-22 with authority to revise during the tenure of five (5) years, if required.
Terms of Appointment	For a term of five (5) consecutive years from the conclusion of 17 <sup>th</sup> AGM till the conclusion of 22 <sup>nd</sup> AGM of the Company
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed	M/s. Pathak H.D. & Associates LLP is one of the leading firms of Chartered Accountants in India. M/s. Pathak H.D. & Associates LLP is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The range of services includes Assurance, Taxation, Corporate and Transaction Advisory Services. M/s. Pathak H.D. & Associates LLP holds the 'Peer Review' certificate as issued by 'ICAI'

The appointment of the statutory auditor shall be placed before the Committee of Creditors ("CoC") by the RP for approval in the upcoming meeting of the CoC, pursuant to Section 28(1)(m) of the Code, and the said agenda is subject to the outcome of the decision of the CoC.

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

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**

**Ratification of Remuneration payable to Cost Auditor**

The appointment and remuneration of M/s. V. J. Talati & Co., Cost Accountants (Firm Registration No. R00213) as the Cost Auditor to audit the cost accounting records of the Company for the financial year ending March 31, 2022, at a remuneration of ₹ 2.50 lakh (Rupees two lakh and fifty thousand only), excluding tax and out of pocket expenses, if any was approved by the Resolution Professional on the recommendations of the Audit Committee and the Directors of the Company.

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 their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item no. 4 of the 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. 04 of the accompanying Notice is recommended for the approval of the Members.

For **Reliance Communications Limited**

(Company under Corporate Insolvency Resolution Process)

**Rakesh Gupta**

**Company Secretary & Compliance Officer**

**Registered Office:**

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

Date : June 26, 2021

Place: Mumbai



# Reliance Communications Limited

## Directors' Report

Dear Shareowners,

Your Directors present the 17<sup>th</sup> Annual Report and the audited financial statements for the financial year ended March 31, 2021.

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") 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 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 order was published on June 28, 2019.

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, 2021 is summarised below:

Particulars	Financial Year ended March 31, 2021		* Financial Year ended March 31, 2020	
	₹ in crore	US\$ in million**	₹ in crore	US\$ in million**
Total income	483	66	818	109
Gross profit /(Loss) before depreciation, Amortisation and exceptional items	(120)	(16)	(1,429)	(190)
Less:				
Depreciation and amortization	132	18	183	24
Profit/ (Loss) before Exceptional items and Tax	(252)	(34)	(1,612)	(214)
Exceptional items:				
(Loss) / Profit on Fair Value of Investments	-	-	(15,251)	(2,025)
Profit/ (Loss) before Tax	(252)	(34)	(16,863)	(2,239)
Current tax / Excess provision for Tax of earlier years	-	-	-	-
Deferred Tax charge/ (credit)	-	-	-	-
Profit / (Loss) after tax	(252)	(34)	(16,863)	(2,239)
Profit / (Loss) after tax from Discontinued Operations	(4,637)	(635)	(28,475)	(3,780)
Other Comprehensive Income				
Re-measurement Gain/ (Loss) of defined benefit plans (Net of tax)	1	0	5	1
Total Comprehensive Income	(4,888)	(669)	(45,333)	(6,018)
Add : Balance brought forward from previous year	(59,516)	(8,140)	(14,183)	(1,883)
Profit available for appropriation				
Balance carried to Balance Sheet	(64,404)	(8,809)	(59,516)	(7,901)

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

\*\* Exchange Rate ₹ 73.110 = US\$ 1 as on March 31, 2021 (₹ 75.665 = US\$ 1 as on March 31, 2020).

### Financial Performance

During the year under review, your Company has earned from Continuing Operations income of ₹ 483 crore against ₹ 818 crore in the previous year. The Company has incurred an operational loss of ₹ 4,889 crore (including loss from discontinuation of wireless business of ₹ 4,637 crore) and there is a Loss of

₹ 4,888 crore for the year as compared to loss of ₹ 45,333 crore in the previous year which included provision for diminution in the value of Investment. The performance and financial position of the subsidiary companies and associate companies are included in the consolidated financial statements of the

**Directors' Report**

Company and presented in the Management Discussion and Analysis Report forming part of this Annual Report.

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. COVID-19 has impacted businesses globally and in India. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. Your Company has continued to provide services to its Enterprise customers without any interruptions and honour 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.

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

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.

**Dividend**

During the year under review, since the Company is under CIR Process and due to current year losses, 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.rcom.co.in/our-company/investor-relations/corporate-governance/>

**Business Operations**

The Company provides 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 40,000 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)(e) 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 never 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, 2021.

**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 Company, 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 your Company 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

# Reliance Communications Limited

## Directors' Report

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 the Company). 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 Company has been divested of its indirect equity interest in GCX and there is no impact on the financial statements of your Company.

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 Niranjana 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 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 Niranjana Nanavaty as the resolution professional of Reliance Communications Infrastructure Limited. RCIL continues to be under the CIRP.

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 <http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html>.

### 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, 2021, 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 15<sup>th</sup> November, 2019; Smt. Ryna Karani has resigned with effect from 14<sup>th</sup> November, 2019 and Shri Suresh Rangachar had resigned with effect from 13<sup>th</sup> 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 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

**Directors' Report**

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 continues 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 Vishwanath Devaraja Rao, Executive Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

A brief profile of Shri Vishwanath Devaraja Rao 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 <http://www.rcom.co.in/Rcom/about-us/investor-relations/corporate-governance.html>.

**Key Managerial Personnel**

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

**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 <http://www.rcom.co.in/investorrelations>.

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, 2021, 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, 2021 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, 2021 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.

All Related Party Transactions were placed before the Audit Committee for approval. Omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis.

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 related party transactions in CoC meeting(s).

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

# Reliance Communications Limited

## Directors' Report

There are no transactions entered by the Company with persons / entities as mentioned in Regulation 34 (3) and 53 (f) in Schedule V, A, 2A 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, 2021, the Directors held 4 meetings on July 31, 2020, October 17, 2020, November 28, 2020 and February 13, 2021. The maximum gap between two meetings of Directors was 77 days and minimum gap between two meetings of Directors was 41 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 were no changes 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

M/s. Pathak H.D. & Associates LLP, Chartered Accountants, who were appointed as statutory auditors of the Company to hold office for a term of 5 (five) consecutive years at the 12<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 27, 2016, would be completing their term of appointment upon conclusion of the ensuing 17<sup>th</sup> AGM of the Company.

Your directors, in their meeting held on June 26, 2021 recommended re-appointment of M/s. Pathak H.D. & Associates LLP, Chartered Accountants as the Statutory auditors of the Company for another term of 5 (five) years until the conclusion of 22<sup>nd</sup> AGM of the Company, subject to the approval of members at the ensuing AGM.

The Company has received letter from M/s. Pathak H.D. & Associates LLP, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from being appointed as Statutory Auditors of the Company.

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 statements, regarding "Assets Held for Sale (AHS)" pertaining to Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs)

along with liabilities continue 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 installments 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 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. 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 ₹ 3,916 crore (₹ 4,362 crore in case of consolidated) for the year ended March 31, 2021 and ₹ 11,174 crore (₹ 12,746 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 gain amounting to ₹ 515 crore (₹ 630 crore in case of consolidated) for year ended March 31, 2021 and ₹ 2,116 crore (₹ 2,593 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, 2021 would have been higher by ₹ 3,401 crore (₹ 3,732 crore in case of consolidated) and Net worth of the Company would have been lower by ₹ 16,691 crore (₹ 19,071 crore in case of consolidated) as at March 31, 2021 and ₹ 13,290 crore (₹ 15,339 crore in case of consolidated) as at March 31, 2020. Non provision of interest and non recognition of foreign exchange variation is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

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, 2021. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".

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



## Directors' Report

borrowings and default in payment of regulatory and statutory dues. This situation indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. 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 statements, in view of ongoing CIRP, the outcome of which cannot be presently ascertained.

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, 2.30, 2.47, 2.48 and 2.51 (standalone financials) and Note No. 2.15, 2.35, 2.42, 2.51, 2.54, 2.57 and 2.58 (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, 2021, 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 in a meeting dated June 26, 2021 have appointed M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditors to conduct cost audit for the telecommunications businesses of the Company for the financial year ending March 31, 2022 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, 2021.

### 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 November 28, 2020 had appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made in their Secretarial Audit Report submitted to 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 Practicing Company Secretaries (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 2020-21 is put up on the Company's website and can be accessed at <https://www.rcom.co.in/investor-relations-Annual Return>.

### Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules), as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report. Disclosures relating to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, also forms part of this Annual Report.

However, having regard to the provisions of second proviso to Section 136(1) of the Act, the Annual Report, excluding the aforesaid information 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) (m) 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, conforming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this Report.

## Directors' Report

### Ombudspersons & Whistle Blower (Vigil Mechanism)

The Company has formulated an Ombudspersons & Whistle Blower (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 [www.rcom.co.in](http://www.rcom.co.in).

### Risk Management

The Board of the Company had constituted a Risk Management Committee in their meeting held on 14<sup>th</sup> November, 2014 consisting of majority of directors and senior managerial personnel of the Company; however these mandatory provisions 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 3<sup>rd</sup> November, 2018. The Audit Committee of Directors looks after the functions of the Risk Management Committee.

The Company is currently under corporate insolvency resolution process ("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, 2021 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 2020-21.

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, 2021, 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.

### 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 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)

Place : Mumbai

Date : June 26, 2021

**Vishwanath Devaraja Rao**

Executive Director and  
Chief Financial Officer

(DIN: 08607657)

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai – 400 710.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Communications Limited** (hereinafter 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, 2021 ('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, 2021 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 thereunder 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:



## Directors' Report

1. Unaudited financial results for the Quarter ended June 30, 2020 and Quarter and half year ended September 30, 2020 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were filed with Stock Exchange on October 17, 2020 and 28<sup>th</sup> November, 2020 respectively i.e. there was a delay of 31 days for submission of results of the quarter ended June 30, 2020 and a delay of 11 days for submission of results of the quarter and half year ended September 30, 2020.

**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:

- a. The Indian Telegraph Act, 1885 and Rules made thereunder and as amended from time to time;
- b. The Telecom Regulatory Authority of India Act, 1997 and Rules made thereunder 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 at 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.

For **Ashita Kaul & Associates**  
**Company Secretaries**

Date : 17/06/2021

Place : Thane

UDIN : F006988C000476996

Proprietor

FCS 6988/ CP 6529

**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 / upgradation 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 : ₹ 63.47 Crore
- b. Total Foreign Exchange outgo : ₹ 44.26 Crore

# Reliance Communications Limited

## 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 in Corporate Insolvency Resolution Process ("CIR Process" or "CIRP") hence outlook, opportunity and threats, developments, risk and concerns and ratios has not been provided separately as required under Listing Regulations.

### Indian Telecom Industry

India continues to be the one of the largest telecommunications market in the world, with around 1201.20 Million subscribers. During FY 2020-21 we saw 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 1201.20 million at the end of March 2021, against 1177.97 million at the end of March 2020.
- Wireless subscribers accounted for 98.25% of the overall telecom subscriber base.
- Wireless tele-density increased to 86.68% in March 2021, compared to 85.78% at the end of March 2020.
- The Internet subscriber base showed growth and at the end of March 2021 the total was at 778.09 million against 687.44 million in March 2020. 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 serve nearly 7,500 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 7500 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.

#### Global Operations

##### Overview

RCOM provide 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.

Management Discussion and 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.
- Commoditized 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 ₹ 779 crore (US \$107 million). The net loss after tax recorded by the Company was ₹ 211 crore (US \$ 29 million). Total operating expenditure stood at ₹ 777 crore (US \$ 106 million).

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

The Company earned EBITDA of ₹ 2 crore (US \$ 0.27 million). The EBITDA margin for the year was 0.26 per cent.

**Depreciation and amortization**

The Depreciation and Amortization charges were ₹ 154 crore (US \$ 21 million).

**Loss before / after tax**

The Loss before exceptional item was ₹ 201 crore (US \$ 27 million). Tax was to the tune of ₹ 10 crore (US \$ 1 million). The Loss after tax was ₹ 211 crore (US \$ 29 million).

**Balance Sheet**

As on March 31, 2021, the Company had total assets of ₹ 47,826 crore (US \$ 6,542 million). Stakeholders' equity was negative (-) ₹ 53,906 crore (US \$ 7,373 million), while net debt (i.e. net of excluding cash and cash equivalents) was ₹ 44,722 crore (US \$ 6,117 million), giving a net debt to equity ratio of (0.83) 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. Additionally, our company Reliance Tech Services Limited (RTSL) is a complete end-to-end IT and Technology solutions provider to RCOM Business units through delivery and operational excellence.

**Revenues and Profit**

The revenues for the financial year ended March 31, 2021 were ₹ 758 crore (US \$ 104 million). The EBITDA during the same period was ₹ 6 crore (US \$ 1 million), while the EBIT (Earnings before Interest and Tax) was (loss) (-) ₹142 crore (US \$19 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, 2021 in this segment were ₹ 41 crore (US \$6 million). While the EBITDA was (loss) ₹ (-) 4 crore (US\$ (-)1 million), the EBIT was loss (-) ₹ 10 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 ₹ 9 crore (US \$ 1 million) during the year, compared to ₹ 13 crore (US \$ 2 million) for the previous year. RCIL incurred total operating expenses of ₹ 11 crore (US \$ 2 million),

## Management Discussion and Analysis

compared to ₹ 18 crore (US \$ 2 million) in the previous year.

### Net Profit / (Loss)

The net loss after tax recorded by RCIL was ₹ 14 crore (US \$ 2 million), compared to loss of ₹ 11 crore (US \$ 1 million) in the previous year.

### Balance Sheet

As on March 31, 2021, RCIL had total assets (net) of ₹ 3,948 crore (US \$540 million) and shareholders' fund negative amounting to ₹ 2,292 crore (US \$313 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 ₹ 6 crore (US \$ 1 million) during the year, compared to ₹ Nil (US \$ Nil) in the previous year. RTL incurred total operating expenses of ₹ 12 crore (US \$ 2 million), compared to ₹ 31 crore (US \$ 4 million) in the previous year.

### Net Profit / (Loss)

The net loss after tax recorded by RTL was ₹ 760 crore (US \$104 million), compared to net loss of ₹ 3,304 crore (US \$437 million) in the previous year.

### Balance Sheet

As on March 31, 2021, RTL had total assets of ₹ 3,830 crore (US \$524 million) and shareholders' fund negative amounting to ₹ 10,844 crore (US \$1,483 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 ₹ 1,216 crore (US \$166 million) during the year, compared to ₹ 1,343 crore (US \$178 million) in the previous year. The Company incurred total operating expenses of ₹ 1465 crore (US \$200 million), compared to ₹ 1,522 crore (US \$201 million) in the previous year.

### Net Profit / (Loss)

The net loss after tax recorded by RITL was ₹ 189 crore (US \$26 million), compared to loss of ₹ 66 crore (US \$9 million) in the previous year.

### Balance Sheet

As on March 31, 2021, RITL had total assets of ₹ 13,043 crore (US \$1,784 million). Shareholders' fund was ₹ 966 crore (US \$132 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 2020-21.

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, 2021, comprised Smt. Manjari Kacker as Chairperson and Shri Punit Garg, Shri Vishwanath Devaraja Rao, Smt. Ryna Karani and Smt. Chhaya Virani as members.

## 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, 1<sup>st</sup> 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** : 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

The Company (RCOM), is leading 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

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

- i. Number of International Locations (Provide details of major 5):- In two locations are at USA and UK
- ii. Number of National Locations: - All the states in India.

### 10. Markets served by the Company – The Company offers

ILD Voice termination services to 216 countries apart from serving on Pan India basis during the year ended March 31, 2021.

### Section B: Financial Details of the Company

1. Paid up Capital (INR) ₹ 1383 crore
2. Total Turnover (INR) ₹ 483 crore
3. Total Profit/ (Loss) after taxes from Continued Operation(INR) Loss of ₹ 252 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, 2021.

\*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? If yes, then indicate the number of such subsidiary company(s)

Yes, **BR Initiatives** are done at group level in which subsidiary companies are part of it.

#### 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? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, the entities e.g. suppliers, distributors etc. of the Company are not participating in the BR initiatives of the Company. However, The Company encourages other Entities such as suppliers and contractors to participate in its BR initiatives.

### Section D: Business Responsibility Information:

"During the ongoing CIRP of RCOM, the management of the affairs of RCOM vests in the RP and the powers of the board of directors have been suspended and are being exercised by the RP. In terms of provisions of the Code, the RP is vested with the powers of the board of directors of the Company during the CIRP period and the RP is required to *inter alia* run the affairs of the Company on a going-concern basis and also ensure that the Company remains in compliance of applicable laws during the CIRP period. However, it may be noted that while the powers of the board of directors stand suspended, the directors/ key managerial personnel/ officers/ employees of RCOM continue to hold their respective positions/ designations, and are required to discharge their roles and responsibilities during such time and extend full support to the RP in running the business and affairs of the Company.

Additionally, the management/ managerial personnel/ officers/ employees of RCOM, being well-versed and acquainted with the affairs and practices of the Company, provide their views and recommendations to the RP in matters concerning the business and affairs of the Company, for the purposes of managing the operations of the Company as a going concern and ensuring requisite compliances as per applicable laws."



# Reliance Communications Limited

## Business Responsibility Report

### 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) dated March 13, 2019. 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: Since 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 under the Direction of RP, periodically assesses the BR performance of the Company for ensuring the effectiveness and relevance of BR initiatives.								
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 Regulation 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 60 Complaints from the shareholders during the financial year 2020-21 and there were no complaints pending as on March 31, 2021. The details of this are provided in the section on Investor Relations in Corporate Governance Report.

**Business Responsibility 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.

**Principle 3**

**Businesses should promote the well being of all employees.**

Total number of employees	614
Total number of employees hired on temporary / contractual / casual basis	04
The number of permanent women employees	82
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



# Reliance Communications Limited

## Business Responsibility Report

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? Yes/ No

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 under Corporate Insolvency Resolution Process and further the provisions of Companies Act, 2013 specifying the requirement of Corporate Social Responsibility are not applicable to the Company during FY 2020-21.

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 2020- 21.

### 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

- Our IDC building (IDC-5) in Navi Mumbai is pre-certified for LEED GOLD rating from Indian Green Building Council (IGBC).
- As part of efficient energy management in Data centers, we had obtained ISO 50001 certification for IDC4 Mumbai to improve energy performance.
- 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

**Business Responsibility Report**

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 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 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
- C. 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

## Business Responsibility Report

### 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 under Corporate Insolvency Resolution Process and 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.

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

Not Applicable.

- 4. Have you done any impact assessment of your initiative?**

Not Applicable.

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

Not Applicable.

- 6. 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.**

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.

In spite 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.

No case is filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

Corporate Governance Report

**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 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. The NCLT vide order dated May 7, 2019 directed the IRP to proceed in the CIRP of the Company.

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 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. 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.

**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.

**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.

## Corporate Governance Report

### G. Ombudspersons & Whistle blower (vigil mechanism) Policy

Our Ombudspersons & Whistle Blower (vigil mechanism) 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 [http://www.rcom.co.in/Rcom/aboutus/ir/pdf/Directors\\_familiarisation.pdf](http://www.rcom.co.in/Rcom/aboutus/ir/pdf/Directors_familiarisation.pdf)

#### 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.

## Corporate Governance Report

### 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.

### j. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its committees.

**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 advice 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 2020-21 have been audited by an independent audit firm M/s. Pathak H.D. & Associates LLP, Chartered Accountants and pursuant to the provisions of Section 139 of the Act, M/s. Pathak H.D. & Associates LLP, would complete their first term of five years at the conclusion of ensuing Annual General Meeting (AGM).

The Directors have recommended their re-appointment for another term of five consecutive years from the conclusion of the ensuing AGM till the conclusion of the 22<sup>nd</sup> AGM.

### 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). The Company has reviewed the code on corporate governance of LSE and SGX and the Company's corporate governance practices conform to these codes and rules from time to time.

### 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 ended June 30, 2020 and for the quarter and half year ended September 30, 2020, within prescribed due date, for which the Company has paid the fine in terms of circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018.

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

#### I. Board of Directors

the Board Composition as on 31<sup>st</sup> March, 2021 was as follows:

#### 1. Board composition – Board strength and representation

As on March 31, 2021, 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



## Corporate Governance Report

\*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 15<sup>th</sup> November, 2019 and Shri Suresh Rangachar and Smt. Ryna Karani resigned from their position as directors on 13<sup>th</sup> November, 2019 and 14<sup>th</sup> 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 20<sup>th</sup> 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.
- b. None of the directors has any business relationship with the Company.
- c. None of the directors has received any loans and advances from the Company during the financial year.

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 the undergoing 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 Board 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.

Meetings of the board and committees are called in compliance with the provisions of applicable laws governing the Company and keep in view the ongoing situation of pandemic COVID-19 and guidelines issued by regulatory authorities in this regard, where the following matters are discussed and the recommendations of the Directors are noted and taken on record 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.

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders.
- e. Ensuring a transparent Board nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.

## 3. Directors meetings

The Directors of the Company held 4 meetings during financial year 2020-21 on July 31, 2020, October 17, 2020, November 28, 2020 and February 13, 2021. The maximum time gap between any two meetings was 77 days and the minimum gap was 41 days.

In consideration of ongoing COVID-19 pandemic, all the above meeting were held through video conferencing and in compliance with all relevant circular issued by Ministry of Corporate Affairs in these regards.

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

Corporate Governance Report

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 2020-21 and the last Annual General Meeting held on September 26, 2020 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, 2021 were as under:

Name of the Director	Number of Board/ Directors meetings attended out of four meetings held	Attendance at the last AGM held on September 26, 2020	Number of directorship (including RCOM)	Committee(s) membership (including RCOM)	
				Membership	Chairmanship
Shri Anil D. Ambani	0	Absent	7	None	None
Smt. Manjari Kacker	0	Absent	5	5	2
Shri Punit Garg	4	Present	2	4	None
Smt. Chhaya Virani	0	Absent	10	10	6
Smt. Ryna Karani	0	Absent	6	9	2
Shri Suresh Rangachar	0	Absent	2	1	None
Shri Vishwanath Devaraja Rao	4	Present	2	2	None

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.

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.



# Reliance Communications Limited

## Corporate Governance Report

### 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, 2021 are as follows:

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

### 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**, 62 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, 2021, Shri Anil D. Ambani held 18,59,171 equity shares of the Company.

**Smt. Manjari Kacker**, 69 years, holds a master's degree in Chemistry and a diploma in Business Administration. She has more than 40 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, Dhanvarsha Finvest Limited, , Water Systems & Infrastructure Development Services Private Limited, Hindustan Gum and Chemicals Limited, , Arshiya Limited and DFL Technologies Private Limited.

## Corporate Governance Report

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, 2021.

**Shri Punit Garg**, 56 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 34 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.

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, 2021.

**Smt. Chhaya Virani**, 67 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 Capital Limited, 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, 2021.

**Smt. Ryna Karani**, 53 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 Reliance Infrastructure Limited, Mumbai Metro One Private Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, 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, 2021.

**Shri Suresh Rangachar** aged 56 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 Reliance Infratel Limited.

He does not hold any share in the Company as on March 31, 2021.

### Shri Vishwanath Devaraja Rao

Shri Vishwanath Devaraja Rao, aged 62 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 38 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, 2021.

## 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. 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 resignation letters dated 15<sup>th</sup> November,

2019. However, since the CoC refused to accept the resignations tendered by such directors, the name of such directors continues to reflect in the composition of the Audit Committee.

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, *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
  - 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. Such approval can be in the form of omnibus approval of RPT subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the Listing Regulations. Such approval shall not be required for transactions with a wholly owned subsidiary whose accounts are consolidated with the Company;
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.

## Corporate Governance Report

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.

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;
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. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

6. 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 2020-21.

The Audit Committee held its meetings on July 31, 2020, October 17, 2020, November 28, 2020 and February 13, 2021. The maximum time gap between any two meetings was 77 days and the minimum gap was 41 days.

In view of the ongoing COVID-19 pandemic, all the above meeting were held through video conferencing and in compliance with all relevant circular issued by Ministry of Corporate Affairs in this regards.

Attendance at the meeting of the Audit Committee held during financial year 2020-21, 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.

## Corporate Governance Report

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 members as on 31<sup>st</sup> March, 2021, 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 15<sup>th</sup> November, 2019. However, since the CoC refused to accept the resignations tendered by such directors, the name of such directors continues to reflect in the composition of the Nomination and Remuneration Committee.

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

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

- i. To follow 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 2020-21.

#### 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, 2021.

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	3.20

Corporate Governance Report

Notes:

- There were no other pecuniary relationships or transactions of non executive directors vis-à-vis the Company.
- The Company has so far not issued any stock options to its non-executive directors.
- Pursuant to the limits approved by the Board, eligible non executive directors were paid sitting fees of ₹ 40,000 (excluding service tax taxes as applicable) for attending each meeting of the Board and its committees.
- No remuneration by way of Commission to the non executive directors is proposed for the financial year 2020-21.

During the financial year, in terms of approval granted by shareholders and Committee of Creditors, the Executive Director / Whole Time Director of the Company were paid remuneration as follows:

		(in ₹)
Sr No	Particulars	Shri Vishwanath Devaraja Rao Director and CFO
1.	Remuneration	1,48,28,244
2.	Perquisite	1,25,585
3.	Contribution To PF / Superannuation Fund	6,80,817
4.	Allowances, Bonuses, Commission and any other component	
	• Provision for Gratuity	2,85,902
	• Leave Salary encashment	12,64,556
	<b>Total</b>	<b>1,71,85,104</b>

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, 2021, 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 15<sup>th</sup> November, 2019. However, since the CoC refused to accept the resignations tendered by such directors, the name of such directors continues to reflect in the composition of the Stakeholders Relationship Committee.

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 including are not applicable to the Company during the CIR Process and thus there was no meeting of Stakeholders Relationship Committee held during FY 2020-21.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

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

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, 2021 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 15<sup>th</sup> November, 2019. However, since the CoC refused to accept the resignations tendered by such directors, the name of such directors continues to reflect in the composition of the Corporate Social Responsibility Committee.



# Reliance Communications Limited

## Corporate Governance Report

However Section 135 and rules made there under are not applicable to the Company for the financial year 2020-21

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.

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 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
2019-20 AGM*	September 26, 2020 at 12.00 PM	Yes 1. Appointment of Shri Vishwanath Devaraja Rao as a Whole-Time Director and Chief Financial Officer.
2018-19 AGM	September 30, 2019 At 4.00 p.m.	No
2017-18 AGM	September 18, 2018 at 9.30 a.m.	Yes 1. Revision of Borrowing Limits of the Company 2. Appointment of Shri Punit Garg as an Executive Director

Financial Year and type of meeting	Date and Time	Whether Special Resolution passed or not
		3. Appointment of Shri Manikanthan V. as a Director and Chief Financial Officer
		4. Alterations to the Article of Associations of the Company
		5. Private Placement of Non-Convertible Debentures and / or other Debt Securities

\*In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") had vide its circular dated May 5, 2020 read with circulars 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 26, 2020 was 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, DinshawWachha Road, Churchgate, Mumbai - 400020 and the AGM for FY 2017-18 were held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai 400 020.

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 2020-21.

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](http://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. are posted on Company's website.

Corporate Governance Report

- c. **Website:** The Company's website [www.rcom.co.in](http://www.rcom.co.in) contains a separate dedicated section 'Investor Relations'. 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):** The NEAPS is web based system designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report, Corporate announcement, Media Release, Results etc. are also filed electronically on NEAPS.
- f. **BSE Corporate Compliance and Listing Centre ("the Listing Centre"):** The Listing Centre is web based application designed by BSE for corporate's. 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](mailto:rcom@kfintech.com)
- h. **Designated E-mail-id:** The Company has also designated the E-mail-id [rcom.investors@relianceada.com](mailto: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.
- 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 <http://www.rcom.co.in/investorrelations/Policy-for-Determination-of-Material-Subsidiary.pdf>.

### 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 year under review, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory Authority except as follows:

- Fine for late approval of financial results for the quarter ended June 30, 2020, within prescribed due date, for which the Company has paid the fine in terms of circular No. SEBI/HO/CFD/CMD/ CIR/P/2018/77 dated May 3, 2018.
- Fine for late approval of financial results for the quarter and half year ended September 30, 2020, within prescribed due date, for which 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 2020-21 approval of the committee of creditors ("COC") of the Company was taken for related party transactions in CoC meeting(s).

During the financial year 2020-21, 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](http://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](http://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 2020-21".

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, 2021 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, 2021 are as follows:

Particulars	Amount (₹ In Crore)
Audit Fees	₹ 0.75 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

## Corporate Governance Report

### 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, 2020	466	31,591
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	233	12,456
e.	Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2021	233	19,495

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 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.

#### Certificate from Company Secretary in Practice 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.

# Reliance Communications Limited

## 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"> <li>● Composition &amp; Meetings</li> <li>● Review of compliance reports &amp; compliance certificate</li> <li>● Plans for orderly succession for appointments</li> <li>● Code of Conduct</li> <li>● Fees / compensation to Non-Executive Directors</li> <li>● Minimum information to be placed before the Board</li> <li>● Compliance Certificate</li> <li>● Risk assessment and management</li> <li>● Performance evaluation of Independent Directors</li> <li>● Recommendation of the Board</li> </ul>
2.	Maximum number of Directorship	17A* (Not applicable)	Yes	<ul style="list-style-type: none"> <li>● Directorship in listed entities</li> </ul>
3.	Audit Committee	18 (Not applicable)	Yes	<ul style="list-style-type: none"> <li>● Composition &amp; Meetings</li> <li>● Quorum of the Committee</li> <li>● Power of the Committee</li> <li>● Role of the Committee and review of information by the Committee</li> </ul>
4.	Nomination and Remuneration Committee	19 (Not applicable)	Yes	<ul style="list-style-type: none"> <li>● Composition</li> <li>● Quorum of the Committee</li> <li>● Meetings of the Committee</li> <li>● Role of the Committee</li> </ul>
5.	Stakeholders Relationship Committee	20 (Not applicable)	Yes	<ul style="list-style-type: none"> <li>● Composition</li> <li>● Meetings of the Committee</li> <li>● Role of the Committee</li> </ul>
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"> <li>● Review of Vigil Mechanism for Directors and employees</li> <li>● Direct access to Chairperson of Audit Committee</li> </ul>
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>● 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 2020-21 approval of the committee of creditors of the Company were taken for all related party transactions in meetings of Committee of Creditors.</li> <li>● Policy of Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>● Approval including omnibus approval of Audit Committee</li> <li>● Review of Related Party Transactions</li> <li>● No material Related Party Transactions</li> <li>● Disclosure of Related Party Transactions on consolidated basis</li> </ul>

## Corporate Governance Report

Sr. No.	Particulars	Regulations	Compliance Status	Compliance Observed
9.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> <li>• Appointment of Company's Independent Director on the Board of material subsidiary – N.A.</li> <li>• Review of financial statements of subsidiary by the Audit Committee</li> <li>• Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors</li> <li>• Significant transactions and arrangements of subsidiary are placed at the meeting of the Board of Directors</li> </ul>
10.	Secretarial Compliance Report	24A	Yes	<ul style="list-style-type: none"> <li>• Secretarial Compliance Report</li> </ul>
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum directorships and tenure</li> <li>• Meetings of Independent Directors</li> <li>• Cessation and appointment of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> <li>• No alternate Director for Independent Directors</li> <li>• Declaration by Independent Directors</li> <li>• Directors and Officers Insurance</li> </ul>
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>• Disclosure of shareholding by Non-Executive Directors</li> <li>• Disclosures by Senior Management about potential conflicts of interest</li> <li>• 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</li> </ul>
13.	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of quarterly compliance report on Corporate Governance</li> </ul>
14.	Website	46(2) (b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions for appointment of Independent Directors</li> <li>• Composition of various Committees of the Board of Directors</li> <li>• Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>• Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>• Criteria of making payment to Non-executive Director</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Policy for determining material subsidiaries</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul>

(\*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

**Investor should hold securities in dematerialised form as transfer of shares in physical form will no more be permissible.**

**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 dematerialise shares in the Company to facilitate transfer of shares.**

**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:

- a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech, if not registered with the Company as mandated by SEBI.
- b. are advised to register the nomination in respect of their shareholding in the Company.  
  
Nomination Form (SH-13) is put on the Company's website and can be accessed at link <https://www.rcom.co.in/shareholder-services>.
- c. are requested to register / update their e-mail address with the Company / KFinTech for receiving all communications from the Company electronically.

### Members holding shares in electronic mode:

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

**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:**

- a. The relaxation shall only be available for transfers executed after January 1, 2016.
- b. The relaxation shall only be available to non-commercial transactions, i.e. transfer by way of gift among immediate relatives.
- c. 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 consolidate their holding 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.

## Investor Information

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, KFin Technologies Private Limited (Kfintech) for incorporation on their dividend warrants.

### Intimate 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 holding shares in demat mode should register with Depository Participants 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 and with their Depository Participants in case of shares are held in dematerialised form.

Form may be downloaded from the Company's website, [www.rcom.co.in](http://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 Depository Participants directly, as per the form prescribed by the Depository Participants.

### 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.

### Course of action for revalidation of dividend warrant for previous years

Shareholders may write to the Company's RTA, furnishing the particulars of the dividend not received, and quoting the folio number / DP ID and Client ID particulars (in case of dematerialised shares), as the case may be and provide bank details along with cancelled cheque bearing the name of the shareholder for updation of bank details and payment of unpaid

dividend. The RTA would request the concerned shareholder to execute an indemnity before processing the request. As per a circular dated April 20, 2018 issued by SEBI, the unencashed dividend can be remitted by electronic transfer only and no duplicate dividend warrants will be issued by the Company. The shareholders are advised to register their bank details with the Company / RTA or their DPs, as the case may be, to claim unencashed dividend from the Company.

### 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 17<sup>th</sup> Annual General Meeting (AGM) is convened to be held on Saturday, September 25, 2021 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 21, 2021 to 5.00 P.M. (IST) on Friday, September 24, 2021. 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.

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 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 each year.

### Website

The Company's website [www.rcom.co.in](http://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](mailto:rcom.investors@relianceada.com).

# Reliance Communications Limited

## Investor Information

### Registrar and Transfer Agent (RTA)

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](http://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](mailto:rcom@kfintech.com)

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 CIR Process, vide order dated 7<sup>th</sup> May 2019 of Hon'able NCLT, Mumbai Bench, the Directors and RP of the Company does not recommend any dividend for the financial year 2020-21.

### 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.

During the year under review, the Company has transferred unclaimed dividend of ₹ 68,38,114.00 to the Investor Education

and Protection Fund, pertaining to the year 2012-13, pursuant to the provisions of the Companies Act, 2013.

The Company has transferred to the IEPF Authority 41,68,113 equity shares of ₹ 5 each on November 02, 2020, 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](http://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](http://www.iepf.gov.in) along with the applicable fee.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2020 (date of last Annual General Meeting) and the details of such shareholders and shares due for transfer on the website of the Company ([www.rcom.co.in](http://www.rcom.co.in)), as also on the website of the Ministry of Corporate Affairs.

Members who have so far not encashed dividend warrants for the aforesaid years are requested to approach the Company's Registrar and Transfer Agents, KFin Technologies Private Limited immediately. Members are requested to note that the Company has uploaded the details of unpaid and unclaimed dividend and equity shares due to be transferred on the website of the Company [www.rcom.co.in](http://www.rcom.co.in).

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

### Shareholding Pattern

Category of Shareholders	As on 31.03.2021		As on 31.03.2020	
	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
<b>Total shareholding of Promoter and Promoter Group</b>	<b>143116572</b>	<b>5.18</b>	<b>143116572</b>	<b>5.18</b>
(B) Public Shareholding				
(i) Institutions	135177643	4.89	222031181	8.03
(ii) Non-Institutions	2465959835	89.16	2379106297	86.02
<b>Total Public Shareholding</b>	<b>2601137478</b>	<b>94.05</b>	<b>2601137478</b>	<b>94.05</b>
(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
<b>GRAND TOTAL (A)+(B)+(C)+(D)</b>	<b>2765533050</b>	<b>100.00</b>	<b>2765533050</b>	<b>100.00</b>

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

**Investor Information**

**Distribution of shareholding**

Number of Shares	Number of Shareholders		Total equity Shares		Number of Shareholders		Total equity Shares	
	as on 31.03.2021		as on 31.03.2021		as on 31.03.2020		as on 31.03.2020	
	Number	%	Number	%	Number	%	Number	%
Up to 500	1022640	76.81	110599443	4.00	1060497	80.16	107776039	3.90
501 to 5000	246676	18.53	431099731	15.59	207574	15.69	356723265	12.90
5001 to 100000	59660	4.48	1034244296	37.40	52429	3.96	932257561	33.71
Above 100000	2401	0.18	1189589580	43.01	2471	0.19	1368776185	49.49
<b>Total</b>	<b>1331377</b>	<b>100.00</b>	<b>2765533050</b>	<b>100.00</b>	<b>1322971</b>	<b>100.00</b>	<b>2765533050</b>	<b>100.00</b>

**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, 2021, 99.37 per cent of the Company's equity shares are held in dematerialised form.

**Investors' Grievances Attended**

Received from	Received during		Redressed during		Pending as on	
	2020-21	2019-20	2020-21	2019-20	31.3.2021	31.3.2020
SEBI	10	32	10	32	Nil	Nil
Stock Exchanges	0	10	0	10	Nil	Nil
NSDL / CDSL	0	1	0	1	Nil	Nil
Direct from investors	50	0	50	0	Nil	Nil
<b>Total</b>	<b>60</b>	<b>43</b>	<b>60</b>	<b>43</b>	<b>Nil</b>	<b>Nil</b>

**Analysis of Grievances**

Nature of Grievances	2020-21		2019-20	
	Numbers	%	Numbers	%
Non Receipt of Annual Reports	6	10.00	11	25.58
Non-receipt of dividend warrants	19	31.67	5	11.63
Non-receipt of share certificates	35	58.33	0	0.00
Others	0	0.00	27	62.79
<b>Total</b>	<b>60</b>	<b>100.00</b>	<b>43</b>	<b>100.00</b>

There was no complaint pending as on March 31, 2021.

**Notes:**

1. The shareholder base was 13,31,377 as of March 31, 2021 and 13,22,971 as of March 31, 2020.
2. 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, 2021.

**Legal proceedings**

There are certain pending cases relating to disputes over title to shares, in which the Company is 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.

# Reliance Communications Limited

## Investor Information

### 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, 2020	Rating as on March 31, 2021
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

### Stock price and volume

2020-21	BSE Limited			National Stock Exchange of India Limited		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
April, 2020	1.05	0.65	114343912	1.10	0.65	405601781
May, 2020	1.00	0.77	27713766	1.00	0.75	180314378
June, 2020	1.69	0.76	52159634	1.55	0.70	233563349
July, 2020	4.33	1.77	563176440	3.45	1.60	107154077
August, 2020	3.39	2.17	165403091	2.90	2.15	402789434
September, 2020	2.60	1.7	69881877	2.60	1.80	154772039
October, 2020	1.82	1.31	71296250	1.80	1.35	91985888
November, 2020	1.73	1.41	84529168	1.70	1.40	133420000
December, 2020	2.79	1.54	239631210	2.60	1.55	312215895
January, 2021	2.31	1.65	168312528	2.30	1.75	298456257
February, 2021	1.98	1.65	107770180	1.95	1.65	185040341
March, 2021	2.10	1.65	202960541	2.00	1.65	204601110

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

## Investor Information

### 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 on Stock Exchanges

Equity Shares  
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.

### Debt Securities

- The following Debt Securities of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE and NSE.
  - 11.20 per cent Secured Redeemable Non-Convertible Debentures (ISIN INE330H07015)
  - 11.25 per cent Secured Redeemable Non-Convertible Debentures, Series - 1 (ISIN INE330H07064)

### c. Debenture Trustee

Axis Trustee Services Limited  
The Ruby, 2<sup>nd</sup> 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

### Senior Secured Notes Trustee

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

### Payment of Listing Fees

Annual listing fee for the year 2021-22 has been paid to the stock exchanges.

### Payment of depository fees

The Annual custody / issuer fee as due for the year 2021-22 will be paid to NSDL & CDSL in due course.

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

	RCOM	Sensex BSE	Nifty NSE
FY 2020-21	161.54	68.01	70.87
2 years	-59.04	28.02	26.38
3 years	-92.18	50.17	45.26

### Key financial reporting dates for the financial year 2021-22

Unaudited results for the first quarter ended June 30, 2021	: On or before August 14, 2021
Unaudited results for the second quarter and half year ended September 30, 2021	: On or before November 14, 2021
Unaudited results for the third quarter ended December 31, 2021	: On or before February 14, 2022
Audited results for the financial year : 2021-22	: On or before May 30, 2022

### Depository services

For guidance on depository services, shareholders may write to the Company's RTA or National Securities Depository Limited, Trade World, 4<sup>th</sup> 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, 25<sup>th</sup> Floor, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, website: www.cdslindia.com.



# Reliance Communications Limited

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## Investor Information

### 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](http://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 Private Limited at the below mentioned address for speedy response:

#### 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](mailto:rcom@kfintech.com)  
Website : [www.kfintech.com](http://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, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City Navi  
Mumbai 400 710.  
Telephone no. : +91 22 3038 6286  
Fax : +91 22 3037 6622  
E-mail : [rcom.investors@relianceada.com](mailto:rcom.investors@relianceada.com)

#### Correspondence on investor services may be addressed to:

The Company Secretary  
Reliance Communications Limited  
H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City Navi  
Mumbai 400 710.  
Telephone no. : +91 22 3038 6286  
Fax : +91 22 3037 6622  
E-mail : [rcom.investors@relianceada.com](mailto: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, 1<sup>st</sup> 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, Smt. Manjari Kacker, Smt. Ryna Karani, Smt. Chhaya Virani and Shri Suresh Rangachar, directors of Reliance Communications Limited having CIN: L45309MH2004PLC147531 and having registered office at H Block, 1<sup>st</sup> Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 (hereinafter 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](http://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 31<sup>st</sup> March, 2021 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.

#### List of Directors of Reliance Communications Limited as on March 31, 2021:

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	19/11/2019
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.

(\*During Financial Year 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 15<sup>th</sup> November, 2019 and Shri Suresh Rangachar and Smt. Ryna Karani resigned from their position as directors on 13<sup>th</sup> November, 2019 and 14<sup>th</sup> November, 2019 respectively. Further, 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 20<sup>th</sup> 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 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, Smt. Manjari Kacker, Smt. Ryna Karani, Smt. 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 Niranjan Nanavat, 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 :** 26/06/2021  
**Place :** Thane  
**UDIN :** F006988C000548122

**Ashita Kaul  
Proprietor  
Membership Number: 6988/ COP: 6529**

# Reliance Communications Limited

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## 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, 2021, 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, 2021.

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 : 26/06/2021

UDIN : F006988C000548221

Note: We have conducted online verification & examination of records as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this certificate.

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 accompanying financial statements of **Reliance Communications Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and 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 (together "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 matters 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, 2021 and its changes in equity and its loss (including total 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 & 2.30 of the standalone financial statements, "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, 2021.
- b. We draw attention to Note no. 2.30 and 2.47 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. 3,916 crore for year ended March 31, 2021 and Rs.11,174 crore up to the previous financial year calculated based on basic rate of interest as per terms of loan. The Company further has not provided for foreign exchange gain amounting to Rs. 515 crore for the year ended March 31, 2021 and foreign exchange loss (net) amounting to Rs. 2,116 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, 2021 would have been higher by Rs. 3,401 crore and Net worth of the Company would have been lower by Rs. 16,691 crore as at March 31, 2021 and by Rs. 13,290 crore as at March 31, 2020 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" respectively.

- c. We draw attention to Note no. 2.30 of the standalone financial statements, regarding pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying under Goods & Service Tax) & liabilities and non provision for impairment of carrying value of the assets and write back of liabilities if any, pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the year ended March 31, 2021. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
- d. We draw attention to Note no. 2.51 of the standalone financial statements, regarding non adoption of Ind AS 116 "Leases" effective from April 1, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
- e. We draw attention to Note no 2.30 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. 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, the outcome of which cannot be presently ascertained.

## Independent Auditors' Report

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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

- a. We draw attention to Note no. 2.38.2(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, 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.

### 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.

#### 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

- b. We draw attention to Note no. 2.56 of the standalone financial statements as regards to the management's evaluation of impact of COVID - 19 on the future performance of the Company. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of above matters.

### 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 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.

### How our audit addressed the Key Audit Matter

Our audit procedures included, amongst others, the following:

- 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.

**Independent Auditors' Report**

**Key Audit Matter**

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.

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. 2.35 Contingent liabilities and note no. 2.38.2(a) on provision of Licence fees and Spectrum Usage Charges.

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

The 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 standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements do not cover the other information and we will 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 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 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.2.57 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.

**How our audit addressed the Key Audit Matter**

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.

We also assessed the adequacy of the Company's disclosure around legal claims, litigations, regulatory matters and contingencies as included in Note no. 2.35 Contingent liabilities.

We consider management's conclusion on the predicted outcome and estimation of potential impact reasonable and we assessed that the disclosures in Note no. 2.35 Contingent liabilities are reasonable.

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 statements 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 management/ RP either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management/RP is 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. 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 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, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

- a. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Reliance Communications Limited ("the Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the Resolution Professional ("RP") for the Corporate Debtors, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).
- b. During the previous year Reliance Communication Infrastructure Limited (RCIL) a wholly owned subsidiary of the Company, had been admitted by NCLT for resolution process under the Code and Mr. Anish Nanavaty was appointed as the Resolution Professional by the NCLT.
- c. Further, during the year Reliance Tech Services Limited (RTSL) a wholly a wholly owned subsidiary of the 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 shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the financial statements. As mentioned in Note No 2.57 of the standalone financial statement, in view of the ongoing CIRP, 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, 2016 ("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 described in the Basis of 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 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

## Independent Auditors' Report

- 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 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", and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", with regard to matters described in the Basis of Qualified Opinion paragraph above.
- (e) The matter 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 financial statements of the Company;
- (f) On the basis of the written representations received from two directors of the Company as on March 31, 2021 taken on record by the Board of Directors and based on legal opinion obtained by the Company with regard to nonpayment of debenture holder's due, these two directors are not disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. Further as mentioned in Note no. 2.50 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, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to 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 no. 2.35 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.

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

**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALU3866

Place: Mumbai  
Date : June 26, 2021

# Reliance Communications Limited

## 'Annexure A' to the Independent Auditor's Report - March 31, 2021

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, 2021, we report the following:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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 and on account of Covid 19 pandemic, the Company has physically verified some of the fixed assets on sample basis during the year which is not under electronic surveillance and no material discrepancies were identified on such physical verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2.01 & 2.14 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:
- | Particulars                                     | Freehold Land | Leasehold Land | Building |
|---|---------------|----------------|----------|
| No of cases                                     | 359           | 14             | 376      |
| Gross block as at March 31, 2021 (Rs. in crore) | 133           | 12             | 245      |
| Net block as at March 31, 2021 (Rs. in crore)   | 133           | 10             | 162      |
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. As per information and explanation provided to us and on the basis of verification of records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph (iii) of the Order is not applicable to the Company.
- 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 3(iv) of the Order is not applicable.
- 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, paragraph (v) of the Order is not applicable to the Company.
- 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 sub-section 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 (VAT), entry tax, employees' state insurance, cess and other material statutory dues. As explained to us, the Company did not have any dues on account of duty of excise.

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, 2021 for a period of more than six months from the date they became payable are as under:

Name of Statute*	Nature of Dues	Amount (Rs. 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	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

'Annexure A' to the Independent Auditor's Report - March 31, 2021

Name of Statute*	Nature of Dues	Amount (Rs. In Crore)	Period to which the amount relates	Due Date	Date of Payment
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	FY 2017-18	Various Dates	Unpaid
Madhya Pradesh CST Act,1956	Central Sales Tax Payable	0.00	FY 2017-18	Various Dates	Unpaid
Jharkhand CST Act,1956	Central Sales Tax Payable	0.00	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	FY 2017-18	Various Dates	Unpaid
Maharashtra Value Added Tax Act, 2002	Works Contract Tax Payable	0.26	FY 2017-18	Various Dates	Unpaid
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	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	FY 2017-18	Various Dates	Unpaid
Himachal Pradesh Value Added Tax Act,2005	Works Contract Tax Payable	0.00	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	FY 2017-18	Various Dates	Unpaid
Chhattisgarh Value Added Tax Act,2003	Works Contract Tax Payable	0.00	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	13.67	FY 2017-18 & F.Y 2018-19	Various Dates	Unpaid
Professional Tax Act – Various States	Profession Tax	0.44	FY 2018-19 onwards	Various Dates	Unpaid

(b) According to the information and explanations given to us, there are no dues of cess which have not been deposited on account of any dispute. The dues of income tax, duty of customs, service tax, sales tax, value added tax and entry tax as disclosed below have not been deposited by the Company on account of disputes:

Name of Statue	Nature of Dues	Amount* (Rs. 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	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	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

## Reliance Communications Limited

### 'Annexure A' to the Independent Auditor's Report - March 31, 2021

Name of Statute	Nature of Dues	Amount* (Rs. 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	2017-18	Sales Tax Officer
Entry Tax, Bihar	Entry Tax	0.38	2007-08 to 2008-09	Commercial Tax Appellate Tribunal
		0.25	2011-12	Asst. Commissioner of Commercial Taxes
Entry Tax, Chhattisgarh	Entry Tax	0.63	2006-07 to 2007-08	Commercial Tax Tribunal
		0.25	2010-11 to 2011-12	Dy. Commissioner (Appeals)
Entry Tax, Himachal Pradesh	Entry Tax	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
		0.21	2011-12	Dy. Commissioner (Appeals)
Entry Tax, Orissa	Entry Tax	0.08	2009-10	Addl. Commissioner (Appeals)
		0.05	Oct 06-March 09	Sales Tax Appellate Tribunal
Entry Tax, Uttar Pradesh	Entry Tax	0.13	2003-04	Commercial Tax Tribunal
		0.02	2013-14	Dy. Commissioner of Commercial Taxes
		0.02	2014-15	Dy. Commissioner of Commercial Taxes
Entry Tax, West Bengal	Entry Tax	0.17	2014-15	Jt. Commissioner Commercial Taxes
		0.18	2015-16	Commercial Tax officer
Entry Tax, Rajasthan	Entry Tax	1.70	2013-14 to 2014-15	Appellate Authority
		14.73	2005-06, 2007-08 to 2012-13	Supreme Court
Entry Tax, Jammu & Kashmir	Entry Tax	9.69	2008-09 to 2011-12	High Court
Entry Tax, Punjab	Entry Tax	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

'Annexure A' to the Independent Auditor's Report - March 31, 2021

Name of Statue	Nature of Dues	Amount* (Rs. In Crore)	Period	Forum
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
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
		0.13	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
Income Tax Act, 1961	Income Tax	292.82	2009-10 and 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.44	2009-10, 2010-11 and 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.67	2010-11 and 2011-12	High Court
Income Tax Act, 1961	Income Tax	90.00	Various years	High Court/Supreme 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

\*Net of amounts paid under protest.



# Reliance Communications Limited

## 'Annexure A' to the Independent Auditor's Report - March 31, 2021

viii. The Company has defaulted in repayment of following dues to the financial institution, banks and debenture holders, which were not paid as at Balance Sheet date.

Sr. No.	Name of Lender	Borrowings		Interest	
		Amount (Rs. In Crore)	Period (Maximum days)	Amount (Rs. In Crore)	Period (Maximum days)
<b>I</b>	<b>Loan from Banks</b>				
1	Burlington Loan Management DAC	163	1,207		
2	Shubh Holdings Pte Ltd.	2,460	1,494		
3	Bank of Baroda	1,837	1,485	11	1,462
4	Bank of India	644	1,462	9	1,462
5	Bank of Maharashtra	473	1,414		
6	Canara Bank	622	1,371		
7	Central Bank of India	258	1,462	3	1,462
8	Corporation Bank (merged with Union Bank of India)	583	1,484	8	1,462
9	Dena Bank (merged with Bank of Baroda)	250	1,149		
10	Deutsche Bank	530	1,207	1	1,380
11	China Development Bank	2,236	1,494	128	1,494
12	Industrial and Commercial Bank of China	1,194	1,494	33	1,494
13	Export Import Bank of China	2,433	1,494	47	1,494
14	IDBI Bank	721	1,466	9	1,462
15	Indian Overseas Bank	120	1,462	1	1,462
16	RCOM Bond	1,955			
17	Oriental Bank of Commerce (merged with Punjab National Bank)	189	1,462	2	1,462
18	Punjab National Bank	623	1,463		
19	Standard Chartered Bank	1,072	1,451		
20	State Bank of India	2,227	1,462	21	1,462
21	Syndicate Bank (merged with Canara Bank)	705	1,485	5	1,462
22	SC Lowy Financials (HK) Ltd	2,175	1,494		
23	UCO Bank	681	1,462	9	1,462
23	Union Bank of India	742	1,462	3	1,462
24	United Bank of India (merged with Punjab National Bank)	424	1,462	2	1,462
25	Vijaya Bank (merged with Bank of Baroda)	16	1,051		
<b>II</b>	<b>Debentures</b>				
26	Life Insurance Corporation of India	3,750	1,149		
<b>III</b>	<b>Other Loans</b>				
27	Industrial Finance Corporation of India Limited	200	1,478	4	1,478
28	India Infrastructure Finance Corporation Limited	248	1,279	4	1,493
29	Asset Care and Reconstruction Enterprises Limited	492	1,473		
30	Reliance Capital Limited	1,000	731	3	1,462
31	Neptune Steel Strips Limited	68	457		
32	Deep Industrial Finance Limited	260	486		
33	Pearl Housing Finance Limited	260	486		
34	Shriyam Auto Fin Ltd	260	486		
35	Traitrya Construction Finance Limited	260	486		
36	Vishvakarma Equipment Finance Limited	142	486		
	<b>Total</b>	<b>32,272</b>		<b>303</b>	

(Refer Note no 2.19.2 of the standalone financials statements)

**'Annexure A' to the Independent Auditor's Report - March 31, 2021**

- Apart from outstanding of Interest mentioned above, the Company has not provided Interest Expense of Rs. 3,916 crore for the year and Rs. 15,090 crore up to March 31, 2021 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.
- c) Installments amounting to Rs.1,313 crore payable to Department of Telecommunications as on March 31, 2021 for spectrum acquired on deferred payment basis, has not been paid. (Refer Note no. 2.02)
- ix. During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The Company during the year has not taken term loans from banks and financial institutions hence question of utilization of term loans does not arise.
- x. According to the information and explanations given to us no significant fraud on or by the Company by its officer or employees, that causes a material misstatement to the standalone financial statements, has been noticed or reported during the course of our audit. Also refer Note no. 2.30 of the standalone financial statements.
- xi. In our opinion and to the best of our information and according to the explanation given to us, 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.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph (xii) 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. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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, paragraph (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

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

**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALU3866

Place: Mumbai  
Date : June 26, 2021

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("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, 2021 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 over financial reporting 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 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.

#### **Auditor's 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 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 Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the 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 controls with reference to standalone financial statements is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of 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 financial reporting 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 has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2021:

- 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.2.30).
- 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. Delay in payment of statutory dues including Goods and Service Tax/Service Tax/ Value Added Tax / Tax Deducted at Source accounts and delays in 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 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.

**'Annexure B' to the Independent Auditor's Report - March 31, 2021**

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, 2021, 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 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 financial statements of the Company for the year ended March 31, 2021 and these material weaknesses affect our opinion on the standalone financial statements of the Company for the year ended March 31, 2021 [our audit report dated June 26, 2021, which expressed a qualified opinion on those standalone financial statements of the Company].

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

**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALU3866

Place: Mumbai  
Date : June 26, 2021

# Reliance Communications Limited

## Balance Sheet as at March 31, 2021

	Notes	As at		(₹ in crore)	
		March 31, 2021		As at March 31, 2020	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	2.01	1,364		1,484	
(b) Capital Work in Progress	2.01	100		97	
(c) Intangible Assets	2.02	5		11	
(d) Financial Assets					
(i) Investments	2.03	7,450		7,450	
(ii) Other Financial Assets	2.04	2		2	
(e) Income Tax Assets (net) (₹ 35,61,101) (Refer note 2.30)		-		261	
(f) Other Non Current Assets	2.05	699	9,620	699	10,004
<b>Current Assets</b>					
(a) Inventories	2.06	28		32	
(b) Financial Assets					
(i) Investments	2.07	4,046		4,046	
(ii) Trade Receivables	2.08	145		253	
(iii) Cash and Cash Equivalents	2.09	216		234	
(iv) Bank balances other than (iii) above	2.10	39		40	
(v) Loans	2.11	6,545		6,556	
(vi) Other Financial Assets	2.12	211		205	
(c) Other Current Assets	2.13	4,205		4,116	
(d) Assets held for Sale	2.14	19,731	35,166	19,731	35,213
<b>TOTAL ASSETS</b>			<b>44,786</b>		<b>45,217</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	2.15	1,383		1,383	
(b) Other Equity	2.16	(39,217)	(37,834)	(34,329)	(32,946)
<b>Liabilities</b>					
<b>Non Current Liabilities</b>					
(a) Other Non Current Liabilities	2.17	129		156	
(b) Provisions	2.18	3	132	5	161
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	2.19	28,340		28,340	
(ii) Trade Payables					
Micro and Small Enterprises	2.20	34		35	
Creditor other than Micro and Small Enterprises	2.20	2,810		2,979	
(iii) Other Financial Liabilities	2.21	45,000		40,711	
(b) Other Current Liabilities	2.22	258		307	
(c) Provisions	2.23	1,217		1,217	
(d) Liabilities directly related to Assets held for Sale	2.14	4,829	82,488	4,413	78,002
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>44,786</b>		<b>45,217</b>
<b>Significant Accounting Policies</b>	1				
<b>Notes on Accounts</b>	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

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

Place : Mumbai  
Date : June 26, 2021

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, 2021

	Notes	For the year ended March 31, 2021	(₹ in crore) For the year ended March 31, 2020
<b>1 INCOME</b>			
(a) Revenue from Operations	2.24	483	818
(b) Other Income		-	-
(c) <b>Total Income</b>		<u>483</u>	<u>818</u>
<b>2 EXPENSES</b>			
(a) Access Charges, License Fees and Network Expenses	2.25	415	714
(b) Employee Benefits Expenses	2.26	82	105
(c) Finance Costs		-	-
(d) Depreciation, Amortisation and provision for Impairment	2.01 & 02	132	183
(e) Sales and General Administration Expenses	2.27	106	1,428
(f) <b>Total Expenses [(a) to (e)]</b>		<u>735</u>	<u>2,430</u>
<b>3 Profit/ (Loss) before Exceptional items and Tax [1(c) - 2(f)]</b>		<u>(252)</u>	<u>(1,612)</u>
<b>4 Exceptional Items</b>	2.38.1		
Provision for diminution in the value of Investment		-	(15,251)
<b>Total Exceptional Items</b>		<u>-</u>	<u>(15,251)</u>
<b>5 Profit/ (Loss) before Tax (3 + 4)</b>		<u>(252)</u>	<u>(16,863)</u>
<b>6 Tax expenses</b>			
(a) - Current Tax		-	-
(b) - Deferred Tax charge/ (credit)		-	-
<b>7 Profit/ (Loss) from continuing operations after Tax (5 - 6)</b>		<u>(252)</u>	<u>(16,863)</u>
<b>8 Profit / (Loss) before Exceptional Items and Tax from Discontinued Operations</b>	2.46	(396)	(654)
<b>9 Exceptional Items</b>	2.38.2(a)		
Provision of Liability on account of License & Spectrum fee		4,241	27,821
<b>10 Profit/ (Loss) before Tax from Discontinued Operations (8-9)</b>		<u>(4,637)</u>	<u>(28,475)</u>
11 Tax expenses / (credit) of Discontinued Operations		-	-
<b>12 Profit/ (Loss) after Tax from Discontinued Operations (10-11)</b>		<u>(4,637)</u>	<u>(28,475)</u>
<b>13 Other Comprehensive Income / (Loss)</b>			
Item that will not be reclassified to Profit or loss Remeasurement of Gain / (Loss) of defined benefit plans (net of tax)		1	5
<b>14 Total Comprehensive Income/ (Loss) ( 7+12+13 )</b>		<u>(4,888)</u>	<u>(45,333)</u>
<b>15 Earnings per Share of face value of ₹ 5 each fully paid up (Basic and Diluted) before Exceptional items</b>	2.37		
Continuing Operations		(0.92)	(5.87)
Discontinued Operations		(1.44)	(2.38)
Continuing Operations and Discontinued Operations		(2.36)	(8.25)
<b>(after Exceptional items)</b>			
Continuing Operations		(0.92)	(61.45)
Discontinued Operations		(16.90)	(103.76)
Continuing Operations and Discontinued Operations		(17.82)	(165.21)
<b>Significant Accounting Policies</b>	1		
<b>Notes on Accounts</b>	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

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

Place : Mumbai  
Date : June 26, 2021

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 Changes in Equity for the year ended March 31, 2021

	For the year ended		FCMITDA Remeasurement ** of defined benefit plan	Total
	March 31, 2021	March 31, 2020		
(a) <b>Equity share capital</b> (Refer Note 2.15)				
<b>Balance at the beginning of the year</b>	1,383	1,383		1,383
Change in equity share capital during the year	-	-		-
<b>Balance at the end of the year</b>	<b>1,383</b>	<b>1,383</b>		<b>1,383</b>
(b) <b>Other Equity</b> (Refer Note 2.16)				
<b>Particulars</b>	<b>Attributable to the equity holders</b>			<b>Other Comprehensive Income</b>
	<b>Reserves and Surplus</b>			
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>FCMITDA Remeasurement</b>
	<b>Premium Reserve</b>	<b>Business Restructuring Reserve</b>	<b>Debt Redemption Reserve</b>	<b>Equity **</b>
<b>Balance as at April 01, 2019</b>	1,397	13,894	9,697	590
Surplus/ (Deficit) of Statement of Profit and Loss				
Movement in FCMITDA				
<b>Balance as at March 31, 2020</b>	1,397	13,894	9,697	590
Surplus/ (Deficit) of Statement of Profit and Loss				
Movement in FCMITDA				
<b>Balance as at March 31, 2021</b>	<b>1,397</b>	<b>13,894</b>	<b>9,697</b>	<b>590</b>

\* General Reserve includes General Reserve - I and III

\*\* FCMITDA: Foreign Currency Monetary Items Translation Difference Account

As per our report of even date  
For **Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 107783W/W100593

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

Place : Mumbai  
Date : June 26, 2021

For **Reliance Communications Limited**

Resolution Professional **Anish Niranjan Nanavaty**

Executive Director and Chief Financial Officer **Vishwanath Devaraja Rao**  
(DIN: 08607657)

Company Secretary **Rakesh Gupta**  
Membership No: F5951

Cash Flow Statement for the year ended March 31, 2021

Particulars	(₹ in Crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) from Continuing operations	<b>(252)</b>	(16 858)
Profit/ (Loss) from Discontinued operations	<b>(4 637)</b>	(28 475)
Adjusted for:		
Provision for Doubtful Debts and Advances	<b>13</b>	1 131
Advances written off	-	233
Depreciation and Amortisation Expenses	<b>132</b>	183
Provision for diminution in the Value / (Profit) on fair Value of Investments	-	15 251
Effect of change in Foreign Exchange Rate (net)	<b>(38)</b>	111
Finance Costs (net)	<b>440</b>	397
Interest Income	<b>(45)</b>	(2)
	<b>502</b>	17 304
<b>Operating Profit before Working Capital changes</b>	<b>(4 387)</b>	(28 029)
Adjusted for:		
Receivables, Advances and other Assets	<b>15</b>	215
Inventories	<b>4</b>	29
Trade Payables and Other Liabilities	<b>4,095</b>	27 932
<b>Cash Generated from Operations</b>	<b>(273)</b>	147
Income Tax Refund	<b>273</b>	-
Income Tax Paid	<b>(12)</b>	(80)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>(12)</b>	67
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible Assets under Developments (including Creditors for Capital Expenditure and realised loss capitalised)	<b>(9)</b>	(8)
Investment in Bank deposits (having original maturity for more than 3 months) (Rs. 20,00,000; Previous year : Nil)	-	-
Interest Income	<b>3</b>	2
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(6)</b>	(6)

# Reliance Communications Limited

## Cash Flow Statement for the year ended March 31, 2021

Particulars	(₹ in Crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from/ (Repayment ) of Borrowings – Current	-	5
Finance Costs	-	(17)
<b>Net Cash generated from/ (used in) Financing Activities</b>	<u>-</u>	<u>(12)</u>
<b>Net Increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(18)</b>	49
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>234</b>	185
<b>Closing Balance of Cash and Cash Equivalents</b>	<u><b>216</b></u>	<u>234</u>

Particulars	April 1 2020	Cashflow (net)	March 31,2021
<b>Borrowings</b>	<b>39,933</b>	-	<b>39,933</b>
(Refer Note 2.19 & 2.21)			
	April 1 2019	Cashflow (net)	March 31,2020
Borrowings	39,928	5	39,933
(Refer Note 2.19 & 2.21)			

### 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, 2021	As at March 31, 2020
(i) Cash and cash equivalent	<b>216</b>	234
(ii) Less : Bank overdraft	-	-
(iii) Cash and cash equivalent (net) as per Ind AS 7	<u><b>216</b></u>	<u>234</u>

As per our report of even date  
For **Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 107783W/W100593

### Vishal D. Shah

Partner  
Membership No: 119303

Place : Mumbai  
Date : June 26, 2021

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") is registered under the Companies Act, 1956 having Registered Office at H Block, 1<sup>st</sup> 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 previous 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, 2.30, 2.47 and 2.51, 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 2.41).

**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 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 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 statement 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 2.36.1) 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:

- a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- b) 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 2.29), fair value of unlisted securities (Note 2.07), impairment of trade receivables and other financial assets (Note 2.08), assets held for sale (Note 2.14), liabilities held for sale (Note 2.14) and measurement of defined benefit obligation (Note 2.41). 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.
- (iv) Trade receivables and Other Financial Assets: The Company follows a 'simplified approach' (i.e. based on lifetime

**Significant Accounting Policies to Balance Sheet and Statement of Profit and Loss**

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.



Notes on Accounts to Financial Statements

Note: 2.01 Property, Plant and Equipment (PPE)

Particulars	(₹ in crore)							Capital Work in Progress
	Leasehold Land	Freehold Land	Buildings	Plant and Machinery	Office Equipments and Fixtures	Furniture	Vehicles	
<b>Gross carrying value</b>								
As at April 1, 2019	228	90	36	3871	23	40	45	4333
Additions	-	-	-	9	-	-	-	9
Deduction/ adjustments	-	-	-	-	-	-	-	(9)
As at April 1, 2020	228	90	36	3880	23	40	45	4342
Additions	-	-	-	6	-	-	-	6
Deduction/ adjustments	-	-	-	-	-	-	-	(6)
<b>As at March 31, 2021</b>	<b>228</b>	<b>90</b>	<b>36</b>	<b>3886</b>	<b>23</b>	<b>40</b>	<b>45</b>	<b>4348</b>
<b>Accumulated Depreciation</b>								
As at April 1, 2019	1	-	9	2,574	22	39	43	2,688
Depreciation for the year	-	-	2	168	-	-	-	170
Transferred to Assets held for Sale	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>1</b>	<b>-</b>	<b>12</b>	<b>2867</b>	<b>22</b>	<b>39</b>	<b>43</b>	<b>2984</b>
<b>Net carrying value</b>								
As at March 31, 2020	227	90	25	1,138	1	1	2	1,484
<b>As at March 31, 2021</b>	<b>227</b>	<b>90</b>	<b>24</b>	<b>1,019</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1,364</b>

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 RITL 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 RITL 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 RCLL have been secured by second pari passu charge on movable Fixed Assets of the Borrower Group.
- 2.01.4 During the year,
  - (a) Project Development expenditure of ₹ Nil (Previous year ₹ Nil) has been capitalised in Plant and machinery.
  - (b) 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 ₹ 20 crore (Previous year ₹ 21 crore) as at March 31, 2021, pertaining to assets taken on lease
- 2.01.6 Above notes to be read with Note 2.14 "Assets Held for Sale"

Notes on Accounts to Financial Statements

Note: 2.02 Intangible Assets

(₹ in crore)

Particulars	Telecom Licenses	Indefeasible Right of Connectivity	Software	Brand License	Total
<b>Gross carrying value</b>					
As at April 1, 2019	23	252	-	169	444
Additions	-	-	-	-	-
Deduction/ adjustments	-	-	-	-	-
As at April 1, 2020	23	252	-	169	444
Additions	-	-	-	-	-
Deduction/ adjustments	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>23</b>	<b>252</b>	<b>-</b>	<b>169</b>	<b>444</b>
<b>Accumulated Amortisation</b>					
As at April 01, 2019	19	241	-	160	420
Amortisation for the year	1	3	-	9	13
Deduction/ adjustments	-	-	-	-	-
As at April 1, 2020	20	244	-	169	433
Amortisation for the year	2	4	-	-	6
Deduction/ adjustments	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>22</b>	<b>248</b>	<b>-</b>	<b>169</b>	<b>439</b>
<b>Net carrying value</b>					
As at March 31, 2020	3	8	-	-	11
<b>As at March 31, 2021</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>5</b>

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.

During the previous year, the Company has defaulted the payment of Installment of ₹ 196 crore which was due on April 9, 2019 and April 9, 2020 with the delay of 723 days and 357 days respectively and ₹ 6 crore which was due on October 20, 2019 and October 20, 2020 with the delay of 529 days and 162 days respectively. Further, an installment of ₹ 22 crore is with respect to Mumbai circle which was due on due on March 03, 2019, March 3,2020 and March 03, 2021 is defaulted by 760 days 394 days and 29 days respectively as at March 31, 2021. Apart from above, balance installments not due as at March 31, 2020 is aggregating to ₹ 2,699 crore including interest @10% per annum. An Installment of ₹ 196 crore, due on April 9, 2021 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. 2.32.2). Above was payable in annual installments of ₹ 281 crore each.

The Company has defaulted three installments of ₹ 281 crore each Payable on March 26, 2019 , March 26, 2020 and March 26, 2021 with a delay of 737 days ,371 days and 6 days respectively. Apart from the above, balance installments not due as at March 31, 2021 is aggregating to ₹ 2,815 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 3<sup>rd</sup> 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.

2.02.2 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".

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

(₹ in crore)  
As at  
March 31, 2021      As at  
March 31, 2020

### Note: 2.03

**Investments** (valued at cost unless stated otherwise)

#### In Equity Shares of Wholly Owned Subsidiary Companies

##### Unquoted, fully paid up

938,00,00,000	Reliance Communications Infrastructure Limited of ₹ 1 each	<b>8,734</b>		8,734	
(938,00,00,000)	Provision for Diminution in the value Investment	<b>(3,000)</b>		(3,000)	
		<b>5,734</b>		5,734	
50,00,000	Reliance Realty Limited (Formerly Reliance Infocomm	<b>10,000</b>		10,000	
(50,00,000)	Infrastructure Limited) of ₹ 10 each				
	Provision for Diminution in the value Investment*	<b>(8,964)</b>		(8,964)	
		<b>1,036</b>		1,036	
6,87,066	Reliance Wimax Limited of ₹ 10 each	<b>8</b>		8	
(6,87,066)					
50,000	Reliance Webstore Limited of ₹ 10 each	-		-	
(50,000)	₹ 5,00,000 (Previous year ₹ 5,00,000) (Refer note 2.19.1)				
1,00,00,000	Independent TV Limited (Formerly Reliance Big TV Limited)	<b>10</b>		10	
(1,00,00,000)	of ₹ 10 each				
	Provision for Diminution in the value Investment	<b>(10)</b>		(10)	
		-		-	
35,63,601	Campion Properties Limited of ₹ 10 each	<b>9</b>		9	
(35,63,601)					
1,000	Aircom Holdco BV of Euro 1 each ( ₹ 72,860) (Previous	-		-	
(1,000)	year ₹ 72,860)				
50,000	Reliance Tech Services Limited of ₹ 10 each ₹ 5,00,000	-		-	
(50,000)	(Previous year ₹ 5,00,000)				
20,00,000	Globalcom Mobile Commerce Limited of ₹ 10 each	<b>2</b>	<b>6,789</b>	2	6,789
(20,00,000)	(Formerly Reliance Mobile Commerce Limited)				

#### In Equity Shares of Subsidiary Companies

##### Unquoted, fully paid up

6,69,80,100	Reliance Telecom Limited of ₹ 10 each	<b>521</b>		521	
(6,69,80,100)	Provision for Diminution in the value Investment	<b>(521)</b>		(521)	
		-		-	
14,516	Reliance Globalcom BV of Euro 100 each	<b>6,515</b>		6,515	
(14,516)	Provision for Diminution in the value Investment*	<b>(5,876)</b>		(5,876)	
		<b>639</b>		639	
12,00,000	Reliance Globalcom Limited, Bermuda Class A Common	<b>233</b>		233	
(12,00,000)	Shares of USD 0.01 each				
	Provision for Diminution in the value Investment*	<b>(233)</b>		(233)	
		-		-	
9,500	Towercom Infrastructure Private Limited of ₹ 10 each	-		-	
(9,500)	₹ 95,000 (₹ 95,000)				
1,00,000	Gateway Net Trading Pte. Limited of USD 1 each	-	<b>639</b>	-	639
(1,00,000)	₹ 46,78,250 (Previous year ₹ 46,78,250)				

#### In Equity Shares of Associates and Other Companies

##### Unquoted, fully paid up

6,50,25,000	Warf Telecom International Private Limited of MRF 1 each	<b>22</b>		22	
(6,50,25,000)					
13,000	Mumbai Metro Transport Private Limited of ₹ 10 each	-		-	
(13,000)	₹ 1,30,000 (Previous year ₹ 1,30,000)				
400	Nationwide Communication Private Limited of ₹ 10 each	-	<b>22</b>	-	22
(400)	₹ 4,000 (Previous year ₹ 4,000)				
			<b>7,450</b>		7,450

#### Aggregate Book value of Investments

Unquoted	<b>7,450</b>	7,450
Quoted	-	-
Aggregate value of impairment	<b>18,604</b>	18,604

\* During the earlier year, impaired (earlier year fair valued Reliance Realty Limited) as per Ind AS 109, "Financial Instruments" (Refer note 2.38.1)

Notes on Accounts to Financial Statements

	As at March 31, 2021	As at March 31, 2020
(₹ in crore)		
<b>Note: 2.04</b>		
<b>Other Financial Assets</b>		
(Unsecured, Considered good/ unless stated otherwise)		
Bank Deposits with Maturity for more than 12 months	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>
<b>Note: 2.05</b>		
<b>Other Non Current Assets</b>		
Deposits	<u>352</u>	352
Other Non Current Assets	<u>347</u>	347
	<u>699</u>	<u>699</u>
<b>Note: 2.06</b>		
<b>Inventories</b> (valued at lower of cost or net realisable value)		
Stores and Spares	<u>28</u>	32
	<u>28</u>	<u>32</u>
<b>Note: 2.07</b>		
<b>Investments (Current Financial Assets)</b> (valued at amortised cost unless otherwise stated)		
<b>In Preference Shares of Wholly Owned Subsidiary Companies</b>		
<b>Unquoted, fully paid up</b>		
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>
<b>In Preference Shares of Subsidiary Companies</b>		
<b>Unquoted, fully paid up</b>		
4,50,00,000 (4,50,00,000) 1% Redeemable, Non Cumulative, Non Convertible Preference Shares of Reliance Telecom Limited of ₹10 each	<u>445</u>	445
Provision for Diminution in the value Investment	<u>(400)</u>	<u>(400)</u>
	<u>45</u>	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*	<u>178</u>	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>
	<u>4,045</u>	<u>4,045</u>

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

	As at March 31, 2021	(₹ in crore) As at March 31, 2020
<b>In Government Securities (Quoted) ***</b>		
34,000 6.83% GOI 2039 of ₹100 each fully paid up	-	-
(34,000) ₹ 30,52,000 (Previous year ₹ 30,52,000)		
(Market Value of Quoted Investments ₹ 37,40,000 (Previous Year ₹34,10,200))		
<b>In Government Securities (Unquoted) ***</b>		
6 years National Savings Certificate (Lodged with Sales Tax Department)		
₹ 45,000 (Previous Year ₹45,000)	-	-
5 1/2 years Kisan Vikas Patra (Lodged with Chennai Metropolitan Development Authority)		
₹ 5,000 (Previous year ₹ 5,000)	-	-
	<u>4,046</u>	<u>4,046</u>
<b>Aggregate Book Value of Investments</b>		
Unquoted	4,046	4,046
Quoted ₹ 30,52,000 (Previous Year ₹ 30,52,000)	-	-
	<u>4,046</u>	<u>4,046</u>
<b>Aggregate Market Value of Quoted Investments</b>		
Quoted ₹ 34,10,200 (Previous Year ₹ 34,10,200)	-	-
<b>Aggregate Value of Impairment of Investments</b>	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 2.38.1(b))

\*\*\* 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, 2021	(₹ in crore) As at March 31, 2020
<b>Note: 2.08</b>		
<b>Trade Receivables (Unsecured)</b> (Refer Note 2.30 & 2.48)		
Considered good	145	253
Credit Impaired	<u>3,068</u>	<u>3,055</u>
	3,213	3,308
Less: Provision for allowance of credit impaired	<u>3,068</u>	<u>3,055</u>
	145	253
	<u>145</u>	<u>253</u>

Notes on Accounts to Financial Statements

	As at March 31, 2021	As at March 31, 2020
(₹ in crore)		
<b>Note: 2.09</b>		
<b>Cash and Cash equivalents</b>		
Cheques on Hand	2	2
Balances with Banks *	200	218
Bank Deposits with less than 3 months' maturity	14	14
	<u>216</u>	<u>234</u>
* includes balance of ₹ 0.23 crore in respect of two bank accounts (Previous year ₹ 0.08 crore in respect of one bank account) which is subject to confirmation from bank		
<b>Note: 2.10</b>		
<b>Bank Balances other than Cash and Cash Equivalents referred in Note 2.09 above</b>		
Bank Deposits with less than 12 months' maturity	39	39
Earmarked Balance–Unpaid Dividend (₹ 11,09,642)*	-	1
	<u>39</u>	<u>40</u>
* Transferred ₹ 1 crore (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)		
<b>Note: 2.11</b>		
<b>Loans (Current Financial Assets)</b>		
(Unsecured, Considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 2.43 and 2.48)	6,545	6,556
	<u>6,545</u>	<u>6,556</u>
<b>Note: 2.12</b>		
<b>Other Financial Asset</b> (Unsecured, Considered good)		
(Refer Note 2.48)		
Interest Accrued on Loans and Investments	59	57
Unbilled Revenue	51	47
Others	101	101
	<u>211</u>	<u>205</u>
<b>Note: 2.13</b>		
<b>Other Current Assets</b> (Unsecured, Considered good unless otherwise stated)		
(Refer Note 2.30 and 2.48)		
Advances to Related Parties	89	11
Deposits *	1,635	1,635
Others **		
Considered good	2,481	2,470
Considered doubtful	74	74
	<u>2,555</u>	<u>2,544</u>
Less: Provision for doubtful advances	74	74
	<u>2,481</u>	<u>2,470</u>
	<u>4,205</u>	<u>4,116</u>

\*Deposits include ₹ 1,565 crore (Previous Year ₹1,565 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 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.

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, 2020	Less: Write off during the year ended March 31, 2021	As at March 31, 2021	Additional Write off as per statement of Profit and Loss 31, 2020	Provision for the year ended March 31, 2021	Total Write off during the year ended March 31, 2021	Write off for the year ended March 31, 2020	For the year ended March 31, 2021	2020	2021	2020	2021	As at March 31, 2020
	2021	2020	2021	2020	2021	2020	2021	2020	2020	2021	2020	2021	2020	2021	13=
1	2	3	4	5=(3-4)	6	7	8=4+7	9	10	11	12=	13=	(13+1-7 -10)	(2-6-11)	
<b>Tangible</b>															
Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	6,222	6,222
Freehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	339	339
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	9	9
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	170	170
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	186	186
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>6,926</b>	<b>6,926</b>
<b>Intangible</b>															
Telecom Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-	12,736	12,736
Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-	-	-	-	-	-	-	-	69	69
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>12,805</b>	<b>12,805</b>
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>19,731</b>	<b>19,731</b>

\*During FY-2018-19, based on the final confirmation, sale of certain Media Convergence Nodes (MCNs) have been recorded and net income thereof has been accounted as part of Discontinued Operations.

(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 Corporate Debtor has not paid the installments.

(c) Above note 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

	As at March 31, 2021	2020
Deferred Payment Liabilities	3,419	3,419
Interest Accrued on Deferred Payment Liabilities	1,410	994
<b>Total</b>	<b>4,829</b>	<b>4,413</b>



Notes on Accounts to Financial Statements

	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note: 2.15</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
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>
<b>Issued, Subscribed and Paid Up</b>		
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>
<b>1) Shares held by Holding/Ultimate Holding Company and/or their subsidiaries*</b>		
	<b>No. of Shares</b>	<b>No. of Shares</b>
(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 * upto February 6, 2019	66,667	66,667
<b>2) Details of Shareholders holding more than 5% shares in the company</b>		
As on March 31, 2021, none of the shareholders are holding more than 5% shares in the company.		
<b>3) Terms/rights attached to equity shares</b>		
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.		
<b>4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>March 31,2021</b>	<b>March 31,2020</b>
	<b>Number</b>	<b>Number</b>
	(₹ in Crore)	(₹ in Crore)
<b>Equity shares</b>		
At the beginning of the Year	276,55,33,050	276,55,33,050
Add : Changes during the year	-	-
At the end of the Year	<u>276,55,33,050</u>	<u>276,55,33,050</u>
	<u>1,383</u>	<u>1,383</u>

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

	As at		(₹ in crore)	
	March 31, 2021		As at March 31, 2020	
<b>Note: 2.16</b>				
<b>Other Equity</b>				
<b>Capital Reserve</b>		<b>1,397</b>		1,397
<b>Debenture Redemption Reserve</b>				
(i) Opening Balance	<b>590</b>		590	
(ii) Transfer from/ (to) General Reserve	<u>-</u>	<b>590</b>	<u>-</u>	590
<b>Securities Premium</b>				
		<b>13,894</b>		13,894
<b>General Reserve I (Refer Note 2.32.1)</b>		<b>5,538</b>		5,538
<b>General Reserve III (Refer Note 2.32.1)</b>		<b>4,159</b>		4,159
<b>Foreign Currency Monetary Items Translation Difference Account</b>				
(i) Opening Balance		-		(1)
(ii) Deduction / Additions during the year		-		-
(iii) Amortisation during the year		<u>-</u>		<u>1</u>
		-		-
<b>Treasury Equity</b>				
		<b>(391)</b>		(391)
<b>Surplus/ (Deficit) in retained earnings</b>				
(i) Opening Balance	<b>(59,522)</b>		(14,184)	
(ii) Add : Profit/ (Loss) for the year from Continuing Operations	<b>(252)</b>		(16,863)	
(iii) Add : Profit/ (Loss) for the year from Discontinued Operations	<u><b>(4,637)</b></u>	<u><b>(64,411)</b></u>	<u>(28,475)</u>	(59,522)
.				
<b>Other Comprehensive Income</b>				
<b>Remeasurement of defined employee benefit Plans</b>				
(i) Opening Balance	<b>6</b>		1	
(ii) Additions during the year	<u><b>1</b></u>	<u><b>7</b></u>	<u>5</u>	6
		<u><b>(39,217)</b></u>		<u>(34,329)</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 an earlier year, Capital Reserve was created under scheme of demerger (Refer Note 2.32.2).

#### 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.

Notes on Accounts to Financial Statements

**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 III**

General Reserve III comprises of ₹ 4,159 crore transferred to General Reserve from Statement of Profit and Loss.

**Foreign Currency Monetary Items Translation Difference Account (FCMITDA)**

FCMITDA has been created in view of the option allowed pursuant to the notification dated December 29, 2011 issued by the MCA, GoI, being the exchange differences on long term borrowings other than borrowings relating to acquisition of depreciable capital assets.

**Treasury Equity**

Treasury Equity represents 2,12,79,000 nos. of Equity Shares held by the ESOS Trust.

	As at March 31, 2021	As at March 31, 2020
		(₹ in crore)
<b>Note: 2.17</b>		
<b>Other Non Current Liabilities</b>		
Income Received in Advance	129	156
	<u>129</u>	<u>156</u>
<b>Note: 2.18</b>		
<b>Provisions</b>		
Employee Benefits	3	5
	<u>3</u>	<u>5</u>
<b>Note: 2.19</b>		
<b>Borrowings - Current</b>		
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
<b>Unsecured</b>		
Rupee Loans from Banks	2,306	2,306
Rupee Loans from Others	8,264	8,264
	<u>28,340</u>	<u>28,340</u>

## Notes on Accounts to Financial Statements

### 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 10<sup>th</sup> year from the date of allotment thereof i.e. March 1, 2019 and the same remains outstanding as at March 31, 2021. 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 4<sup>th</sup> year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2021. 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, 2021 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 fibre 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; 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 2.32.2) 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.

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

Name of Lender	Amount represents rupees in crore and period represents maximum days															
	Borrowings				Interest				Borrowings				Interest			
	Delay in repayment during the year ended March 31, 2021		Default As at March 31, 2021		As on March 31, 2021		As on March 31, 2021		Delay in repayment during the year ended March 31, 2020		Default As at March 31, 2020		As on March 31, 2020			
	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period		
<b>Loan from Banks</b>																
Burlington Loan Management DAC	-	-	163	1207	-	-	-	-	163	842	-	-	-	-		
Shubh Holdings Pte Ltd. (1 )	-	-	2,460	1494	-	-	-	-	5,022	1129	-	-	-	-		
Bank of Baroda	-	-	1,837	1485	11	1,462	-	-	1,837	1120	11	1,097	-	-		
Bank of India	-	-	644	1462	9	1,462	-	-	644	1097	9	1,097	-	-		
Bank of Maharashtra	-	-	473	1414	-	-	-	-	473	1049	-	-	-	-		
Canara Bank	-	-	622	1371	-	-	-	-	622	1006	-	-	-	-		
Central Bank of India	-	-	258	1462	3	1,462	-	-	258	1097	3	1,097	-	-		
Corporation Bank (merged with Union Bank of India)	-	-	583	1484	8	1,462	-	-	583	1119	8	1,097	-	-		
Dena Bank (merged with Bank of Baroda)	-	-	250	1149	-	-	-	-	250	784	-	-	-	-		
Deutsche Bank* (1 & 2)	-	-	530	1207	1	1,380	-	-	130	842	1	1,015	-	-		
China Development Bank* 2	-	-	2,236	1494	128	1,494	-	-	2,249	1129	128	1,129	-	-		
Industrial and Commercial Bank of China*	-	-	1,194	1494	33	1,494	-	-	1,194	1129	33	1,129	-	-		
Export Import Bank of China*	-	-	2,433	1494	47	1,494	-	-	2,433	1129	47	1,129	-	-		
IDBI Bank	-	-	721	1466	9	1,462	-	-	721	1101	9	1,097	-	-		
Indian Overseas Bank	-	-	120	1462	1	1,462	-	-	120	1097	1	1,097	-	-		
RCOM Bond	-	-	1,955	-	-	-	-	-	1,955	-	-	-	-	-		
Oriental Bank of Commerce (merged with Punjab National Bank)	-	-	189	1462	2	1,462	-	-	189	1097	2	1,097	-	-		
Punjab National Bank	-	-	623	1463	-	-	-	-	623	1098	-	-	-	-		
Standard Chartered Bank	-	-	1,072	1451	-	-	-	-	1,072	1086	-	-	-	-		
State Bank of India	-	-	2,227	1462	21	1,462	-	-	2,227	1097	21	1,097	-	-		
Syndicate Bank (merged with Canara Bank)	-	-	705	1485	5	1,462	-	-	705	1120	5	1,097	-	-		
SC Lowy Financials (HK) Ltd 1	-	-	2,175	1494	-	-	-	-	-	-	-	-	-	-		
UCO Bank	-	-	681	1462	9	1,462	-	-	681	1097	9	1,097	-	-		
Union Bank of India	-	-	742	1462	3	1,462	-	-	742	1097	3	1,097	-	-		
United Bank of India (merged with Punjab National Bank)	-	-	424	1462	2	1,462	-	-	424	1097	2	1,097	-	-		
Vijaya Bank (merged with Bank of Baroda)	-	-	16	1051	-	-	-	-	16	686	-	-	-	-		
<b>Debentures</b>																
Life Insurance Corporation of India	-	-	3,750	1149	-	-	-	-	3,750	784	-	-	-	-		
<b>Other Loans</b>																
Industrial Finance Corporation of India Limited	-	-	200	1478	4	1,478	-	-	200	1113	4	1,113	-	-		
India Infrastructure Finance Corporation Limited	-	-	248	1279	4	1,493	-	-	248	914	4	1,128	-	-		
Asset Care and Reconstruction Enterprises Limited	-	-	492	1473	-	-	-	-	492	1108	-	-	-	-		
Deep Industrial Finance Limited	-	-	260	486	-	-	-	-	260	121	-	-	-	-		
Pearl Housing Finance Limited	-	-	260	486	-	-	-	-	260	121	-	-	-	-		
Shriyam Auto Fin Ltd	-	-	260	486	-	-	-	-	260	121	-	-	-	-		
Traitya Construction Finance Limited	-	-	260	486	-	-	-	-	260	121	-	-	-	-		
Vishvakarma equipment finance Limited	-	-	142	486	-	-	-	-	142	121	-	-	-	-		
Neptune Steel Strips Limited	-	-	68	457	-	-	-	-	68	92	-	-	-	-		
Reliance Capital Limited	-	-	1,000	731	3	1,462	-	-	1,000	366	3	1,097	-	-		
Other Lenders	-	-	7,661	various dates	68	various dates	-	-	7,661	various dates	68	various dates	-	-		
<b>Total</b>	-	-	<b>39,933</b>		<b>371</b>		-	-	<b>39,933</b>		<b>371</b>		-	-		

\* facility recalled

1. Downsale of Shubh Holdings Pte Ltd ₹ 2,562 crore to SC Lowy Financial (HK) Ltd ₹ 2175 crore and Deutsche Bank AG London ₹ 387 crore
2. Downsale of China Development of ₹ 13 crore to Deutsche Bank AG London

# Reliance Communications Limited

## 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 ₹ 3,916 crore, ₹ 4,212 crore, ₹ 3,907 crore and ₹ 3,055 crore for the year ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively which includes interest on NCDs from LIC of ₹ 421 crore, ₹ 420 crore, ₹ 420 crore and ₹ 418 crore for the year ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively. Therefore, it has not been disclosed.

(₹ in crore)

### Note: 2.20

	As at March 31, 2021	As at March 31, 2020
<b>Trade Payables</b>		
(Refer Note 2.30, 2.42 & 2.48)		
Due to Micro and Small Enterprises	34	35
Due to Creditors other than Micro and Small Enterprises	<u>2,810</u>	<u>2,979</u>
	<u><b>2,844</b></u>	<u><b>3,014</b></u>

### Note: 2.21

#### Other Financial Liabilities - Current

#### Current Maturities of Long Term Debts

##### Secured (Refer Note 2.19)

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 Term Loan from Banks	5,901	5,901
Rupee Term Loan from Others	760	760

##### Unsecured

Rupee Term Loan from Others	<u>1,182</u>	<u>1,182</u>	11,593
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##### Others (Refer Note 2.38.2(a) and 2.48)

Interest accrued and due on borrowings	371	371	
Unclaimed Dividend (₹ 11,09,642)*	-	1	
Capital Creditors**	198	199	
Provisions for Expenses	32,459	28,166	
Other Liabilities ***	<u>379</u>	<u>381</u>	29,118
	<u><b>45,000</b></u>	<u><b>40,711</b></u>	

\* Transferred ₹ 1 crore (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 2.42)

\*\*\* Includes Security deposit, book overdraft etc.,

### Note: 2.22

#### Other Current Liabilities (Refer Note 2.48)

Income Received in advance	37	53
Statutory Dues (Refer Note 2.30)	63	74
Other Current Liabilities	<u>158</u>	<u>180</u>
	<u><b>258</b></u>	<u><b>307</b></u>

### Note: 2.23

#### Provisions

#### Provision for Employee benefits

Employee Benefits (Refer Note 2.41)	2	2
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#### Others

Disputed and Other Claims (Refer Note 2.34)	<u>1,215</u>	<u>1,215</u>
	<u><b>1,217</b></u>	<u><b>1,217</b></u>

Notes on Accounts to Financial Statements

(₹ in crore)

For the Year ended  
March 31, 2021

For the Year ended  
March 31, 2020

**Note: 2.24**

**Revenue From Operations** (Refer Note 2.48)

Sale of Services	483	818
	<u>483</u>	<u>818</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 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 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, 2020, was ₹ 33 crore and it was billed during the year. Unbilled Revenue as at March 31, 2021 is ₹ 36 crore.

Invoicing in excess of earnings are classified as unearned revenue. Unearned revenue as at April 1, 2020, was ₹ 209 crore and out of which ₹ 43 crore was recorded as revenue during the year. Unearned Revenue as at March 31, 2021 is ₹ 166 crore and out of which ₹ 37 crore and ₹ 129 crore shall be accounted as revenue within one year and between next two to five years respectively and balance after five years.

**Note: 2.25**

**Access Charges, License Fees and Network Expenses** (Refer Note 2.48)

Access Charges	39	97
License Fees	69	84
Infrastructure Charges	10	24
Bandwidth Charges	61	87
Network Repairs and Maintenance	119	205
Stores and Spares Consumed	2	15
Power, Fuel and Utilities	82	170
Rent	11	23
Other Network Operating Expenses	22	9
	<u>415</u>	<u>714</u>

**Note: 2.26**

**Employee Benefits Expenses** (Refer Note 2.39 and 2.48 )

Salaries (including managerial remuneration)	73	85
Contribution to Provident, Gratuity and Superannuation Fund	3	7
Employee Welfare and Other Amenities	6	13
	<u>82</u>	<u>105</u>



# Reliance Communications Limited

## Notes on Accounts to Financial Statements

	(₹ in crore)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Note: 2.27</b>		
<b>Sales and General Administration Expenses</b> (Refer Note 2.39 and 2.48)		
Selling, Marketing and Distribution Expenses	2	3
Provision for Doubtful Debts	13	1,129
Insurance	7	6
Rent, Rates and Taxes	4	7
Other Repairs	3	4
Travelling	1	3
Professional Fees	7	16
Foreign Exchange Loss/(Gain) (net)	(38)	111
Hire Charges	20	24
Data Warehousing Charges	31	44
AMC Charges	1	11
CIRP Cost	15	14
Other General and Administrative Expenses	<u>39</u>	<u>52</u>
	<b>90</b>	<b>292</b>
Payment to Auditors		
(a) Statutory Audit Fees	1	4
(b) For reimbursement of expenses	-	-
₹ Nil (Previous Year ₹ 17,853)	<u>1</u>	<u>4</u>
	<u><b>106</b></u>	<u><b>1,428</b></u>

### Note:

#### 2.28. 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.

Notes on Accounts to Financial Statements

Note: 2.29 Deferred Tax Assets (net)

	(₹ in crore)			
	As at		For the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>(a) Amount recognised in Financial Statement</b>				
<b>(i) Deferred Tax Assets</b>				
Related to carried forward loss and unabsorbed depreciation	9,087	7,733	(1,354)	(843)
Disallowances, under the Income Tax Act, 1961	6	8	2	-
Related to Provisions for expenses	1,548	1,540	(8)	(443)
Deferred Tax on provision for diminution in the value of investment	2,088	2,088	-	(2,088)
Provision of Liability on account of License & Spectrum fee	<u>11,204</u>	<u>9,722</u>	<u>(1,482)</u>	<u>(9,722)</u>
Sub total (i)	<u>23,933</u>	<u>21,091</u>	<u>(2,842)</u>	<u>(13,096)</u>
<b>(ii) Deferred Tax Liabilities</b>				
Related to temporary difference on depreciation/ amortisation	(1,856)	(1,026)	830	6
Deferred Tax Liability on fair value of investment	-	-	-	(2,088)
Related to temporary difference on Indexed cost	<u>(101)</u>	<u>(101)</u>	<u>-</u>	<u>-</u>
Sub total (ii)	<u>(1,957)</u>	<u>(1,127)</u>	<u>830</u>	<u>(2,082)</u>
<b>Net Deferred Tax Assets/ (Liability)</b>	<u>21,976</u>	<u>19,964</u>		
<b>Deferred Tax (Credit) (i)-(ii)</b>			<b>2,012</b>	15,178
<b>Restricted to and consequent impact</b>	-	-	-	-

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	-
(ii)	Expiring within 1 to 5 year	7,477
(iii)	Expiring within 5 to 7 year	5,513
(iv)	Without expiry limit	13,014

(b) Amounts recognised in Statement of Profit and Loss

	(₹ in Crore)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(i) Current Tax	-	-
(ii) Short provision for earlier years	-	-
(iii) Deferred income tax liability / (asset), (net)	-	-
Tax expense/(credit) for the year	<u>-</u>	<u>-</u>

(c) Amounts recognised in other comprehensive income ₹ Nil (Previous year ₹ Nil)

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# Reliance Communications Limited

## Notes on Accounts to Financial Statements

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(d) Reconciliation of Tax Expenses</b>		
Profit/ (Loss) before Tax	<b>(4,889)</b>	(45,338)
Applicable Tax Rate	<b>34.944%</b>	34.944%
<b>Computed Tax Expenses (i)</b>	<b>(1,708)</b>	(15,843)
<b>Add/ (Less):</b>		
- Tax charge to/ credit on account of depreciation allowances	<b>46</b>	6
- 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	<b>1,482</b>	14,994
- Deferred tax on carried forward loss	<b>180</b>	843
<b>Sub total (ii)</b>	<b><u>1,708</u></b>	<b><u>15,843</u></b>
<b>Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (i+ii)</b>	<b><u>-</u></b>	<b><u>-</u></b>

There is no taxable income during the year and the Company has not recognised Deferred Tax Assets (DTA) in absence of reasonable certainty.

### Note:2.30

#### 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 the previous 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.

## Notes on Accounts to Financial Statements

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

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, has approved the resolution plan submitted by Reliance Projects and Property Management Services Limited, in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty has ceased to be the resolution professional of RITL, and RITL is currently under the supervision of a Monitoring Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the RA and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). The approved resolution plan is yet to be implemented.

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

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

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

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Company, the Company 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.

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments and balances lying in Goods and Service Tax, liabilities and accordingly provide for impairment of assets and write back of liabilities, if any.

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 standalone 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 Corporate Debtor continues to incur loss, current liabilities exceed current assets and Corporate Debtor has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Corporate Debtor's ability to continue as a going concern.

### Note: 2.31

During the year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. The resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL. The necessary effect in the financial statements of RTSL and the consequential impact in the financial statements of the Corporate Debtor will be given basis the decision of the NCLT on the application.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### Note: 2.32

#### 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 crore (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.
- (iii) General Reserve III 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: 2.33

#### Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium 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.

Sr. Particulars	(₹ in crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Equity	<b>(37,834)</b>	(32,946)
(b) Debt	<b>39,933</b>	39,933
(c) Equity and Debt (a + b)	<b>2,099</b>	6,987
(d) Capital Gearing Ratio (b / c)	<b>1902%</b>	572%

Increasing 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.

Notes on Accounts to Financial Statements

**Note: 2.34**

**Movement of Provisions (Current/ Non current)**

(₹ in crore)

Particulars	Current		Non Current	
	For the year ended		For the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Provision for Employee Benefits</b>				
Balances at the beginning of the year	4	2	5	22
Additional provision/(Reduction)	(2)	2	(2)	(17)
Balances at the close of the year	2	4	3	5
<b>Others - Disputed and Other claims</b>				
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.

**Note: 2.35**

**Contingent Liabilities and Capital Commitment (as represented by the Management)**

(₹ in crore)

	As at	As at
	March 31, 2021	March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	1	5
(ii) Disputed Liabilities not provided for		
- Sales Tax and VAT	36	35
- Custom, Excise and Service Tax	12	12
- Entry Tax and Octroi	54	55
- Income Tax	605	393
- Employee related	-	16
- Other Litigations	8,479	8,321
(iii) Guarantees given by the Company on behalf of its Subsidiaries	5,096	5,182
(iv) Guarantees given by the Company-others	778	784
<b>(v) Spectrum Charges</b>		

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 1<sup>st</sup> 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 4<sup>th</sup> February 2019, set aside the impugned orders and demands for OTSC. The said TDSAT order dated 4<sup>th</sup> February 2019 has been subsequently stayed by Hon'ble Supreme court vide its order passed on 19<sup>th</sup> August 2019 in CA No. 6548-6549 of 2019. Currently the matter is subjudice before Hon'ble Supreme court.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### Note: 2.36

#### 2.36.1 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).

The carrying values of the financial instruments by categories were as follows:

Particulars	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents (Refer Note 2.09)	216	234
Bank Balances (Refer Note 2.10)	39	40
Trade receivables (Refer Note 2.08)	145	253
Investments (Refer Note 2.07)	4,046	4,046
Loans and Other financial assets (Refer Note 2.04, 2.11 and 2.12)	6,757	6,764
<b>Total</b>	<b>11,204</b>	<b>11,336</b>
<b>Financial assets at fair value through Statement of Profit and Loss:</b>		
Investments ₹37,40,000 (Previous year ₹ 34,10,000) (Refer note 2.07)	-	-
<b>Financial assets at fair value through other Comprehensive Income:</b>	<b>Nil</b>	<b>Nil</b>
<b>Financial liabilities at amortised cost:</b>		
Trade payables (Refer note 2.20)	2,844	3,014
Other financial liabilities (Refer Note 2.21)	33,407	29,118
Borrowings (Refer Note 2.19 and 2.21)	39,933	39,934
Liabilities directly related to Assets Held for sale (Refer Note 2.14)	4,829	4,413
<b>Total</b>	<b>81,013</b>	<b>76,478</b>
<b>Financial liabilities at fair value through Profit and Loss:</b>	<b>Nil</b>	<b>Nil</b>
<b>Financial Liabilities at fair value through other Comprehensive Income:</b>	<b>Nil</b>	<b>Nil</b>

#### 2.36.2 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.



**Notes on Accounts to Financial Statements**

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.

**Foreign Currency Risk from financial instruments as of :**

Particulars	March 31,2021				(Amount in crore) March 31,2020			
	U.S. dollars	Euro	Other Currency	Total	U.S. dollars	Euro	Other Currency	Total
Trade Receivables	62	-	-	62	89	-	-	89
Other financials assets	313	-	-	313	324	-	-	324
Investments	-	-	-	-	-	-	-	-
Cash & Cash Equivalents	-	-	-	-	-	-	-	-
Borrowings	(13,147)	-	-	(13,147)	(13,147)	-	-	(13,147)
Trade payables and Other Liabilities	(1,718)	-	(6)	(1,724)	(1,782)	-	(6)	(1,788)
<b>Net assets / (liabilities)</b>	<b>(14,490)</b>	<b>-</b>	<b>(6)</b>	<b>(14,496)</b>	<b>(14,516)</b>	<b>-</b>	<b>(6)</b>	<b>(14,522)</b>

**Sensitivity Analysis**

Not relevant till the time resolution plan is finalised.

**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 under 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 finalised.

**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.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

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, 2021			As at March 31, 2020		
	Gross Amount	Weighted Average Rate	Credit Impaired	Gross Amount	Weighted Average Rate	Credit Impaired
Not Due	146	61 %	89	139	53%	73
0-90	39	18%	7	81	33%	27
91-180	18	1%	16	53	51%	27
181-365	23	81%	19	57	58%	33
Above 365	2,987	99%	2,953	2,978	97%	2,895
<b>Total</b>	<b>3,213</b>		<b>3,068</b>	<b>3,308</b>		<b>3,055</b>

### Movement of Provision for allowance of credit impaired

	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	3,055	1,925
Add : Provision during the year	13	1,130
Less : Write off during the year	-	-
Closing Balance	3,068	3,055

### 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.

Notes on Accounts to Financial Statements

Note: 2.37

Earnings per Share (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic and Diluted EPS (after Exceptional Items) from continuing operations</b>		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(252)	(16,863)
(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 (₹)	(0.92)	(61.45)
<b>Basic and Diluted EPS (after Exceptional Items) from discontinued operations</b>		
(a) Profit / Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(4,637)	(28,475)
(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 (₹)	(16.90)	(103.76)
<b>Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations</b>		
(a) Profit / Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(4,889)	(45,338)
(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 (₹)	(17.82)	(165.21)
<b>Basic and Diluted EPS (before Exceptional Items) from continuing operations</b>		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(252)	(1,612)
(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 (₹)	(0.92)	(5.87)
<b>Basic and Diluted EPS (before Exceptional Items) from discontinued operations</b>		
(a) Profit/Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(396)	(654)
(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 (₹)	(1.44)	(2.38)
<b>Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations</b>		
(a) Profit/ Loss attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	(648)	(2,266)
(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 (₹)	(2.36)	(8.25)
<b>Reconciliation of weighted average number of ordinary shares</b>		
	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
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:2.38

#### Exceptional Items

##### 2.38.1 Relating to Continuing Operations

- (a) During an earlier year, the Company was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Company's real estate development plan and restructuring of Debt. Accordingly as required by the lenders and also to safeguard the development of real estate and the business taken up by RRL, it was felt necessary that control of RRL be conferred on ADA Group. However, in view of the monetization plan having failed and the resumption of the corporate insolvency resolution process, the control of RRL has now been transferred from ADA Group to the Company. However RP has highlighted that the Company shall not be responsible for any actions undertaken by ADA Group in control of RRL prior to the vesting of control of RRL with the Company. During the previous year, pursuant to amendment of the Articles of Association in the Extra Ordinary General Meeting of Reliance Realty Limited (RRL), held on December 10, 2019, the control of RRL, a subsidiary of the Corporate Debtor, was conferred on the Company, with effect from December 10, 2019. Consequently RRL Investments previously fair valued was recorded at cost. Impact on profitability for the year ended March 31, 2020 is ₹ 8,964 crore loss represented as exceptional items as part of continuing operations.
- (b) During the previous year, GCX Limited, a step down subsidiary of the Corporate Debtor, along with its subsidiaries/affiliates (collectively, "GCX") had filed for voluntary pre-packaged restructuring under Chapter 11 of the US Bankruptcy Code before Delaware court, USA. Objections were filed on behalf of the Corporate Debtor which were not accepted by the court. The plan filed by GCX had been confirmed by the court on December 4, 2019.

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the "Effective Date" of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective). Impact on profitability is ₹ Nil and ₹ 6,250 crore for the year ended March 31, 2021 and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items.

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

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

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

##### 2.38.2 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 Judgment. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court, which are currently sub judice. Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases

## Notes on Accounts to Financial Statements

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 ₹ 27,821 crore up to the previous year ended March 31, 2020 and has provided additional charge of ₹ 4,241 crore during the year ended March 31, 2021 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:2.39

#### Recovery of the Expenses

Expenses are net of recoveries for common cost from; RITL, a subsidiary of RCIL includes ₹ Nil (Previous Year ₹ 11 Crores) for Salaries and ₹ 12 crore (Previous year ₹ 3 crore) for Sales and General and Administration Expenses. RRL ₹ 2 crore (Previous Year ₹31,50,537), GIDC, a Subsidiary of the Company includes Insurance ₹ 1 crore (Previous year ₹ Nil), CPL, a subsidiary of the company includes Insurance ₹ 12,32,155 (Previous year ₹ Nil), RTSL, a subsidiary of the company includes Insurance ₹ 2,79,533 (Previous year ₹ Nil) and RCIL, a subsidiary of the company includes Insurance ₹ 3,75,393 (Previous year ₹ Nil).

### Note:2.40

#### 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.

### Note 2.41

#### 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, 2021 and March 31, 2020, 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.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

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, 2021	As at March 31, 2020
<b>(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>		
Obligation at the beginning of the year	13	21
Service Cost	1	1
Interest Cost	1	2
Liability Transferred in from other Company	-	-
Liability Transferred out to other Company	-	-
Actuarial (gain) / loss recognised in other comprehensive income	(1)	(4)
- Change in financial assumptions (previous year ₹ Nil)	-	-
- Change in demographic assumptions	-	-
- Experience adjustments	-	-
Benefits Paid	(4)	(7)
Liabilities Extinguished on Settlement	-	-
Obligation at the end of the year	10	13
Note: Defined benefit obligation liability is wholly funded by the Company		
<b>(ii) Change in plan assets</b>		
Plan assets at the beginning of the year, at fair value	18	21
Expected return on plan assets	1	3
Actuarial gain / (loss) recognised in other comprehensive income	-	-
Contributions	-	1
Assets Transferred in from other Company	-	-
Assets Transferred out to other Company	-	-
Benefits paid from the fund	(3)	(7)
Assets distributed on settlement	-	-
Plan assets at the end of the year, at fair value	16	18
<b>(iii) Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the year	16	18
Present value of the defined benefit obligation at the end of the year	10	13
(Assets)/Liability recognized in the Balance Sheet	(6)	(5)
<b>(iv) Expense Recognised in Profit or Loss</b>		
Service Cost	1	1
Interest Cost	1	2
<b>Total</b>	<b>2</b>	<b>3</b>
<b>(v) Amount Recognised in Other Comprehensive Income</b>		
Actuarial (gain) / loss recognised in other comprehensive income	1	2
Expected return on plan assets (₹ 26,83,254)	-	3
<b>Total</b>	<b>1</b>	<b>5</b>
<b>(vi) Investment details of plan assets</b>		
100% of the plan assets are invested in balanced Fund Instruments		
<b>(vii) Actual return on plan assets</b>	<b>1</b>	<b>3</b>

Notes on Accounts to Financial Statements

(₹ in crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>(viii) Assumptions</b>		
Interest rate	4.54%	5.04%
Estimated return on plan assets	4.54%	5.04%
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				
	2021	2020	As at March 31		
			2019	2018	2017
Present Value of benefit obligation	10	13	21	12	16
Fair value of plan assets	16	18	21	-	-
Excess of obligation over plan assets (plan assets over obligation)	(6)	(5)	-	12	16

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2021

**(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	As at
	March 31, 2021	March 31, 2020
Discount rate (+ 1% movement) ( (-) ₹ 6,41,672, (Previous year ₹ 8,95,506)	-	-
Discount rate (- 1% movement) ₹ 6,54,454, (Previous year ₹ 9,13,452)	-	-
Future salary growth (+ 1% movement)	Nil	Nil
Future salary growth (- 1% movement)	Nil	Nil
Employee turnover (+ 1% movement) (-) ₹ 877 (Previous year ₹-914)	-	-
Employee turnover (- 1% movement) ₹ 923 (Previous year ₹963)	-	-

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

**(xi) Maturity analysis of defined benefit plan (fund)**

Project benefit payable in future from the date of reporting		
1 <sup>st</sup> following year	6	5
2 <sup>nd</sup> following year	2	3
3 <sup>rd</sup> following year	1	2
4 <sup>th</sup> following year	1	1
5 <sup>th</sup> following year ₹ 27,19,165 (Previous year ₹ 38,01,707)	-	-
Sum of 6 to 10 years ₹ 13,33,639 (Previous year ₹ 18,37,468)	-	-
Sum of years 11 and above ₹ 11,04,400	-	1

**Provident Fund (PF)** : 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, the Company has contributed towards provident fund ₹ 6.18 crore (Previous year ₹ 0.24 crore) to the RPFC and ₹ Nil (Previous year ₹ 3.22 crore) to the Trust established under the erstwhile Scheme. 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.



# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### Note 2.42 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, 2021	As at March 31, 2020
(i) Principal amount due to any supplier as at the year end	34	35
(ii) Interest due on the principal amount unpaid at the year end to any supplier	16	14
(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	9	19
(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	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of each accounting year; and	16	14
(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.	10	8

### Note 2.43 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, 2021	March 31, 2020		
(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.	313	324	324	324
(vi)	Globalcom IDC Limited (Formerly Reliance IDC Limited)	185	185	185	185
	<b>Total</b>	<b>6,545</b>	<b>6,556</b>		

The Company has not provided interest for the year ended March 31, 2021 and for the previous year ended March 31, 2020 (Refer Note 2.47) and therefore, interest has not been charged on Loans and Advances to subsidiaries.

### Note 2.44

#### 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.

**Notes on Accounts to Financial Statements**

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 2.45**

**Post Reporting Events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**Note 2.46 Discontinued Operations:**

Financial Performance of discontinued operations is presented hereunder:

	(₹ in crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>		
Revenue from Operations	-	-
Other Income	<u>47</u>	<u>2</u>
<b>Total Income</b>	<u>47</u>	<u>2</u>
<b>Expenses</b>		
Access Charges, License Fee and Network Expenses	-	14
Employee Benefit Expenses	-	-
Finance Costs	440	397
Sales and General Admin Expenses	<u>3</u>	<u>245</u>
<b>Total Expenses</b>	<u>443</u>	<u>656</u>
Profit / (Loss) before exceptional items and tax from discontinued operations	<u>(396)</u>	<u>(654)</u>
Cash flow from		
-Operating activities	169	(24)
-Investing activities	-	(2)
-Financing activities	-	(12)

**Note 2.47 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 was under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Corporate Debtor has not provided Interest of ₹ 3,916 crore calculated based on basic rate of interest as per terms of loan for the year ended March 31, 2021 respectively and foreign exchange Gain aggregating to ₹ 515 crore for the year ended March 31, 2021 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by ₹ 3,401 crore for the year ended March 31, 2021. The Net worth of the Company as on March 31, 2021 and as on March 31, 2020 would have been lower by ₹ 16,691 crore and ₹ 13,290 crore respectively. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Audit Report for the year ended March 31, 2021. During the previous years, Interest of ₹ 11,174 crore and foreign exchange loss (net) aggregating to ₹ 2,116 crore were not provided.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### Note 2.48 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 Independent TV Limited (Formerly known as Reliance Big TV Limited) \*
- 7 Reliance Tech Services Limited
- 8 Reliance Telecom Limited
- 9 Reliance Communications Infrastructure Limited (RCIL)
- 10 Globalcom IDC Limited (Formerly known as Reliance IDC Limited)
- 11 Reliance Infratel Limited (RITL)
- 12 Globalcom Mobile Commerce Limited ( Formerly known as Reliance Mobile Commerce Limited)
- 13 Reliance BPO Private Limited
- 14 Reliance Globalcom Limited, India \*\*
- 15 Reliance Communications Tamilnadu Limited
- 16 Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)
- 17 Reliance Infra Projects Limited
- 18 Realsoft Cyber Systems Private Limited
- 19 Worldtel Tamilnadu Private Limited
- 20 Internet ExchangeNext.com Limited
- 21 Reliance Globalcom B.V.
- 22 Reliance Communications (UK) Limited
- 23 Reliance Communications (Hong Kong) Limited
- 24 Reliance Communications (Singapore) Pte. Limited
- 25 Reliance Communications (New Zealand) Pte Limited
- 26 Reliance Communications (Australia) Pty Limited
- 27 Anupam Global Soft (U) Limited
- 28 Gateway Net Trading Pte Limited
- 29 Reliance Globalcom Limited, Bermuda (RGL Bermuda)\*\*
- 30 FLAG Telecom Singapore Pte. Limited \*\*
- 31 FLAG Atlantic UK Limited \*\*
- 32 Reliance FLAG Atlantic France SAS (Flag France) \*\*
- 33 FLAG Telecom Taiwan Limited \*\*
- 34 Reliance FLAG Pacific Holdings Limited \*\*
- 35 FLAG Telecom Group Services Limited (formerly known as GCX Services Limited) \*\*
- 36 FLAG Telecom Deutschland GmbH \*\*
- 37 FLAG Telecom Hellas AE \*\*
- 38 FLAG Telecom Asia Limited \*\*
- 39 FLAG Telecom Nederland B.V. \*\*
- 40 Reliance Globalcom (UK) Limited \*\*
- 41 Yipes Holdings Inc. \*\*
- 42 Reliance Globalcom Services Inc.\*\*
- 43 YTV Inc. \*\*
- 44 Reliance Infocom Inc.
- 45 Reliance Communications Inc. (RCI)

**Notes on Accounts to Financial Statements**

46	Reliance Communications International Inc. (RCII)
47	Reliance Communications Canada Inc.
48	Bonn Investment Inc.
49	FLAG Telecom Development Limited **
50	FLAG Telecom Development Services Company LLC **
51	FLAG Telecom Network Services DAC **
52	Reliance FLAG Telecom Ireland DAC (Flag Ireland) **
53	FLAG Telecom Japan Limited **
54	FLAG Telecom Ireland Network DAC **
55	FLAG Telecom Network USA Limited **
56	FLAG Telecom Espana Network SAU **
57	Reliance Vanco Group Ltd **
58	Euronet Spain SA**
59	Vanco (Shanghai) Co Ltd. **
60	Vanco (Asia Pacific) Pte. Ltd. **
61	Vanco Australasia Pty. Ltd. **
62	Vanco Sp Zoo**
63	Vanco Gmbh **
64	Vanco Japan KK**
65	Vanco NV**
66	Vanco SAS**
67	Vanco Srl **
68	Vanco Sweden AB **
69	Vanco Switzerland AG **
70	Vanco Deutschland GmbH **
71	Vanco BV **
72	Vanco UK Ltd **
73	Vanco International Ltd **
74	Vanco Row Limited **
75	Vanco Global Ltd **
76	VNO Direct Ltd **
77	Vanco US LLC **
78	Vanco Solutions Inc**
79	Net Direct SA (Proprietary) Ltd. (Under liquidation) **
80	Global Cloud Xchange Limited **
81	GCX Limited **
82	Aircom Holdco B.V
83	Towercom Infrastructure Private Limited
84	Seoul Telenet Inc. **
85	FLAG Holdings (Taiwan) Limited **
86	Reliance Telecom Infrastructure (Cyprus) Holdings Limited
87	Lagerwood Investments Limited

**(ii) Holding Company**

1	Reliance Innoventures Private Limited (upto 6 <sup>th</sup> February,2019)
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**(iii) Individuals Promoters**

1	Shri Anil D. Ambani, the person having Significant influence during the year
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**(iv) Key Managerial Personnel (KMP)**

1	Shri Punit Garg – Executive Director (w.e.f. 2-10-2017 till 5-4-2019)
2	Shri Manikantan V. – Director and Chief Financial Officer (Upto 19-11-2019)
3	Shri Vishwanath Devaraja Rao (w.e.f. 19-11-2019)
4	Shri Rakesh Gupta (w.e.f. 20-07-2019)
5	Shri Prakash Shenoy – Company Secretary (Upto 19-07-2019)

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### **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 Ralston Trading Private Limited
- 8 GF Toll Road Private Limited
- 9 Reliance Energy Limited
- 10 DS Toll Road Limited
- 11 BSES Kerala Power Limited
- 12 Vidarbha Industries Power Limited
- 13 Reliance Power Limited
- 14 Sasan Power Limited
- 15 Reliance Cleangen Limited (RCGL)
- 16 Reliance Nippon Life Insurance Company Limited (Formerly known as Reliance Life Insurance Company Limited)
- 17 BSES Rajdhani Power Limited
- 18 Reliance Commercial Finance Limited
- 19 Reliance Defence Limited
- 20 SU Toll Road Private Limited
- 21 BSES Yamuna Power Limited
- 22 Reliance Communications Enterprises Private Limited
- 23 Metro One Operation Private Limited
- 24 Reliance Naval and Engineering Limited
- 25 Reliance Health Insurance Limited
- 26 Parbati Koldam Transmission Company Limited (upto January 08, 2021)
- 27 Reliance ADA Group Enterprises Private Limited
- 28 Reliance Big Private Limited
- 29 Rosa Power Supply Company Limited

#### **(iii) Employee Benefits Trust**

- 1 Reliance Infocomm Limited Employees Provident Fund
- 2 Reliance Infocomm Limited Employees Gratuity Fund
- 3 Reliance Infocomm Limited Employees Superannuation Schemes

\* No control during the entire year. During an earlier year, the Company had entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited (the Purchaser) for sale of its subsidiary company, Independent TV Limited (ITVL) (Formerly Reliance Big TV Limited) having DTH Business. As per the agreement, all collections from Debtors and all liabilities of the ITVL will be to the account of, and borne by, the purchaser. In view of the above and upon transfer of the entire operations of ITVL, from the previous year, ITVL has been deconsolidated for the purpose of and as per requirement of Ind AS 110 "Consolidated Financial Statement".

\*\* No control w.e.f.1-7-2019. Refer note 2.38.1(b)

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	<b>Investments</b>					
	<b>Balance as at April 1, 2020</b>	<b>26,720</b>	-		<b>22</b>	<b>26,742</b>
		(26,720)	-		(22)	(26,742)
	Fair Valuation of Investment	-	-		-	-
		-	-		-	-
	Provision for Diminution in the value Investment during the year	<b>(15,251)</b>	-		-	<b>(15,251)</b>
		(15,251)	-		-	(15,251)
	Foreign Exchange Fluctuation	<b>5</b>	-		-	<b>5</b>
		(5)	-		-	(5)
	<b>Balance as at March 31, 2021</b>	<b>11,474</b>	-	-	<b>22</b>	<b>11,496</b>
		(11,474)	-		(22)	(11,496)
2	<b>Trade Receivables</b>	<b>10</b>	<b>8</b>		-	<b>18</b>
		(5)	(9)		-	(14)
3	<b>Loans - Current Financial Assets</b>					
	Balance as at April 1, 2020	<b>6,556</b>	-		-	<b>6,556</b>
		(6,528)	-		-	(6,528)
	Given / Adjusted during the Year	-	-		-	-
		-	-		-	-
	Repaid & Adjusted during the Year	-	-		-	-
		-	-		-	-
	Foreign Exchange Fluctuation	<b>(11)</b>	-		-	<b>(11)</b>
		(28)	-		-	(28)
	<b>Balance as at March 31, 2021</b>	<b>6,545</b>	-		-	<b>6,545</b>
		(6,556)	-		-	(6,556)
4	<b>Interest Accrued on Loans and Investments - Other Financial Assets</b>	<b>53</b>	-		-	<b>53</b>
		(53)	-		-	(53)
5	<b>Other Current Assets</b>					
	<b>(i) Advances</b>	<b>82</b>	<b>6</b>		-	<b>88</b>
		(1)	(10)		-	(11)
6	<b>Other Financial Assets</b>	<b>15</b>	-		-	<b>15</b>
		(14)	-		-	(14)
7	<b>Trade Payables</b>	<b>248</b>	<b>1</b>		-	<b>249</b>
		(320)	(1)		-	(321)
8	<b>Borrowings - Current</b>	-	<b>4,607</b>		-	<b>4,607</b>
		-	(4,607)		-	(4,607)

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

(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
9	<b>Other Financial Liabilities</b>					
	Other Liabilities	<b>11</b> (11)	- -		- -	<b>11</b> (11)
10	<b>Income</b>					
	Revenue From Operations	<b>5</b> (10)	<b>5</b> (9)		- -	<b>10</b> (19)
11	<b>Expenditure</b>					
	Access Charges	<b>15</b> (29)	- -		- -	<b>15</b> (29)
	Network Operation Expenses	<b>142</b> (263)	<b>4</b> (4)		- -	<b>146</b> (267)
	Employee Benefit Expenses	- -	- -	<b>3</b> (3)	- -	<b>3</b> (3)
	General and Administration Expenses	<b>43</b> (51)	- (1)		- -	<b>43</b> (52)
	Recovery of Expenses	<b>1</b> (15)	- -		- -	<b>1</b> (15)
12	<b>Corporate Guarantee</b>					
12.01	<b>Given by the Company</b>	<b>5,096</b> (5,182)	- -		- -	<b>5,096</b> (5,182)
12.02	<b>Taken by the Company</b>	<b>1,400</b> (1,400)	- -		- -	<b>1,400</b> (1,400)
13	<b>Person having Significant Influence during the year</b>					
	Shri Anil D. Ambani- Sitting Fees [₹ Nil (Previous year ₹ Nil)]	- -	- -		- -	- -
14	<b>Managerial Remuneration</b>					
	Shri. Punit Garg ₹ Nil (Previous Year ₹ 3,62,386)				- -	- -
	Shri. Manikantan V	- -	- -		- (1)	- (1)
	Shri Vishwanath Devaraja Rao (Previous year ₹ 22,19,178)	- -	- -		<b>2</b> -	<b>2</b> -



**Notes on Accounts to Financial Statements**

The following table describes the components of compensation paid or payable to key managerial personnel for the services rendered during the year ended:

	<b>For the year ended March 31, 2021</b>	For the year ended March 31, 2020
Salaries and other benefits	<b>1 49 53 829</b>	1 24 97 942
Contributions to defined contribution plans	<b>22 31 275</b>	11 25 799
<b>Total</b>	<b><u>1 71 85 104</u></b>	<u>1 36 23 741</u>

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.

During the previous year, the managerial remuneration paid to the Executive Director and CFO of the Company amounting to ₹ 0.49 crore exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 0.27 crore. His appointment and remuneration has been approved by the Committee of Creditors. The excess amount of ₹ 0.27 crore was reflected as Advance receivable in the financial statements of the previous year is charged off during the Financial year. The Company obtained necessary approval from the share holders at the Annual General Meeting held on September 26, 2020.

**Note 2.49**

**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 2.50**

**Note on Disqualification of Directors**

During the previous 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 20<sup>th</sup> 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 2.51**

**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 2.52**

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 and are presently sub judice before the Hon'ble High Court of Delhi. Since the matter is pending before the Hon'ble High Court of Delhi, presently there is no impact of such declaration by the banks, in the standalone financial statements.

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

### Note 2.53

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

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

### Note 2.54

The 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 2.55

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.

### Note 2.56

#### Note on Covid -19 Impact

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. COVID-19 has impacted businesses globally and in India. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. The Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown.

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

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

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

### Note 2.57

#### Authorisation of Financial Statements

The Directors of the Company have approved the financial statement at their meeting held on June 26, 2021 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, 2021, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

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

## Notes on Accounts to 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 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 statement of financial statements of the Corporate Debtor for the year ended March 31, 2021 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial 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

**Vishal D. Shah**

Partner

Membership No: 119303

Place : Mumbai

Date : June 26, 2021

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

**Anish Nirajan Nanavaty**

**Vishwanath Devaraja Rao**

(DIN: 08607657)

**Rakesh Gupta**

Membership No: F5951

# Reliance Communications Limited

## Notes on Accounts to Financial Statements

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

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

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

I	Sr. No.	Particulars	Audited Figures	
			(as reported before adjusting for qualifications)	(audited figures after adjusting for qualifications)
	1	Turnover / Total income	483	483
	2	Total Expenditure	735	735
	3	Net Profit/(Loss) before Exceptional items	(252)	(252)
	4	Exceptional Item (Refer Note 2.38.01 (a) and (b) above)	-	-
	5	Net Profit/(Loss) after Exceptional items	(252)	(252)
	6	Net Profit / (Loss) from Discontinued Operations	(4,637)	(8,038)
	7	Earnings Per Share (Rs.)	(17.82)	(30.21)
	8	Total Assets	44,786	44,786
	9	Total Liabilities	82,620	99,311
	10	Net worth	(37,834)	(54,525)
	11	Any other financial item(s) (as felt appropriate by the management)		

#### II Audit Qualification (each audit qualification separately):

- |       |  |  |
|-------|--|--|
| a.    | Details of Audit Qualification:  | Non Provision of Interest and Foreign Exchange variation (Refer Note 2.47)   |
| b.    | Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion        | Qualified Opinion  |
| c.    | Frequency of qualification: Whether appeared first time / repetitive / since how long continuing | Fourth time  |
| d.    | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:    | Impact is not ascertainable as the Company is under IBC and CIR process initiated  |
| e.    | For Audit Qualification(s) where the impact is not quantified by the auditor:                    | Impairment review of tangible and intangible assets, assets held for sale, investments and other assets and reconciliation of credits relating to GST and TDS, Going concern (Refer Note 2.14 and 2.30), Lease (Refer Note 2.51) |
| (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  
Vishal D. Shah  
UDIN: 21119303AAAALS2349

Place : Mumbai

Date : June 26, 2021

**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 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, 2021, 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, 2021, the consolidated changes in equity, the consolidated loss (including consolidated total 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 of the consolidated 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 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, 2021.

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. 4,362 crore for the year ended March 31, 2021 and Rs. 12,746 crore up to the previous financial year based on the basic rates of interest as per the terms of the borrowings. The Holding Company and some of its subsidiaries further has not debited / credited for foreign exchange gain amounting to Rs. 630 crore for the year ended March 31, 2021 and Rs. 2,593 crore foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the year ended March 31, 2021 would have been higher by Rs. 3,732 crore and the Net worth of the Group would have been lower by Rs. 19,071 crore as at March 31, 2021 and Rs. 15,339 crore as at March 31, 2020. Non provision of interest and non recognition of foreign exchange variation (gain) / loss is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

c) We draw attention to Note no 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 assets and write back of liabilities if any, has not been made in the books of account by the Group pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all other assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and the year ended March 31, 2021. Non determination of fair value of financial assets & liabilities and impairment in carrying amount of other assets & liabilities are not in compliance with Ind AS 109 "Financial Instrument", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".

d) We draw attention to Note no 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 & 2.43.1(b) 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

## Independent Auditors' Report

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. Further, auditors of material subsidiaries of the Holding Company have qualified their reports with respect to Going Concern of the company's on account of reasons mentioned above.

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

- f) We draw attention to Note no. 2.59 of the consolidated financial statements regarding unbilled revenue recognized by one of the Holding Company's subsidiary amounting to Rs. 917 crore with respect to services provided, which has not been billed by the subsidiary for the reasons mentioned in the aforesaid note. We are unable to comment on the ultimate outcome of reconciliation and its impact on the revenue recognized during the year and in earlier years and its realisation.
- g) We draw attention to Note No 2.58 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, 2021 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 Network 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 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

- a) 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.
- b) We draw attention to Note no. 2.63 of the consolidated financial statements, as regards to the management evaluation of impact of COVID - 19 on the future performance of the Group. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

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

### 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.

Independent Auditors' Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>1. Revenue Recognition</b></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.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Testing the end-to-end reconciliation from business support systems to billing and to the general ledger;</li> <li>• 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;</li> </ul>
<p>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>	<ul style="list-style-type: none"> <li>• Performed substantive analytical procedures over the significant revenue streams;</li> <li>• Involving verification of controls surrounding revenue invoicing;</li> <li>• Assessed transactions taking place before and after year-end to ensure that revenue was recognised in the appropriate period;</li> <li>• 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.</li> </ul>
<p><b>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</b></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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• We consider management's conclusion on the predicted outcome and estimation of potential impact reasonable and we assessed that the disclosures in Note No 2.39, Contingent liabilities are reasonable.</li> </ul>



## Independent Auditors' Report

### 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.

### 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, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors / Resolution Professional/ Monitoring Committee.
- Conclude on the appropriateness of 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.

**Independent Auditors' Report**

- 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.

**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 application and ordered the commencement of corporate insolvency resolution process ("CIRP") of the 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 Niranjan Nanavaty 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 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 twelve subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2,344 crore as at March 31, 2021, total revenues of Rs. 9 crore and net cash outflows amounting to Rs. 1 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. (1) crore for the year ended March 31, 2021, 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 sixteen subsidiaries, whose financial statements / financial information reflect total assets of Rs. 3,657 crore as at March 31, 2021, total revenues of Rs. 3 crore and net cash outflows amounting to Rs. 2 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 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

## Independent Auditors' Report

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 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

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.

(g) On the basis of the written representations received from two directors of the Holding Company as on March 31, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. Further as mentioned in Note no. 2.55 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, 2021 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 2.55 of the consolidated financial statements), accordingly we are unable to comment whether the said director is disqualified as on March 31, 2021 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 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, except for in case of a subsidiary viz. RCIL wherein RCIL is in the process of appointment of a Whole Time Director / Managing Director / Manager in accordance with the requirements of the provision of Section 203 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

## Independent Auditors' Report

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 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, 2021.

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

**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALV5743

Place: Mumbai  
Date : June 26, 2021

### **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 Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of Reliance Communications Limited ("the Holding Company") and its subsidiaries ("Group") and its associate companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Directors/ Resolution Professional (RP)/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 over financial reporting 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 financial reporting, 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 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 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 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 over 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 financial statements as at March 31, 2021:

- 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.

## 'Annexure A' to the Independent Auditor's Report - March 31, 2021

- iii. The Holding Company and some of its subsidiaries have delayed in payment of statutory dues including Goods and Service Tax/Service Tax/ Value Added Tax / Tax Deducted at Source accounts and delays in filing of certain statutory returns during the year with the respective authorities.
- 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 over 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 over financial statements were operating effectively as at March 31, 2021, based on the internal control over 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 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, 2021 and these material weaknesses affect our opinion on the consolidated financial statements of the Group for the year ended March 31, 2021 [our audit report dated June 26, 2021, 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 12 subsidiaries and 2 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

**Vishal D. Shah**  
Partner  
Membership No: 119303  
UDIN: 21119303AAAALV5743

Place: Mumbai  
Date : June 26, 2021

# Reliance Communications Limited

## Consolidated Balance Sheet as at March 31, 2021

Particulars	Notes	As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(₹ in crore)					
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	2.01	2,078	2,222		
(b) Capital Work in Progress	2.01	196	193		
(c) Goodwill	2.02	1,470	1,472		
(d) Other Intangible Assets	2.03	13	19		
(e) Intangible Assets under Development	2.03	-	-		
(f) Financial Assets					
(i) Investment in Associates and others	2.04	57	55		
(ii) Other Financial Assets	2.05	2	2		
(g) Deferred Tax Asset (net)	2.06	10	8		
(h) Income Tax Asset (net) (Refer Note 2.35)		380	653		
(i) Other Non Current Assets	2.07	1,031	1,025	5,649	
<b>Current Assets</b>					
(a) Inventories	2.08	29	32		
(b) Financial Assets					
(i) Investments	2.09	-	-		
(ii) Trade Receivables	2.10	448	490		
(iii) Cash and Cash Equivalents	2.11	709	442		
(iv) Bank Balances other than (iii) above	2.12	117	114		
(v) Other Financial Assets	2.13	385	385		
(c) Other Current Assets	2.14	5,580	5,567		
(d) Assets held for Sale	2.15	35,321	35,321	42,351	
<b>Total Assets</b>		<b>47,826</b>	<b>48,000</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	2.16	1,383	1,383		
(b) Other Equity	2.17	(55,289)	(49,539)		
<b>Equity Attributable to Shareholders of the parent</b>		<b>(53,906)</b>	<b>(48,156)</b>		
<b>Non-Controlling Interest</b>	2.18	294	316		
<b>Total Equity</b>		<b>(53,612)</b>	<b>(47,840)</b>		
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	2.19	463	468		
(b) Other Non-Current Liabilities	2.20	129	156		
(c) Deferred Tax Liabilities (net)	2.06	1,193	1,257		
(d) Provisions	2.21	11	12	1,893	
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	2.22	30,269	30,269		
(ii) Trade Payables	2.23				
Due to Micro and Small Enterprises		79	80		
Due to Creditors Other than Micro and Small Enterprises		4,027	4,103		
(iii) Other Financial Liabilities	2.24	52,943	47,909		
(b) Deferred Revenue (Refer Note 2.53 and 2.59)		2,048	1,930		
(c) Other Current Liabilities	2.25	971	1,042		
(d) Income Tax Liabilities (net)		2	-		
(e) Provisions	2.26	1,466	1,466		
(f) Liabilities directly related to Asset held for Sale	2.15	7,837	7,148	93,947	
<b>Total Equity and Liabilities</b>		<b>47,826</b>	<b>48,000</b>		
<b>Significant Accounting Policies</b>	1				
<b>Notes on Accounts</b>	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

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

Place : Mumbai  
Date : June 26, 2021

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, 2021

Particulars	Notes	For the year ended March 31, 2021	(₹ in crore) For the year ended March 31, 2020
<b>1 INCOME</b>			
(a) Revenue from Operations	2.27	760	1,685
(b) Other Income	2.28	19	49
<b>(c) Total Income ((a) + (b))</b>		<b>779</b>	<b>1,734</b>
<b>2 EXPENSES</b>			
(a) Access Charges, License Fees and Network Expenses	2.29	562	1,102
(b) Employee Benefits Expenses	2.30	91	210
(c) Finance Costs	2.31	48	62
(d) Depreciation, Impairment and Amortisation	2.01 & 2.03	154	354
(e) Sales and General Administration Expenses	2.32	124	589
<b>(f) Total Expenses ((a) to (e))</b>		<b>979</b>	<b>2,317</b>
<b>3 Profit/ (Loss) before share of Profit of associates, exceptional items and Tax (1(c) - 2(f))</b>		<b>(200)</b>	<b>(583)</b>
4 Share of Loss/ (Profit) of Associates		1	(4)
<b>5 Profit before Exceptional Items and Tax (3 - 4)</b>		<b>(201)</b>	<b>(579)</b>
<b>6 Exceptional Items</b>	2.43.1	-	(10,214)
<b>7 Profit / (Loss) before Tax (5 + 6)</b>		<b>(201)</b>	<b>(10,793)</b>
8 Tax expense:			
(a) Current Tax		15	14
(b) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	2.06	(5)	-
<b>9 Profit / (Loss) After Tax from Continuing Operations (7 - 8)</b>		<b>(211)</b>	<b>(10,807)</b>
10 Profit / (Loss) before Exceptional and Tax from Discontinued Operations	2.51	(939)	(1,142)
<b>11 Exceptional Items relating to Discontinued Operations</b>			
Provision of liability on account of License and Spectrum Fee	2.43.2	4,713	30,837
<b>12 Profit / (Loss) before Tax (10 - 11)</b>		<b>(5,652)</b>	<b>(31,979)</b>
13 Tax Credit / (Expenses) on Discontinued Operations		(51)	(109)
(a) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)		(61)	(109)
(b) Earlier year tax		10	-
<b>14 Profit / (Loss) after Tax from Discontinued Operations (12 - 13)</b>		<b>(5,601)</b>	<b>(31,870)</b>
<b>15 Other Comprehensive Income</b>			
<b>(a) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gain/ (loss) of defined employee benefit plans (net of tax)		(1)	7
(ii) Net gain/ (loss) on Equity Shares carried out at fair value (net of tax)		5	16
<b>(b) Items that will be reclassified to profit or loss</b>			
(i) Exchange difference on translation of financial statements of foreign operations		37	(48)
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>41</b>	<b>(25)</b>
<b>16 Total Comprehensive Income/(Loss) for the year(9+ 14 + 15)</b>		<b>(5,771)</b>	<b>(42,702)</b>
<b>17 Profit/ (Loss) for the year attributable to</b>			
Shareholders		(5,791)	(42,671)
Non Controlling Interest		(21)	(6)
<b>18 Total Comprehensive Income/ (Loss) attributable to</b>			
Shareholders		(5,750)	(42,696)
Non Controlling Interest		(21)	(6)
<b>19 Earnings per Share of ₹ 5 each fully paid up (Basic and Diluted)</b>	2.42		
(before exceptional items)			
(a) Continuing Operations		(0.77)	(2.16)
(b) Discontinued Operations		(3.16)	(3.74)
(c) Continuing and Discontinued Operations		(3.93)	(5.90)
(after exceptional items)			
(a) Continuing Operations		(0.77)	(39.38)
(b) Discontinued Operations		(20.33)	(116.11)
(c) Continuing and Discontinued Operations		(21.10)	(155.49)
<b>Significant Accounting Policies</b>	1		
<b>Notes on Accounts</b>	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

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

Place : Mumbai  
Date : June 26, 2021

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 Changes in Equity for the year ended March 31, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

	(₹ in crore)	
		For the year ended March 31, 2020
<b>(a) Equity Share Capital</b> (Refer Note 2.16)		
<b>Balance at the beginning of the year</b>	1,383	1,383
Change in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<u>1,383</u>	<u>1,383</u>

<b>(b) Other Equity</b> (Refer Note 2.17)	(₹ in crore)
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Particulars	Attributable to the equity holders of the parent							Other Comprehensive Income	Total		
	Reserves and Surplus										
	Capital Reserve	Securities Premium Reserve	General Reserve	Reserve for Business Restructuring	Debt Redemption Reserve	Retained Earnings	Treasury Equity			FCMITDA* Exchange Fluctuation Reserve	Others
<b>Balance as at April 01, 2019</b>	2,781	13,894	34	-	590	(22,547)	(391)	6	66	4	<b>(5,563)</b>
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(42,671)	-	-	-	-	<b>(42,671)</b>
Reduction during the year	(1,274)	-	-	-	-	-	-	-	-	-	<b>(1,274)</b>
Other Comprehensive Income	-	-	-	-	-	-	-	(6)	(48)	23	<b>(25)</b>
Movement in FCMITDA	-	-	-	-	-	-	-	-	-	-	<b>(6)</b>
<b>Balance as at March 31, 2020</b>	<b>1,507</b>	<b>13,894</b>	<b>34</b>	<b>-</b>	<b>590</b>	<b>(65,218)</b>	<b>(391)</b>	<b>-</b>	<b>18</b>	<b>27</b>	<b>(49,539)</b>
Surplus/ (Deficit) of Statement of Profit and Loss	-	-	-	-	-	(5,791)	-	-	-	-	<b>(5,791)</b>
Other Comprehensive Income	-	-	-	-	-	-	-	-	37	4	<b>41</b>
<b>Balance as at March 31, 2021</b>	<b>1,507</b>	<b>13,894</b>	<b>34</b>	<b>-</b>	<b>590</b>	<b>(71,009)</b>	<b>(391)</b>	<b>-</b>	<b>55</b>	<b>31</b>	<b>(55,289)</b>

\*FCMITDA: Foreign Currency Monetary Items Translation Difference Account

As per our report of even date  
For **Pathak H. D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 107783W/W100593

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

Place : Mumbai  
Date : June 26, 2021

For **Reliance Communications Limited**

Resolution Professional

Executive Director and Chief Financial Officer

Company Secretary

**Anish Niranjana Navavaty**

**Vishwanath Devaraja Rao**  
(DIN: 08607657)

**Rakesh Gupta**  
Membership No: F5951

## Consolidated Cash Flow Statement for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(₹ in Crore)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax from Continuing Operations	(201)	(10,793)
Profit/ (Loss) before tax from Discontinued Operations	(5,652)	(31,979)
Adjusted for:		
Provision for Doubtful Debts, Loans and Advances	29	115
Depreciation/Impairment and Amortisation	156	355
Impact of deconsolidation of subsidiaries	-	1,250
Provision for Impairment (net)	-	8,968
Effect of Changes in Foreign Exchange Rate (net)	(43)	132
Finance Costs	769	717
Share of (Profit)/ Loss on investment in associates	1	(4)
Advances written off / (Write Back) of old Liabilities	(8)	232
Interest Income	(60)	(9)
	<u>844</u>	<u>11,756</u>
<b>Operating Profit before Working Capital Changes</b>	<b>(5,009)</b>	<b>(31,016)</b>
Adjusted for:		
Receivables, Advances and Other Assets	64	34
Inventories	3	31
Trade Payables and Other Liabilities	5,039	31,154
	<u>5,106</u>	<u>31,219</u>
<b>Cash Generated from Operations</b>	<b>97</b>	<b>203</b>
Income Tax Refund	312	46
Income Tax Paid	(81)	(230)
	<u>328</u>	<u>19</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible under Development (including realised loss capitalised)	(9)	(11)
Investment in Bank deposits (having original maturity for more than 3 months)	(4)	-
Interest Income	7	16
	<u>(6)</u>	<u>5</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from / (Repayment) of Short term Borrowings (net)	(7)	(2)
Finance Cost including interest capitalised	(48)	(52)
	<u>(55)</u>	<u>(54)</u>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>267</b>	<b>(30)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>442</b>	<b>832</b>
Decrease in Cash and Cash Equivalents on account deconsolidation of Subsidiaries	-	(360)
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>709</b>	<b>442</b>

Particulars	April 1, 2020	Cashflow net	Foreign Exchange Movement	Net impact of Consolidation/ Deconsolidation	March 31, 2021
Borrowings (Refer Note 2.19, 2.22 and 2.24)	45,584	(7)	-	-	45,577
	April 1, 2019	Cashflow net	Foreign Exchange Movement	Net impact of Consolidation/ Deconsolidation	March 31, 2020
Borrowings (Refer Note 2.19, 2.22 and 2.24)	47,606	(2)	3	(2,023)	45,584

**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 Mar 31, 2021	As at March 31, 2020
(i) Cash and Cash Equivalents (Refer Note 2.11)	709	442
(ii) Less: Bank overdraft	-	-
(iii) Cash and Cash Equivalents (net) as per Ind AS 7	<u>709</u>	<u>442</u>

As per our report of even date  
 For **Pathak H.D. & Associates LLP**  
 Chartered Accountants  
 Firm Reg. No.: 107783W/W100593

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

Place : Mumbai  
 Date : June 26, 2021

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

## 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"), is registered under the Companies Act, 1956, having Registered Office at H Block, 1<sup>st</sup> 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 and powers of board of directors of the Company and three of its subsidiaries stands vested with the Interim Resolution Professional ("IRP") appointed by the NCLT. In case of one subsidiary, the the management of affairs and powers of board of directors stands vested 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

## Significant Accounting Policies to the Consolidated Financial Statements

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
- (9) Cable Systems - Shorter of 15 years or remaining useful life

In case of Falcon project, the asset life of Sub Marine Cable Network and Terrestrial Network is estimated at 25 years and 15 to 25 years respectively.

# Reliance Communications Limited

## Significant Accounting Policies to the Consolidated Financial Statements

- (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 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) DTH License - 10 years
  - (4) Indefeasible Right of Connectivity - In the year of purchase or, 15/ 20 years, as the case may be.
  - (5) Software - 5 years
  - (6) Trade Names and Trademarks - 5 to 10 years
  - (7) Intellectual Property - 7 years
  - (8) 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 Statement of Profit and Loss.

**Significant Accounting Policies to the Consolidated Financial Statements**

**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 vale 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 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.



## Significant Accounting Policies to the Consolidated Financial Statements

### (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 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;

**Significant Accounting Policies to the Consolidated Financial Statements**

- (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.
- (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.
- (vii) 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 Consolidated Statement of Profit and Loss over the term of the contract.

## Significant Accounting Policies to the Consolidated Financial Statements

- (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 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 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

**Significant Accounting Policies to the Consolidated Financial Statements**

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.

**(q) Earning per Share**

In determining Earning per Share, the Group considers net profit / (loss) after tax attributable to equity shareholders 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 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.

## Significant Accounting Policies to the Consolidated Financial Statements

### 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
- 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 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 Statement of Profit and Loss. Also, the Group has elected to apply the exemption available under Ind AS 101 "First-time Adoption of Indian Accounting Standards" to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial Consolidated statements as at the date of transition to Ind AS, measured as per the previous GAAP.

#### **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 "Financial Instruments". 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.

Significant Accounting Policies to the Consolidated Financial Statements

**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:

**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 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 Consolidated 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 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 consolidated 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.

## Significant Accounting Policies to the Consolidated Financial Statements

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 2.48), 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 2.41) 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
- (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.



Notes on Accounts to the Consolidated Financial Statements

Note 2.01  
Property, Plant and Equipment

Particulars	Leasehold Land	Leasehold Land Improvement	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital Work in Progress
(₹ in crore)										
<b>Gross carrying value</b>										
<b>As at April 1, 2019</b>	228	52	99	86	27,457	86	66	72	28,146	191
Additions	-	-	-	-	17	-	-	-	17	19
Additions on acquisition	3	-	-	1,636	187	18	43	1	1,888	
Deductions/ Adjustment including Currency Translation	-	(52)	-	5	(8,508)	(49)	(23)	(17)	(8,644)	(17)
As at March 31, 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)
<b>As at March 31, 2021</b>	<b>231</b>	<b>-</b>	<b>99</b>	<b>1,725</b>	<b>19,155</b>	<b>55</b>	<b>86</b>	<b>56</b>	<b>21,407</b>	<b>196</b>
<b>Accumulated Depreciation</b>										
<b>As at April 1, 2019</b>	1	52	-	20	20,243	86	63	69	20,534	-
Depreciation for the year	-	-	-	6	304	-	-	-	310	-
Additions on acquisition	-	-	-	1,131	178	18	41	1	1,369	-
Deductions/ Adjustment including Currency Translation	-	(52)	-	-	(2,890)	(49)	(22)	(17)	(3,028)	-
As at March 31, 2020	1	-	-	1,157	17,835	55	82	53	19,185	-
Depreciation for the year	-	-	-	13	136	-	-	-	149	-
Deductions/ Adjustment including Currency Translation	-	-	-	(1)	(4)	-	-	-	(5)	-
<b>As at March 31, 2021</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1,169</b>	<b>17,967</b>	<b>55</b>	<b>82</b>	<b>53</b>	<b>19,329</b>	<b>-</b>
<b>Net Carrying Value</b>										
As at March 31, 2020	230	-	99	570	1,318	-	4	3	2,222	
<b>As at March 31, 2021</b>	<b>230</b>	<b>-</b>	<b>99</b>	<b>556</b>	<b>1,188</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>2,078</b>	<b>-</b>

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 including ₹ 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 During the previous year, additions on acquisition includes Consolidation of Reliance Realty Limited (Refer note 2.43.1 (a))
- 2.01.6 During the previous year, deductions / Adjustments include exchange fluctuation on account of currency translation of foreign subsidiaries and deconsolidation of Reliance Realty Limited (Refer Note 2.43.1 (a))
- 2.01.7 Limited, Reliance Vanco Group Limited and GCX Limited. During previous year, deductions / Adjustments include exchange fluctuation on account of currency translation of foreign subsidiaries and deconsolidation of Reliance Realty Limited. (Refer Note 2.43.1 (a))
- 2.01.8 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
- 2.01.9 Above notes to be read with Note 2.15 "Assets Held for Sale".
- 2.01.9 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.

# 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, 2021	As at March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Goodwill on Consolidation	<u>1,470</u>	<u>1,472</u>	<u>(2)</u>	<u>133</u>

(₹ in crore)

There is a decrease in Goodwill on consolidation mainly on account of changes in foreign exchange currency fluctuation. During previous year, there was an increase in Goodwill on consolidation on account of consolidation of Reliance Reality Limited. On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Company 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	Intangible Assets Under Development
<b>Gross carrying value</b>							
As at April 1, 2019	243	2,128	179	169	1	2,720	4
Additions	-	2	-	-	-	2	-
Deductions/ Adjustment including Currency Translation	-	(1,611)	(17)	-	-	(1,628)	(4)
As at March 31, 2020	243	519	162	169	1	1,094	-
Additions	-	-	-	-	-	-	-
Deductions/ Adjustment including Currency Translation	-	-	(4)	-	-	(4)	-
<b>As at March 31, 2021</b>	<u>243</u>	<u>519</u>	<u>158</u>	<u>169</u>	<u>1</u>	<u>1,090</u>	<u>-</u>
<b>Accumulated amortisation</b>							
As at April 1, 2019	239	1,394	171	160	-	1,964	-
Amortisation for the year	1	34	1	9	-	45	-
Deductions/ Adjustment including Currency Translation	-	(923)	(11)	-	-	(934)	-
As at March 31, 2020	240	505	161	169	-	1,075	-
Amortisation for the year	1	6	-	-	-	7	-
Deductions/ Adjustment including Currency Translation	-	(1)	(4)	-	-	(5)	-
<b>As at March 31, 2021</b>	<u>241</u>	<u>510</u>	<u>157</u>	<u>169</u>	<u>-</u>	<u>1,077</u>	<u>-</u>
<b>Net Carrying Value</b>							
As at March 31, 2020	3	14	1	-	1	19	-
<b>As at March 31, 2021</b>	<u>2</u>	<u>9</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>13</u>	<u>-</u>

(₹ in crore)

2.03.1 During the earlier years, the Company and Reliance Telecom Limited (RTL) a subsidiary of the Company, 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.

During the current year and previous year the Company and RTL had defaulted the payment of Installment of ₹ 493 crore which was due on April 9, 2019 and April 9, 2020 and ₹ 6 crore which is due on October 20, 2019 and October 20, 2020 with the delay of 723 days and 162 days respectively. Further, an installment of ₹ 22 crore due on March 03, 2019, March 3, 2020 and March 3, 2021 is defaulted by 760 days, 394 days and 29 days respectively as at March 31, 2021. Apart from above, balance installments not due as at March 31, 2021 is aggregating to ₹ 6,562 crore including interest @ 10% per annum. An Installment of ₹ 493 crore, due on April 9, 2021 is yet to be paid.

During the 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 and March 26, 2021 with a delay of 737 days, 372 days and 6 days respectively. Apart from above, balance installments not due as at March 31, 2021 is aggregating to ₹ 2,815 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 3<sup>rd</sup> 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.

2.03.2 During previous year, Deductions / Adjustments include exchange fluctuation on account of currency translation of foreign subsidiaries and deconsolidation of Reliance Globalcom Limited. (Refer Note 2.43.1 (b))

2.03.3 Refer Note 2.22.1 for security in favour of the Lenders.

2.03.4 Above notes to be read with Note 2.15 "Asset held for Sale".

Notes on Accounts to the Consolidated Financial Statements

Particulars	As at March 31, 2021	(₹ in crore) As at March 31, 2020
<b>Note 2.04</b>		
<b>Investment in Associates and Others</b>		
<b>a) Investment in Associates (Valued as per Equity Method)</b>		
<b>Equity Shares</b>		
<b>Unquoted, fully paid up</b>		
6,50,25,000 Warf Telecom International Private Limited of MRf 1 each (6,50,25,000)	22	22
Add/ Less : Share Profit / (Loss) of Associates	<u>8</u>	<u>10</u>
	<b>30</b>	<b>32</b>
13 000 Mumbai Metro Transport Private Limited of ₹ 10 each (13 000)	-	-
<b>b) Investment in Equity Shares of Other Companies (Fair valued through other Comprehensive Income)</b>		
<b>Quoted, fully paid up</b>		
39,342 Groupon Inc.–Class A Common Stock of USD 0.0001 each (39,342)	1	1
5,95,074 Sequans Communications SA of Euro 0.02 each (595,074)	26	22
	<u>27</u>	<u>23</u>
<b>c) Other Investments (At amortised cost)</b>		
400 Nationwide Communication Private Limited of ₹ 10 each (400) ₹ 4,000 (4,000)	-	-
	<u>57</u>	<u>55</u>
<b>Aggregate information for all investments in Associates:</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Summarised Consolidated Statement of Profit and Loss Account</b>		
Share of Profit/ (Loss)	(1)	4
Share of Other Comprehensive Income	(1)	-
<b>Total</b>	<u>(2)</u>	<u>4</u>
<b>Amount in ₹</b>		
<b>Unrecognised share in Loss of Associate</b>		
Unrecognised Share in Loss of Associates for the year	60,905	1,34,498
<b>₹ in crore</b>		
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Aggregate carrying amount of interest in these Associates	<u>30</u>	<u>32</u>
<b>Amount in ₹</b>		
Aggregate of unrecognised share in Loss of Associates	4,76,436	4,15,531
Aggregate value of Impairment	Nil	Nil
<b>Aggregate book value of investments in Equity Shares in Companies</b>		
Quoted	27	23
Unquoted	30	32
<b>Aggregate market Value of quoted investments</b>	<b>27</b>	<b>23</b>
<b>Aggregate value of impairment</b>	<b>Nil</b>	<b>Nil</b>
* during earlier year, fair valued as per Ind AS 109 "Financial Instruments" (Refer Note 2.41.1)		

# 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, 2021		As at March 31, 2020	
Bank Deposits with Maturity for more than 12 months		2		2
		<u>2</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,		March 31		
	2021	2020	2021	2020	
<b>(i) Deferred Tax Assets</b>					
Related to carried forward loss	10,907	9,447	1,460	730	
MAT Credit Entitlement	35	37	(2)	(2)	
Disallowances, under the Income Tax Act, 1961	1,633	1,621	12	426	
Provision for Liabilities on account of License & Spectrum Fees	11,204	9,722	1,482	9,722	
Deferred tax on fair valuation of investment	2,088	2,088	-	2,088	
Related to temporary difference on depreciation/ amortisation	152	276	(124)	(189)	
	<u>26,019</u>	<u>23,191</u>	<u>2,828</u>	<u>12,775</u>	
<b>(ii) Deferred Tax Liabilities</b>					
Related to temporary difference on depreciation/ amortisation and indexed Cost	1,958	1,127	831	6	
Deferred tax on fair valuation of investment	-	-	-	(2,088)	
<b>Net Deferred Tax Assets (I)</b>	<u>24,061</u>	<u>22,064</u>	<u>1,997</u>	<u>14,857</u>	
<b>Restricted to</b>	<u>10</u>	<u>8</u>	<u>(2)</u>	<u>(21)</u>	

#### 2.06 (b) Deferred Tax Liabilities

##### (i) Deferred Tax Liabilities

Related to timing difference on depreciation on fixed assets	2,036	1,788	248	426
Related to Temporary difference on other items	814	839	(25)	(87)
<b>Total</b>	<u>2,850</u>	<u>2,627</u>	<u>223</u>	<u>339</u>

##### (ii) Deferred Tax Assets

MAT Credit Entitlement	7	7	-	7
Related to carried forward loss		19	(19)	19
Relating to unabsorbed Depreciation	1,420	1,173	247	279
Related to other disallowances	230	171	59	62
<b>Total</b>	<u>1,657</u>	<u>1,370</u>	<u>287</u>	<u>367</u>

##### (iii) Impact of Consolidation/ Deconsolidation of Subsidiaries

(Refer Note 2.43.1)

<b>Net Deferred Tax Liabilities (II)</b>	<u>1,193</u>	<u>1,257</u>	<u>(64)</u>	<u>(130)</u>
<b>Deferred Tax Charge/ (Credit) (II - I)</b>			<u>(66)</u>	<u>(109)</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, 2021 (Previous year ₹ 1,194 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 ₹ 33,032 crore are as under:

Sr. Particulars	Amount of Loss (₹ in crore)
(i) Expiring within 1 year	-
(ii) Expiring within 1 to 5 year	9,432
(iii) Expiring within 5 to 7 year	6,571
(iv) Expiring within 7 to 20 year	1
(v) Without expiry limit	17,028
	<u><u>33,032</u></u>

**(a) Amounts recognised in Consolidated Statement of profit and loss**

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Current income tax	15	10	25	14	-	14
Deferred income tax liability / (asset), net	<u>(5)</u>	<u>(61)</u>	<u>(66)</u>	-	<u>(109)</u>	<u>(109)</u>
<b>Tax expense for the year</b>	<u>10</u>	<u>(51)</u>	<u>(41)</u>	14	<u>(109)</u>	<u>(95)</u>

**(b) Amounts recognised in other comprehensive income**

- -

**2.06 (c) Reconciliation of Tax Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/ (Loss) before Tax	<b>(5,853)</b>	(42,772)
Applicable Tax Rate	<b>34.46%</b>	34.652%
<b>Computed Tax Expenses (I)</b>	<b>(2,017)</b>	(14,820)
<b>Add: Items not considered for Tax Computation</b>		
Tax Charges/ (Credit) on account of temporary difference	<b>137</b>	96
Deferred Tax on carried forward losses	<b>184</b>	860
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	<b>1,484</b>	14,995
Expenses disallowed for tax purpose	<b>161</b>	(1,589)
Deferred tax not recognised for the year (restricted)	-	-
Others	<b>9</b>	16
<b>Subtotal (II)</b>	<u><b>1,975</b></u>	<u>14,377</u>
<b>Less: Items not considered for Tax Computation</b>		
Effect of Tax impact in Foreign jurisdiction	<b>(1)</b>	(347)
<b>Subtotal (III)</b>	<u><b>(1)</b></u>	<u>(347)</u>
<b>Income Tax Expenses charge/ (credit) to Consolidated Statement of Profit and Loss (I + II - III)</b>	<u><b>(41)</b></u>	<u>(96)</u>

There is no taxable income during the year and the Group has not recognised Deferred Tax Assets (DTA) in absence of reasonable certainty.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### Note 2.07

**Other Non Current Assets** (Unsecured, Considered good – unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances (Refer Note 2.56)	25	25
Deposits	425	425
Other Loans and Advances (Refer Note 2.39(vii))	581	575
	<u>1,031</u>	<u>1,025</u>

### Note 2.08

**Inventories** (valued at lower of cost or net realisable value)

Stores and Spares	29	32
	<u>29</u>	<u>32</u>

### Note 2.09

**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)	-	-
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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)	-	-
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5 1/2 years Kisan Vikas Patra (lodged with Chennai Metropolitan Development Authority) ₹ 5,000 (₹ 5,000)	-	-
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<b>Aggregate market value of quoted investments</b>	-	-
Quoted (₹ 30,52,000) (Previous year ₹ 30,52,000)		
Unquoted		

<b>Aggregate market value of quoted investments</b>	-	-
(₹ 37,40,000) (Previous year ₹ 34,10,200)		

<b>Aggregate value of Impairment</b>	Nil	Nil
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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, 2021	As at March 31, 2020
Considered Good	448	490
Credit Impaired	2,366	2,350
	<u>2,814</u>	<u>2,840</u>
Less: Provision for allowance for credit impaired	2,366	2,350
	<u>448</u>	<u>490</u>

**Note 2.11**

**Cash and Cash Equivalents**

Cheques on hand	2	2
Balance with Banks*	693	426
Bank deposits with less than 3 months' maturity	14	14
	<u>709</u>	<u>442</u>

\* includes balance of ₹ 0.24 crore in respect of eight bank accounts (Previous year Rs. 0.73 crore in respect of seventeen bank account) 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 2.58)	117	113
Earmarked Balances - Unpaid Dividend (₹ 11,09,642) *	-	1
	<u>117</u>	<u>114</u>

\* Transferred ₹ 1 crore (Previous year ₹ 1 crore) to Investor Education and Protection Fund (IEPF)

**Note 2.13**

**Other Financial Assets** (Unsecured, Considered good)

Unbilled Revenue	61	56
Interest accrued on Investments	6	6
Other Financial Assets	318	323
	<u>385</u>	<u>385</u>

**Note 2.14**

**Other Current Assets** (Unsecured)

**a) Advances and Receivables** (Refer Note 2.35 and 2.46)

Considered good **	3,091	3,028
Credit Impaired	212	212
	<u>3,303</u>	<u>3,240</u>
Less: Allowance for Credit Impaired	212	212
	<u>3,091</u>	<u>3,028</u>

**b) Others (Considered good)** (Refer Note 2.35)

Deposits *	1,690	1,689
Balance with Customs, Central Excise Authorities etc.	493	541
Others	306	309
	<u>5,580</u>	<u>5,567</u>

\* Deposits include ₹ 1,565 crore (Previous year ₹ 1,565 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 Company 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)	
	2021	2020	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	As at March 31,	As at March 31,
	1	2	3	4 = (3 - 4)	5	6	7 = (8+1-6)	8 = (2 - 5)
<b>Tangible</b>								
Lease hold Land	-	-	-	-	-	-	23	23
Freehold Land	-	-	-	-	-	-	362	362
Building	-	-	-	-	-	-	796	796
Plant and Machinery	-	-	-	-	6	-	17,661	17,661
Office Equipment	-	-	-	-	-	-	1	1
Furniture and Fixtures	-	-	-	-	-	-	4	4
Capital work in Progress	-	-	-	-	-	-	274	274
<b>Subtotal</b>	-	-	-	-	<b>6</b>	-	<b>19,121</b>	<b>19,121</b>
<b>Intangible</b>								
Telecom License	-	-	-	-	-	-	15,278	15,278
Software	-	-	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-	922	922
<b>Subtotal</b>	-	-	-	-	-	-	16,200	16,200
<b>Total</b>	-	-	-	-	<b>6</b>	-	<b>35,321</b>	<b>35,321</b>

\*During the FY 2018-19, based on the final confirmation, sale of certain Media Convergence Nodes (MCNs) have been recorded and net income thereof has been accounted as part of Discontinued Operations.

**(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,	
	2021	2020
Deferred Payment Liabilities	<b>5,340</b>	5,340
Interest Accrued on Deferred Payment Liabilities	<b>2,497</b>	1,808
	<b>7,837</b>	7,148

**(d)** Above notes to be read with Note 2.01 "Property, Plant and Equipment" and Note 2.03 "Other Intangible Assets".

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note 2.16</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
5,00,00,00,000 Equity Shares of ₹ 5 each (5,00,00,00,000)	<b>2,500</b>	2,500
	<u><b>2,500</b></u>	<u>2,500</u>
<b>Issued, Subscribed and Paid up</b>		
2,76,55,33,050 Equity Shares of ₹ 5 each fully paid up (2,76,55,33,050)	<b>1,383</b>	1,383
	<u><b>1,383</b></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) Details of Shareholders holding more than 5% shares in the Company**

As on March 31, 2021, none of the shareholders are holding more than 5% share in the company

**(3) 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.

**(4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period,**

	As at March 31, 2021		As at March 31, 2020	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Equity Shares</b>				
At the beginning of the year	<b>2,76,55,33,050</b>	<b>1,383</b>	2,76,55,33,050	1,383
Add: Changes during the year	-	-	-	-
At the end of the year	<u><b>2,76,55,33,050</b></u>	<u><b>1,383</b></u>	<u>2,76,55,33,050</u>	<u>1,383</u>

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note 2.17</b>		
<b>Other equity</b>		
<b>Capital Reserve</b>		
(i) As per last Balance Sheet	1,507	2,781
(ii) Deduction during the year (Refer Note 2.37.1 (viii) and 2.43.1(b))	-	(1,274)
	<u>1,507</u>	<u>1,507</u>
<b>Debenture Redemption Reserve</b>		
(i) Opening balance	590	590
(ii) Transfer to General Reserve	-	-
	<u>590</u>	<u>590</u>
<b>Securities Premium</b>		
(i) Opening balance	13,894	13,894
(ii) Additions during the year	-	-
	<u>13,894</u>	<u>13,894</u>
<b>General Reserve</b>		
(i) Opening balance	34	34
(ii) Less: Transferred to Consolidated Statement of Profit and Loss	-	-
	<u>34</u>	<u>34</u>
<b>Foreign Currency Monetary Items Translation Difference Account</b>		
(i) Opening balance	-	6
(ii) Deduction/ (Additions) during the year	-	-
(iii) Amortisation during the year	-	(6)
	<u>-</u>	<u>-</u>
<b>Treasury Reserve</b>		
(i) Opening balance	(391)	(391)
(ii) Additions during the year	-	-
	<u>(391)</u>	<u>(391)</u>
<b>Surplus/ (deficit) in retained earnings</b>		
(i) Opening balance	(65,218)	(22,547)
(ii) Add: Profit/ (loss) for the year from Continuing Operation	(211)	(10,807)
(iii) Add: Profit/ (loss) for the year from Discontinued Operation	(5,580)	(31,864)
	<u>(71,009)</u>	<u>(65,218)</u>
<b>Other Comprehensive Income</b>		
<b>(a) Exchange difference on translation of financial statement of foreign operation</b>		
(i) Opening balance	18	66
(ii) Additions during the year (net)	37	(48)
	<u>55</u>	<u>18</u>
<b>(b) Remeasurement of defined employee benefit and fair valuation of investment and others</b>		
(i) Opening balance	27	4
(ii) Additions during the year (net)	4	23
	<u>31</u>	<u>27</u>
	<u>(55,289)</u>	<u>(49,539)</u>

**Notes on Accounts to the Consolidated Financial Statements**

**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.

**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 crore 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.

**Foreign Currency Monetary Items Translation Difference Account (FCMITDA)**

FCMITDA has been created in view of the Option allowed pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India, being exchange differences (net of amortisation) on long term borrowing other than borrowings relating to acquisition of depreciable capital assets.

**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, 2021	For the year ended March 31, 2020
Accumulated balances of non-controlling interest at the beginning	316	322
Profit/(Loss) added to non-controlling interest	(21)	(6)
Foreign exchange variation and other movements	(1)	-
Accumulated balances of non-controlling interest at the closing	<u>294</u>	<u>316</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**

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### Summarised Consolidated statement of profit or loss

	For the year ended March 31, 2021	(₹ in crore) For the year ended March 31, 2020
Total Revenue	1,216	1,343
Network Expenses	1,412	1,462
Employee benefits	21	25
Finance Cost	-	-
Depreciation	2	1
Provision for Impairment	-	-
Other expenses	32	35
<b>Profit before tax</b>	<b>(251)</b>	<b>(180)</b>
Income tax	(62)	(114)
<b>Profit for the year</b>	<b>(189)</b>	<b>(66)</b>
Total comprehensive income	-	-
<b>Attributable to non-controlling interests</b>	<b>(18)</b>	<b>(6)</b>
<b>Dividends paid to non-controlling interests</b>	<b>Nil</b>	<b>Nil</b>

### Summarised Consolidated Balance Sheet

	As at March 31, 2021	As at March 31, 2020
Non-current liabilities	955	1,016
Current liabilities	11,322	10,916
<b>Total Liability (i)</b>	<b>12,277</b>	<b>11,932</b>
Property, Plant and Equipment including Capital work in progress	13	15
Non Current Assets	344	278
<b>Current assets including Asset held for sale</b>	<b>14,686</b>	<b>14,594</b>
<b>Total Assets (ii)</b>	<b>15,043</b>	<b>14,887</b>
<b>Total Equity (ii) - (i)</b>	<b>2,766</b>	<b>2,955</b>
<b>Attributable to equity holders of parent</b>	<b>2,502</b>	<b>2,673</b>
<b>Non-controlling interest</b>	<b>264</b>	<b>282</b>

### Summarised Consolidated Cash flow Information

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from Operating activities	200	6
B. Cash flow from Investing activities	-	1
C. Cash flow from Financing activities	-	-
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>200</b>	<b>7</b>

	As at March 31, 2021	(₹ in crore) As at March 31, 2020
<b>Particulars</b>		
<b>Note 2.19</b>		
<b>Borrowings - Non Current</b>		
<b>Unsecured</b>		
Loan from Corporate Body (Refer Note 2.60)	463	468
	<b>463</b>	<b>468</b>

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note 2.20</b>		
<b>Other Non Current Liabilities</b>		
Income received in Advance	129	156
	<u>129</u>	<u>156</u>
<b>Note 2.21</b>		
<b>Provisions</b>		
Employee Benefits (Refer Note 2.48)	11	12
	<u>11</u>	<u>12</u>
<b>Note 2.22</b>		
<b>Borrowings – Current</b>		
<b>Debentures (Secured)</b>		
6.5% Senior Secured Notes	1,955	1,955
<b>Secured</b>		
Foreign Currency Loans	12,532	12,532
Rupee Loans from Banks	4,207	4,207
Rupee Loans from others	646	646
<b>Unsecured</b>		
From Banks		
Rupee Loans from Bank	2,666	2,666
Rupee Loans from others	8,263	8,263
	<u>30,269</u>	<u>30,269</u>

**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 10<sup>th</sup> year from the date of allotment thereof i.e. March 1, 2019 and the same remains outstanding as at March 31, 2021. 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 4<sup>th</sup> year from the date of allotment thereof, the outstanding against said NCDs is ₹ 750 crore as on March 31, 2021. 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 31,2021 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

# Reliance Communications Limited

## 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.

### 2.22.2 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 March 31, 2021		Default As on March 31, 2021		Default As on March 31, 2020		Default As on March 31, 2020	
		Amount	Period	Amount	Period	Amount	Period	Amount	Period
<b>I</b>	<b>Loan From Banks</b>								
	Burlington Loan Management DAC	163	1,208	-	-	163	842	-	-
	Shubh Holdings Pte Ltd	2,460	1,495	-	-	5,022	1,129	-	-
	Bank of America <sup>2</sup>	-	-	-	-	-	-	-	-
	Bank of Baroda	1,837	1,486	11	1,462	1,837	1,120	11	1,097
	Bank of India	690	1,463	10	1,462	690	1,097	10	1,097
	Bank of Maharashtra	473	1,415	-	-	473	1,049	-	-
	Canara Bank	673	1,372	-	-	673	1,006	-	-
	Central Bank of India	276	1,463	3	1,462	276	1,097	3	1,097
	China Development Bank* <sup>2</sup>	3,099	1,495	155	1,494	3,112	1,129	155	1,129
	Corporation Bank (merged with Union Bank of India)	707	1,485	8	1,462	707	1,119	8	1,097
	Dena Bank (merged with Bank of Baroda)	250	1,150	-	-	250	784	-	-
	Deutsche Bank*	530	1,208	1	1,380	130	842	1	1,015
	Doha Bank Q.S.C.	326	1,397	6	1,396	326	1,031	6	1,031
	Emirates NBD Bank PJSC	261	1,397	5	1,396	261	1,031	5	1,031
	Export Import Bank of China*	2,649	1,495	54	1,494	2,649	1,129	54	1,129
	HongKong and Shanghai Banking Corporation	261	1,407	4	1,406	261	1,041	4	1,041
	IDBI Bank	1,056	1,476	13	1,462	1,056	1,110	13	1,097
	Indian Overseas Bank	138	1,463	1	1,462	138	1,097	1	1,097
	Industrial and Commercial Bank of China*	1,416	1,495	37	1,494	1,416	1,129	37	1,129
	Oriental Bank of Commerce (merged with Punjab National Bank)	203	1,463	2	1,462	203	1,097	2	1,097



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, 2021		March 31, 2021		March 31, 2020		March 31, 2020	
		Amount	Period	Amount	Period	Amount	Period	Amount	Period
	Punjab National Bank	811	1,488	-	-	811	1,122	-	-
	Standard Chartered Bank	1,264	1,455	-	-	1,264	1,089	-	-
	Standard Chartered Bank, London <sup>3</sup>	18	1,397	-	-	18	1,031	-	-
	State Bank of India	2,827	1,463	23	1,462	2,827	1,097	23	1,097
	Syndicate Bank (merged with Canara Bank)	745	1,486	5	1,462	745	1,120	5	1,097
	SC Lowy Financials (HK) Ltd <sup>1, 2</sup>	2,175	1,495	-	-	-	-	-	-
	SC Lowy Primary Investments Ltd <sup>3</sup>	407	1,495	7	1,396	407	1,031	7	1,031
	UCO Bank	681	1,463	9	1,462	681	1,097	9	1,097
	Union Bank of India	764	1,463	3	1,462	764	1,097	3	1,097
	United Bank of India (merged with Punjab National Bank)	424	1,463	2	1,462	424	1,097	2	1,097
	VTB Capital PLC	407	1,397	7	1,396	407	1,031	7	1,031
	Vijaya Bank (merged with Bank of Baroda)	16	1,052	-	-	16	686	-	-
	6.5% Senior Secured Notes	1,955				1,955			
<b>II</b>	<b>Debentures</b>								
	Life Insurance Corporation of India	3,750	784	-	-	3,750	784	-	-
<b>III</b>	<b>Other Loans</b>								
	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	1,478	248	914	4	1,113
	Industrial Finance Corporation of India Limited	200	1,113	4	1,493	200	1,113	4	1,128
	Reliance Capital Limited	1,000	1,111	5	1,476	1,000	1,111	5	1,111
	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	7,662	Various Dates	68	Various Dates	7,662	Various Dates	68	Various Dates
<b>IV</b>	<b>Total</b>	<b>45,115</b>		<b>447</b>		<b>45,115</b>		<b>447</b>	

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 ₹ 4,362 crore, ₹ 4,748 crore, ₹ 4,389 crore and ₹ 3,609 crore for the year ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively which includes interest on NCDs from LIC of ₹ 421 crore, ₹ 420 crore, ₹ 420 crore and ₹ 418 crore for the year ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively. Therefore it has not been disclosed.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note 2.23</b>		
<b>Trade Payables</b> (Refer Note 2.35 and 2.46)		
Due to Micro and Small Enterprises	79	80
Due to Creditors other than Micro and Small Enterprises	4,027	4,103
	<u>4,106</u>	<u>4,183</u>

### 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 Group, the following disclosures are made for the amounts due to the Micro, Small and Medium Enterprises.

(i) Principal amount due to any supplier as at the year end	81	83
(ii) Interest due on the principal amount unpaid at the year end to any supplier	35	32
(iii) Amount of Interest paid by the Company in terms of Section 16 of the MSMED, alongwith 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	128	162
(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	1	1
(vi) Amount of interest accrued and remaining unpaid at the end of each accounting year	36	33
(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 enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	25	20

### Note 2.24

#### Other Financial Liabilities

#### 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 ₹ 1 crore each	750	750
Foreign Currency Loan from Banks	1,640	1,641
Rupee Loans from Bank	6,960	6,960
Rupee Loans from Others	1,193	1,193

##### Unsecured

Rupee Loans from Others	1,301	1,303
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##### Others

Interest accrued but not due	28	28
Interest accrued and due	424	423
Unclaimed Dividend *	1	1
Capital Creditors	383	380
Other Liabilities (Refer Note 2.43.2(a))	37,263	32,230
	<u>52,943</u>	<u>47,909</u>

\* Transferred ₹ 1 crore (previous year ₹ 1 crore ) to Investor Education and Protection Fund (IEPF)

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Note 2.25</b>		
<b>Other Current Liabilities</b> (Unsecured unless stated otherwise)		
Advance from Customers	56	55
Other Current Liabilities (Refer Note 2.39)	647	725
Security Deposit	268	262
	<u>971</u>	<u>1,042</u>
<b>Note 2.26</b>		
<b>Provisions</b>		
<b>Provision for Employee Benefit</b>		
Employee Benefits (Refer Note 2.48)	17	17
<b>Others</b>		
Disputed and Other Claims (Refer Note 2.38)	1,215	1,215
Asset Retirement Obligations	233	233
Wealth Tax	1	1
	<u>1,466</u>	<u>1,466</u>

Particulars	(₹ in Crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Note 2.27</b>		
<b>Revenue from Operations</b>		
Sale of services	760	1,685
	<u>760</u>	<u>1,685</u>
<b>Note 2.28</b>		
<b>Other Income</b>		
Interest Income on Debt securities at amortised cost	10	3
Miscellaneous Income	9	46
	<u>19</u>	<u>49</u>
<b>Note 2.29</b>		
<b>Access Charges, License Fees and Network Expenses</b>		
Access Charges	24	68
License Fees	69	84
Rent, Rates and Taxes	31	66
Network Repairs and Maintenance	130	389
Stores and Spares Consumed	4	17
Power, Fuel and Utilities	191	170
Bandwidth Charges	61	87
Other Network Operating Expenses	52	221
	<u>562</u>	<u>1,102</u>

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in Crore)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Note 2.30</b>		
<b>Employee Benefits Expenses</b> (Refer Note 2.46)		
Salaries (Including Managerial Remuneration)	81	188
Contribution to Provident, Gratuity and Superannuation Fund	3	3
Employee Welfare and Other Amenities	7	19
	<u>91</u>	<u>210</u>
<b>Note 2.31</b>		
<b>Finance Costs</b>		
Interest on financial liabilities measured at amortised cost	-	43
Other Financial Cost	48	19
	<u>48</u>	<u>62</u>
<b>Note 2.32</b>		
<b>Sales and General Administration Expenses</b>		
<b>Selling Expenses</b>		
Selling and Marketing	2	3
Customer Acquisition and Customer Care	<u>-</u>	<u>-</u>
	2	3
<b>Provision for Doubtful Debts, Loans and Advances</b>	<b>16</b>	<b>68</b>
<b>General Administration Expenses</b>		
Insurance	10	9
Rent, Rates and Taxes	6	15
Repairs and Maintenance		
- Machinery	-	9
- Others	9	7
Travelling	1	7
Professional Fees	10	54
Foreign Exchange (Gain) / Loss (net)	(38)	117
AMC Cost	1	11
CIRP Cost	15	14
Hire Charges	28	34
Other General and Administrative Expenses	<u>63</u>	<u>238</u>
	<b>105</b>	<b>515</b>
<b>Payment to Auditors</b>	<b>1</b>	<b>4</b>
	<u>124</u>	<u>589</u>

**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, 2021	As at March 31, 2020
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 Globalcom Limited (Upto July, 01, 2019)	India	-	-
13	Reliance Communications Tamilnadu Limited	India	100.00%	100.00%
14	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	India	100.00%	100.00%
15	Internet Exchangenext.com Limited	India	100.00%	100.00%
16	Realsoft Cyber Systems Private Limited	India	100.00%	100.00%
17	Worldtel Tamilnadu Private Limited	India	100.00%	100.00%
18	Towercom Infrastructure Private Limited	India	99.52%	99.52%
19	Reliance Realty Limited (w.e.f. December 10, 2019)	India	100.00%	100.00%
20	Reliance Infra Projects Limited (w.e.f. December 10, 2019 )	India	100.00%	100.00%
21	Reliance Globalcom B.V.	The Netherlands	100.00%	100.00%
22	Aircom Holdco B.V.	The Netherlands	100.00%	100.00%
23	Reliance Communications (UK) Limited	United Kingdom	100.00%	100.00%
24	Reliance Communications (Hong Kong) Limited	Hong Kong	100.00%	100.00%
25	Reliance Communications (Singapore) Pte. Limited	Singapore	100.00%	100.00%
26	Reliance Communications (New Zealand) Pte Limited	New Zealand	100.00%	100.00%
27	Reliance Communications (Australia) Pty Limited	Australia	100.00%	100.00%
28	Anupam Global Soft (U) Limited	Uganda	90.00%	90.00%
29	Gateway Net Trading Pte Limited	Singapore	100.00%	100.00%
30	Global Cloud Xchange Limited (Upto July, 01, 2019)*	Bermuda	-	-
31	GCX Limited (Upto July, 01, 2019)*	Bermuda	-	-
32	Reliance Globalcom Limited (Upto July, 01, 2019)*	Bermuda	-	-

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2021	As at March 31, 2020
33	FLAG Telecom Singapore Pte. Limited (Upto July, 01, 2019)*	Singapore	-	-
34	FLAG Atlantic UK Limited (Upto July, 01, 2019)*	United Kingdom	-	-
35	Reliance FLAG Atlantic France SAS (Upto July, 01, 2019)*	France	-	-
36	FLAG Telecom Taiwan Limited (Upto July, 01, 2019)*	Taiwan	-	-
37	Reliance FLAG Pacific Holdings Limited	Bermuda	<b>100.00%</b>	100.00%
38	FLAG Telecom Group Services Limited (Upto July, 01, 2019)*	Bermuda	-	-
39	FLAG Telecom Deutschland GmbH (Upto July, 01, 2019)*	Germany	-	-
40	FLAG Telecom Hellas AE (Upto July, 01, 2019)*	Greece	-	-
41	FLAG Telecom Asia Limited (Upto July, 01, 2019)*	Hong Kong	-	-
42	FLAG Telecom Nederland B.V. (Upto July, 01, 2019)*	The Netherlands	-	-
43	Reliance Globalcom (UK) Limited (Upto July, 01, 2019)*	United Kingdom	-	-
44	Yipes Holdings Inc. (Upto July, 01, 2019)*	USA	-	-
45	Reliance Globalcom Services Inc. (Upto July, 01, 2019)*	USA	-	-
46	YTV Inc. (Upto July, 01, 2019)*	USA	-	-
47	Reliance Infocom Inc.	USA	<b>100.00%</b>	100.00%
48	Reliance Communications Inc.	USA	<b>100.00%</b>	100.00%
49	Reliance Communications International Inc.	USA	<b>100.00%</b>	100.00%
50	Reliance Communications Canada Inc.	USA	<b>100.00%</b>	100.00%
51	Bonn Investment Inc.	USA	<b>100.00%</b>	100.00%
52	FLAG Telecom Development Limited (Upto July, 01, 2019)*	Bermuda	-	-
53	FLAG Telecom Development Services Company LLC (Upto July, 01, 2019)*	Egypt	-	-
54	FLAG Telecom Network Services Limited (Upto July, 01, 2019)*	Ireland	-	-
55	Reliance FLAG Telecom Ireland Limited (Upto July, 01, 2019)*	Ireland	-	-
56	FLAG Telecom Japan Limited (Upto July, 01, 2019)*	Japan	-	-
57	FLAG Telecom Ireland Network Limited (Upto July, 01, 2019)*	Ireland	-	-
58	FLAG Telecom Network USA Limited (Upto July, 01, 2019)*	USA	-	-
59	FLAG Telecom Espana Network SAU (Upto July, 01, 2019)*	Spain	-	-
60	Reliance Vanco Group Limited (Upto July, 01, 2019)*	United Kingdom	-	-
61	Euronet Spain SA (Upto July, 01, 2019)*	Spain	-	-
62	Net Direct SA (Proprietary) Ltd. (Under liquidation) (Upto July, 01, 2019)*	South Africa	-	-
63	Vanco (Shanghai) Co Ltd. (Upto July, 01, 2019)*	China	-	-
64	Vanco (Asia Pacific) Pte. Limited (Upto July, 01, 2019)*	Singapore	-	-
65	Vanco Australasia Pty. Ltd. (Upto July, 01, 2019)*	Australia	-	-
66	Vanco Sp Zoo (Upto July, 01, 2019)*	Poland	-	-
67	Vanco GmbH (Upto July, 01, 2019)*	Germany	-	-
68	Vanco Japan KK (Upto July, 01, 2019)*	Japan	-	-
69	Vanco NV (Upto July, 01, 2019)*	Belgium	-	-
70	Vanco SAS (Upto July, 01, 2019)*	France	-	-
71	Vanco South America Ltda (Upto July, 01, 2019)*	Brazil	-	-
72	Vanco Srl (Upto July, 01, 2019)*	Italy	-	-

Notes on Accounts to the Consolidated Financial Statements

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest	
			As at March 31, 2021	As at March 31, 2020
73	Vanco Sweden AB (Upto July, 01, 2019)*	Sweden	-	-
74	Vanco Switzerland AG (Upto July, 01, 2019)*	Switzerland	-	-
75	Vanco Deutschland GmbH (Upto July, 01, 2019)*	Germany	-	-
76	Vanco BV (Upto July, 01, 2019)*	The Netherlands	-	-
77	Vanco UK Ltd (Upto July, 01, 2019)*	United Kingdom	-	-
78	Vanco International Ltd (Upto July, 01, 2019)*	United Kingdom	-	-
79	Vanco Row Limited (Upto July, 01, 2019)*	United Kingdom	-	-
80	Vanco Global Ltd (Upto July, 01, 2019)*	United Kingdom	-	-
81	VNO Direct Ltd (Upto July, 01, 2019)*	United Kingdom	-	-
82	Vanco US LLC (Upto July, 01, 2019)*	USA	-	-
83	Vanco Solutions Inc (Upto July, 01, 2019)*	USA	-	-

(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	Seoul Telenet Inc. (Upto July, 01, 2019)	Korea	-	-
2	FLAG Holdings (Taiwan) Limited (Upto July, 01, 2019)	Taiwan	-	-
3	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	Cyprus	0.00%	0.00%
4	Lagerwood Investments Limited	Cyprus	0.00%	0.00%

(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%

\* Refer Note No 2.43.1. (b) for deconsolidation of subsidiaries.

**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 Niranjan 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 Niranjan Nanavaty as the resolution professional for the Corporate Debtor ("RP") vide its



# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

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

During the year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, has been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. The resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL. The necessary effect in the financial statements of RTSL and the consequential impact in the consolidated financial statements will be given basis the decision of the NCLT on the application.

During the previous 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.

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

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

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Corporate Debtor, the Corporate Debtor and its subsidiary companies; RTL and RITL, with the permission of and on the basis of suggestions of the lenders, had entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) for monetization of certain specified assets on December 28, 2017 for sale of Wireless Spectrum, Towers, 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

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, Liabilities and Impairment of Goodwill on Consolidation and accordingly provide for impairment of assets and write back of liabilities, if any.

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 and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern.

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, 2021, total liabilities exceeding total assets and holding company Reliance Communications Limited is undergoing insolvency proceeding. The above has been qualified by respective Auditors in their Audit Reports of these subsidiaries. Further, in case of two other overseas subsidiaries the Auditors have given Qualification and Emphasis of Matter paragraph for Material Uncertainty on Going Concern in their respective audit reports.

## Notes on Accounts to the Consolidated Financial Statements

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, 2021, the Company's total liabilities exceeds its total assets by \$ 42,38,510 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, 2021, the Company has incurred a net loss of US \$ 524 and as of date, the Company's total liabilities exceed its total assets by \$ 35,626 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, 2021, the Company's total liabilities exceeds its total assets by \$ 7,944,261. 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 Communications UK Limited:** For the year ended March 31, 2021, 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, the rationale for the management to prepare the financial statements on a going concern basis is that profitable operations are still continuing and it is likely that a suitable investor will be found.

**Reliance Infocomm Inc:** For the year ended March 31, 2021, the Company has incurred a net loss of US \$ 356,229 and as of date, the Company's total liabilities exceeds its total assets by \$ 3,210,285 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, 2021, the Company has incurred a net loss of US \$ 305,171 and as of date, the Company's total liabilities exceeds its total assets by \$ 1,919,113 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.

### Note : 2.36

The Indian Parliament has 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 has 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.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

- (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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Provision for Retirement Benefit</b>				
Balance at the beginning of the year	17	22	12	51
Additional provision/ (Provision)	-	1	(1)	(26)
Deconsolidation of Subsidiaries	-	(6)	-	(13)
Balance at the close of the year	<u>17</u>	<u>17</u>	<u>11</u>	<u>12</u>
<b>Asset Retirement Obligation</b>				
Balances at the beginning of the year	233	233	-	149
Unwinding of discount on account of ARO	-	-	-	-
Exchange Fluctuation	-	-	-	-
Deconsolidation of Subsidiaries	-	-	-	(149)
Balances at the close of the year	<u>233</u>	<u>233</u>	<u>-</u>	<u>-</u>
<b>Others - Disputed and Other claims/ wealth tax</b>				
Balances at the beginning of the year	1,216	1,216	-	-
Additional provision/(Reduction)	-	-	-	-
Balances at the close of the year	<u>1,216</u>	<u>1,216</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, thereagainst.

Notes on Accounts to the Consolidated Financial Statements

Note : 2.39

Contingent Liabilities and Capital Commitment (as represented by the Management)

		(₹ in crore)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2	11	
(ii) Disputed Liabilities not provided for			
- Sales Tax and VAT	117	111	
- Custom, Excise and Service Tax	336	307	
- Entry Tax and Octroi	61	87	
- Income Tax	1,268	1,051	
- Employee related	1	17	
- Other Litigations	8,597	8,449	
(iii) Claims against the Company not acknowledged as debts	1,201	1,200	
(iv) Guarantees given by the Company	796	784	

(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.

(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), Maharashtra State Electricity Distribution Co. Limited has served assessment orders, during the month of April 2015, claiming ₹ 1,184.23 crore considering commercial rate of alleged use of power at its premises for the activities other than IT/ITES service as per its registration. Against the said demand the RRL has paid ₹ 200 crore under protest. The matter is pending before the Bombay High Court and no provision is required.

(viii) Pursuant to an agreement for assignment entered into between Reliance Realty Limited (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 Rs 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 concluded. At the joint request of the Learned Counsel for the Parties and with the consent of the Parties, the Claimant shall file written submissions before 5<sup>th</sup> July 2021 and Respondent shall file written submissions before 24<sup>th</sup> July 2021. The matter will now be listed on 12<sup>th</sup> July, 2021 at 3.30 p.m. by way of video conferencing for hearing oral arguments of the Learned Counsel from the Claimant.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### 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.

### 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 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).

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	(₹ in crore)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents (Refer Note 2.11)	709	442
Bank Balances (Refer Note 2.12)	117	114
Trade receivables (Refer Note 2.10)	448	490
Other financial assets (Refer Note 2.13 & 2.05)	387	387
<b>Total</b>	<b>1,691</b>	1,465
<b>Financial assets at fair value through Consolidated statement of Profit and Loss:</b>	<b>Nil</b>	<b>Nil</b>
Investments (Refer Note 2.04 & 2.09)	30	32
<b>Financial assets at fair value through other Comprehensive Income:</b>		
Investments (Refer Note 2.04 & 2.09)	27	23
<b>Financial liabilities at amortised cost:</b>		
Trade payables (Refer note 2.23)	4,106	4,183
Other financial liabilities (Refer Note 2.24)	38,098	33,062
Borrowings (Refer Note 2.19, 2.22 & 2.24)	45,577	45,584
Liabilities directly related to asset held for sale (Refer Note 2.15)	7,837	7,148
<b>Total</b>	<b>95,618</b>	89,977
<b>Financial liabilities at fair value through Consolidated Statement of Profit and Loss:</b>	<b>Nil</b>	<b>Nil</b>
<b>Financial Liabilities at fair value through other Comprehensive Income:</b>	<b>Nil</b>	<b>Nil</b>

Notes on Accounts to the Consolidated Financial Statements

**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.

**Foreign Currency Risk from financial instruments as of :**

Particulars	March 31, 2021				
	U.S. dollars	Euro	GB Pound	Other Currency	Total
Trade Receivables	62	-	-	-	62
Other financials assets	313	-	-	-	313
Borrowings	(16,111)	-	-	-	(16,111)
Trade payables and other financial liabilities	(1,935)	-	-	(12)	(1,947)
					-
<b>Net assets / (liabilities)</b>	<b>(17,671)</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(17,683)</b>

  

Particulars	March 31, 2020				
	U.S. dollars	Euro	GB Pound	Other Currency	Total
Trade Receivables	103	-	-	1	104
Other financials assets	324	-	-	-	324
Borrowings	(16,111)	-	-	-	(16,111)
Trade payables and other financial liabilities	(2,180)	-	-	(12)	(2,193)
					-
<b>Net assets / (liabilities)</b>	<b>(17,864)</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(17,876)</b>

**Sensitivity Analysis**

Not relevant till the time resolution plan is finalised. 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 under 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.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### Exposure to interest rate risk

Not relevant till the time resolution plan is finalised. 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.

### Ageing of Trade Receivable

Particulars	(₹ in crore)					
	As at March 31, 2021			As at March 31, 2020		
	Gross Amount	Weighted Average Rate	Credit Impaired	Gross Amount	Weighted Average Rate	Credit Impaired
<b>India Operation</b>						
Not Due	70	4%	3	62	0%	0
0-90 days	69	13%	9	105	25%	26
91-180 days	47	4%	2	45	24%	11
181-365 days	48	71%	34	45	41%	19
Above 365 days	2,551	91%	2,318	2,549	90%	2,294
<b>Subtotal</b>	<b>2,785</b>		<b>2,366</b>	<b>2,807</b>		<b>2,350</b>
<b>Global Operation</b>						
Not Due	0	0%	-	1	0%	-
0-90 days	0	0%	-	6	0%	-
91-180 days	-	0%	-	-	0%	-
181-365 days	11	0%	-	-	0%	-
Above 365 days	18	0%	-	27	0%	-
<b>Subtotal</b>	<b>29</b>	<b>0%</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,814</b>		<b>2,366</b>	<b>2,840</b>		<b>2,350</b>

### Movement of Provision for allowance of Credit Impaired

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	2,350	2,438
Add: Provision during the year	16	77
Less: Impact of Consolidation / Deconsolidation of Subsidiaries during the year	-	(122)
Less : Write off during the year	-	(43)
Closing Balance	2,366	2,350



Notes on Accounts to the Consolidated Financial Statements

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 IBC, Liquidity Periodic budget and rolling forecasts shall be determined during CIR process.

Note : 2.42

Earnings per Share (EPS)	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic and Diluted EPS (after Exceptional Items) from continuing operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(211)</b>	(10,807)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(0.77)</b>	(39.38)
<b>Basic and Diluted EPS (after Exceptional Items) from discontinued operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(5,580)</b>	(31,864)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(20.33)</b>	(116.11)
<b>Basic and Diluted EPS (after Exceptional Items) from continuing and discontinued operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(5,791)</b>	(42,671)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(21.10)</b>	(155.49)
<b>Basic and Diluted EPS (before Exceptional Items) from continuing operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(211)</b>	(593)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(0.77)</b>	(2.16)
<b>Basic and Diluted EPS (before Exceptional Items) from discontinued operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(867)</b>	(1,027)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(3.16)</b>	(3.74)

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Earnings per Share (EPS)	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic and Diluted EPS (before Exceptional Items) from continuing and discontinued operations</b>		
(a) Profit attributable to Equity Shareholders (₹ in crore) (used as numerator for calculating Basic and Diluted EPS)	<b>(1,078)</b>	(1,620)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	<b>2,74,42,54,050</b>	2,74,42,54,050
(c) Basic and Diluted Earnings per Share of ₹ 5 each (₹)	<b>(3.93)</b>	(5.90)
<b>Reconciliation of weighted average number of ordinary shares</b>	<b>March 31, 2021</b>	March 31, 2020
Issued ordinary shares at April 1	<b>2,76,55,33,050</b>	2,76,55,33,050
Effect of Treasury shares held	<b>(2,12,79,000)</b>	(2,12,79,000)
Weighted average number of shares for basic and diluted EPS	<b><u>2,74,42,54,050</u></b>	<u>2,74,42,54,050</u>

### Note : 2.43

#### Exceptional Items

##### 2.43.1 Relating to Continuing Operations

- (a) During the previous year, pursuant to amendment of the Articles of Association in the Extra Ordinary General Meeting of Reliance Realty Limited (RRL), held on December 10, 2019, the control of RRL, a subsidiary of the Company, was conferred on the Company, with effect from December 10, 2019. Consequently RRL has been included for the preparation of consolidated financial statements of the Company as per Ind AS 110 "Consolidated Financial Statements" and Investments previously fair valued was recorded at cost. Goodwill of Rs. 1,320 crore has been recognised on consolidation of RRL in the consolidated financial statements (Refer note 2.35 on impairment). Impact on profitability for the year ended March 31, 2020 is Rs 8,964 crore loss represented as exceptional items as part of continuing operations.

During the earlier year, The Group, was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Group's real estate development plan and restructuring of Debt. As required by the lenders and also to safeguard the development of real estate, the business taken up by Reliance Realty Limited (RRL), a subsidiary of the Company, it was necessary that control of RRL being conferred on ADA Group. Accordingly in order to align the above as legally advised, Memorandum and Articles of Association of RRL has been amended as per the provisions of the Companies Act, 2013 and other applicable provisions of law. Consequently, Investment in RRL by the Company, has been accounted at fair value, as per Ind AS 109 "Financial Instruments", and represented as Exceptional Items. Impact on profitability for the previous year ended March 31, 2020 (net of tax of ₹ 962 crore) was ₹ 3,230 crore.

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

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the "Effective Date" of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective). Impact on profitability was Rs. Nil and Rs. 1,250 crore for the year ended March 31, 2021 and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items.

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

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

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

Notes on Accounts to the Consolidated Financial Statements

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. 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 ₹ 30,837 crore upto the previous year ended March 31, 2020 and has provided additional charge of ₹ 4,713 crore during the year ended March 31, 2021 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".
- (c) During an earlier year, the Company had entered into a definitive binding agreement with Pantel Technologies Private Limited and Veecon Media and Television Limited (the Purchaser) for sale of its subsidiary company, Independent TV Limited (ITVL) (Formerly Reliance Big TV Limited) having DTH Business. As per the agreement, all collections from Debtors and all liabilities of the ITVL will be to the account of, and borne by, the purchaser. In view of the above and upon transfer of the entire operations of ITVL, during the earlier year, ITVL has been deconsolidated for the purpose of and as per requirement of Ind AS 110 "Consolidated Financial Statement".

Note : 2.44

General Reserve

The Company has, from the year ended on March 31, 2008 onwards, combined the balances of General Reserve I, II and III 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 III 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 ₹ 0.33 crore (Previous year ₹ 11 crore).

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	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	-	0.33	-	11

# 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)

##### Subsidiaries

- 2 Independent TV Limited (Formerly Reliance Big TV Limited ) (Refer Note 2.43.2(c))

##### Person having Significant influence during the year

- 3 Shri Anil D. Ambani

##### Enterprises over which individual described in Sr. No. 3 above having Significant influence

- 4 Reliance Capital Limited
- 5 Mumbai Metro One Private Limited
- 6 Reliance General Insurance Company Limited
- 7 Reliance Home Finance Limited
- 8 Reliance Financial Limited
- 9 Reliance Spot Exchange Infrastructure Limited
- 10 Reliance Infrastructure Limited
- 11 GF Toll Road Private Limited
- 12 NIS Sparta Education & Learning Technologies Private Limited
- 13 DS Toll Road Limited
- 14 Reliance Defence Limited
- 15 Vidarbha Industries Power Limited
- 16 Reliance Power Limited
- 17 BSES Kerala Power Limited
- 18 Sasan Power Limited
- 19 Reliance Cleangen Limited (RCGL)
- 20 SU Toll Road Private Limited
- 21 Metro One Operation Private Limited
- 22 Parbati Koldam Transmission Company Limited (upto January 08, 2021)
- 23 Reliance ADA Group Enterprises Private Limited
- 24 Reliance Engery Limited
- 25 BSES Rajdhani Power Limited
- 26 Reliance Nippon Life Insurance Company Limited
- 27 BSES Yamuna Power limited
- 28 Reliance Commercial Finance Limited
- 29 Reliance Health Insurance Limited
- 30 Reliance Defence Systems & Tech Limited
- 31 Reliance Naval and Engeering Limited
- 32 Reliance Communications Enterprises Private Limited
- 33 Rosa Power Supply Company Limited

##### Enterprises over which individual described in Sr. No. 3 above having Significant influence

- 34 Reliance Big Private Limited
- 35 Reliance Money Solutions Private Limited
- 36 Reliance Wealth Management Limited

##### Key Managerial Personnel (KMP)

- 37 Shri Punit Garg - Executive Director (w.e.f. 2-10-2017 till 5-4-2019)
- 38 Shri Manikantan V. - Director and Chief Financial Officer (Upto 19-11-2019)
- 39 Shri Vishwanath Devaraja Rao (w.e.f. 19-11-2019)
- 40 Shri Rakesh Gupta (w.e.f. 20-07-2019)
- 41 Shri Prakash Shenoy - Company Secretary (Upto 19-07-2019)

##### Employee Benefits Trust

- 42 Reliance Infocomm Limited Employees Provident Fund
- 43 Reliance Communications Infrastructure Limited Employees Provident Fund
- 44 Reliance Telecom Limited Employees Provident Fund
- 45 Reliance Infocomm Limited Employees Superannuation Scheme
- 46 Reliance Communications Infrastructure Limited Employees Superannuation Scheme
- 47 Reliance Telecom Ltd Employees Superannuation Scheme
- 48 Chemical and Fiber of India Limited Provident Fund
- 49 Reliance Infocomm Limited Employees Gratuity Fund
- 50 Reliance Communications Infrastructure Limited Employees Gratuity Fund
- 51 Reliance Telecom Limited Employees Gratuity Fund
- 52 Reliance Globalcom Limited Employees Group Gratuity Assurance Scheme
- 53 Reliance Globalcom Limited Employees Superannuation Scheme
- 54 Reliance Tech Services Private Limited Employees Group Gratuity Assurance Scheme

Notes on Accounts to the Consolidated Financial Statements

**B Transactions during the year with related parties**

(Figures in bracket represent Previous year)

Particulars	(₹ in crore)			
	Subsidiaries (not consolidated)	Enterprises over which person having Significant influence	Employee Benefits Trust/ KMP/ Others	Total
(i) Trade Receivable	-	32	-	32
	(-)	(17)	(-)	(17)
(ii) Advances given/ Deposit	-	11	1	12
	(-)	(14)	-	(14)
(iii) Other Current Assets	-	3	-	3
	(-)	(3)	(-)	(3)
(iv) Other Financial Assets	-	-	-	-
	(-)	-	(-)	-
(v) Trade Payable	-	26	-	26
	(-)	(28)	(-)	(28)
(vi) Borrowings - Current	-	4,607	-	4,607
	(-)	(4,607)	(-)	(4,607)
(vii) Other Current Liabilities	-	5	-	5
	(-)	(4)	(-)	(4)
(viii) Income				-
Service Income	-	24	-	24
	(-)	(26)	-	(26)
(ix) Expenditure				
Network Operation Expenses	-	23	-	23
	(-)	(22)	(-)	(22)
(x) Employee Benefit Expenses	-	-	3	3
	(-)	(-)	(3)	(3)
(xi) Corporate Guarantee	1	-	-	1
	(1)	(-)	(-)	(1)
(xii) Person having Significant Influence during the year				
Shri Anil D. Ambani - Sitting fees	-	-	-	-
Nil (Previous year ₹ Nil)	(-)	(-)	(-)	(-)
(xiii) Key Managerial Personnel				
<b>Managerial Remuneration</b>				
Shri Punit Garg (Previous year ₹ 3,62,386) *	-	-	-	-
	(-)	(-)	(-)	(-)
Shri Manikantan V. *	-	-	-	-
	(-)	(-)	(1)	(1)
Shri Vishwanath Devaraja Rao (Previous year ₹ 22,19,178)	-	-	2	2
	(-)	(-)	(-)	(-)

\* within the limit approved by shareholders.

	For the year ended March 31, 2021	Amount in ₹ For the year ended March 31, 2020
Salaries and other benefits	1,49,53,829	1,24,97,942
Contributions to defined contribution plans	22,31,275	11,25,799
<b>Total</b>	<b>1,71,85,104</b>	<b>1,36,23,741</b>

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

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

included in the above disclosure.

During the previous year, the managerial remuneration paid to the Executive Director and CFO of the Company amounting to ₹ 0.49 crore exceeded the prescribed limits under Section 197 read with Schedule V to the Act by ₹ 0.27 crore. His appointment and remuneration has been approved by the Committee of Creditors. The excess amount of ₹ 0.27 crore was reflected as Advance receivable in the consolidated financial statements of the previous year is charged off during the current Financial year. The Company obtained necessary approval from the share holders at the Annual General Meeting held on September 26, 2020.

### 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.

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, 2021 and March 31, 2020, 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, 2021	March 31, 2020
<b>(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>		
Obligation at beginning of the year	17	31
Service cost	1	2
Interest cost	1	2
Actuarial (gain)/ loss recognised in other comprehensive income	(1)	(4)
Experience adjustment		(1)
Liabilities transferred on acquisition	1	(2)
Benefits paid	(4)	(10)
Liabilities Extinguished on Settlement	-	-
Obligation at year end	16	17
Defined benefit obligation liability is wholly funded by the Company		

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)	
	As at March 31, 2021	March 31, 2020
<b>(ii) Change in plan assets</b>		
Plan assets at beginning of the year, at fair value	18	28
Expected return on plan assets	1	3
Actuarial (gain)/ loss recognised in other comprehensive income	-	-
Contributions	-	1
Benefits paid from the fund	(4)	(9)
Assets distributed on settlement	(4)	(4)
Plan assets at year end, at fair value	12	18
<b>(iii) Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the year	12	18
Present value of the defined benefit obligations at the end of the year	16	17
Liability / (Asset) recognised in the Balance Sheet	4	(1)
<b>(iv) Expense recognised in Consolidated Statement of Profit or Loss</b>		
Service Cost	1	2
Interest Cost	1	2
Total	2	4
<b>(v) Amount recognised in other comprehensive income</b>		
Actuarial (gain) / loss recognised in other comprehensive income	1	4
Expected return on plan assets	-	3
Total	1	7
<b>(vi) Experience adjustment</b>		
On Plan Liabilities (Gain)/Loss	-	-
On Plan Assets Gain / (Loss)	-	-
<b>(vii) Investment details of plan assets</b>		
100% of the plan assets are invested in balanced Fund Instruments		
<b>(viii) Actual return on plan assets</b>	1	3
<b>(ix) Assumptions</b>		
Interest rate	4.54%	5.04%
Estimated return on plan assets	4.54%	5.04%
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.		



# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### (x) Particulars of the amounts for the year and previous years

	2021	Gratuity for the year ended March 31,			
		2020	2019	2018	2017
Present Value of benefit obligation	16	17	31	41	57
Fair value of plan assets	12	19	28	8	10
Excess of (obligation over plan assets) / plan assets over obligation	4	(2)	3	(33)	(47)

The expected contribution is based on the same assumptions used to measure the Group's gratuity obligations as of March 31, 2021.

### 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, 2021	As at March 31, 2020
Discount rate (+1% movement)	(0.15)	(0.15)
Discount rate (-1% movement)	0.15	0.16
Future salary growth (+1% movement)	-	-
Future salary growth (-1% movement)	-	-
Employee Turnover (+ 1% movement) [amount in ₹ (978) (Previous year ₹ (957))]	-	-
Employee Turnover (- 1% movement) [amount in ₹ 1,037 (Previous year ₹ 1,014)]	-	-

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

### (xi) Maturity analysis defined benefit plan (fund)

	(₹ in crore)	
	Amount	Amount
Project benefit payable in future from the date of reporting		
1 <sup>st</sup> following year	8	7
2 <sup>nd</sup> following year	4	5
3 <sup>rd</sup> following year	2	2
4 <sup>th</sup> following year	1	1
5 <sup>th</sup> following year (₹ 45,55,667)	-	1
sum of 6 to 10 years [₹ 27,39,903 (Previous year ₹ 28,77,497)]	-	-
sum of years above 11 years (₹ 11,81,264)	-	1

Provident Fund: During the earlier year, the Group 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 Group has initiated the process to surrender the Trust and started making payment of monthly contribution directly to RPFC. During the year ended, the Group has contributed towards provident fund ₹ 7.64 crore (Previous year ₹ 1.47 crore) to the RPFC and Nil (Previous year ₹ 3.27 crore) towards the Trust established under the erstwhile Scheme. The Group 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.

Notes on Accounts to the Consolidated Financial Statements

**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 March 31, 2021	As at March 31, 2020
(a) Equity	(53,906)	(48,156)
(b) Debt	45,577	45,584
(c) Equity and Debt (a + b )	(8,329)	(2,572)
(d) Capital Gearing Ratio (b / c )	-547%	-1772%

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.

**Note : 2.51**

**Discontinued Operations:**

Financial Performance of discontinued operations forming part of India Operations is presented hereunder:

	For the year ended March 31, 2021	(₹ in crore) For the year ended March 31, 2020
<b>Income</b>		
Revenue from Operations	1,077	1,081
Other Income	65	28
<b>Total Income</b>	<b>1,142</b>	<b>1,109</b>
<b>Expenses</b>		
Access Charges, License Fee and Network Expenses	1,278	1,235
Employee Benefit Expenses	29	35
Finance Costs	721	655
Depreciation, Impairment and Amortisation	2	1
Sales and General Admin Expenses	51	325
<b>Total Expenses</b>	<b>2,081</b>	<b>2,251</b>
<b>Profit/(Loss) before exceptional items and tax from discontinued operations</b>	<b>(939)</b>	<b>(1,142)</b>
<b>Cashflow from discontinued operations</b>		
- Operating activities	284	237
- Investing activities	(3)	13
- Financing activities	(2)	(54)

**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.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

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 ₹ 4,362 crore calculated based on basic rate of interest as per terms of loan for year ended March 31, 2021 and foreign exchange gain aggregating to ₹ 630 crore loss for the year ended March 31, 2021. Had the Company provided Interest and foreign exchange variation, the Loss would have been higher by ₹ 3,732 crore for year ended March 31, 2021 and the Net worth of the Group would have been lower by ₹ 19,071 crore as at March 31, 2021 and ₹ 15,339 crore as at March 31, 2020. During the previous years, Interest of ₹ 12,746 crore and foreign exchange loss aggregating to ₹ 2,593 crore were not provided.

### Note : 2.53

#### Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers".

Continuing Operations Revenue for the year from sale of services includes ₹ 760 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 ₹ 736 crore and Global Operation ₹ 24 crore.

Discontinued Operations Revenue for the year from sale of services includes ₹ 1,077 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 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 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, 2020, was ₹ 56 crore and it was billed during the year. Unbilled Revenue as at March 31, 2021 is ₹ 61 crore.

Unearned revenue with regards to continuing Operation and discontinued operations at March 31, 2021, was ₹ 64 crore and ₹ 1986 crore (net of unbilled revenue of ₹ 917 crore pending reconciliation with customer on account of various business parameters) respectively.

### Note : 2.54

#### 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 Company with following additional policies for segment reporting.

- 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".
- 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
<b>Segment Revenue</b>					
External Revenue	753	26	-	-	779
	1,040	694	-	-	1,734
Inter Segment Revenue	5	15	-	(20)	-
	35	32	-	(67)	-
Total	758	41	-	(20)	779
	1,075	726	-	(67)	1,734
<b>Segment Result before Exceptional and non recurring items, taxes</b>	(142)	(10)	-	-	(152)
	(477)	(44)	-	-	(521)
Less: Finance Expenses	-	-	48	-	48
	-	-	62	-	62
Less: Exceptional Item	-	-	-	-	-

Notes on Accounts to the Consolidated Financial Statements

Particulars	(₹ in crore)				
	India Operations	Global Operations	Unallocable	Eliminations	Total
	-	-	10,214	-	10,214
<b>Segment Result after Exceptional and non recurring items before taxes</b>	<b>(142)</b>	<b>(10)</b>	<b>(48)</b>	-	<b>(200)</b>
	<i>(477)</i>	<i>(44)</i>	<i>(10,276)</i>	-	<i>(10,797)</i>
Less: Provision for Taxation	-	-	<b>10</b>	-	<b>10</b>
	-	-	<i>14</i>	-	<i>14</i>
Segment Result after Tax	<b>(142)</b>	<b>(10)</b>	<b>(58)</b>	-	<b>(210)</b>
	<i>(477)</i>	<i>(44)</i>	<i>(10,290)</i>	-	<i>(10,811)</i>
Total Profit/(Loss) before Tax from Discontinued Operation	<b>(5,652)</b>	-	-	-	<b>(5,652)</b>
	<i>(31,979)</i>	-	-	-	<i>(31,979)</i>
<b>Other Information</b>					
<b>Segment Assets</b>	<b>47,688</b>	<b>830</b>	<b>1,273</b>	<b>(1,965)</b>	<b>47,826</b>
	<i>47,884</i>	<i>860</i>	<i>1,271</i>	<i>(2,015)</i>	<i>48,000</i>
Segment Liabilities	<b>1,00,375</b>	<b>1,536</b>	<b>1,194</b>	<b>(1,667)</b>	<b>1,01,438</b>
	<i>94,710</i>	<i>1,605</i>	<i>1,257</i>	<i>(1,732)</i>	<i>95,840</i>
<b>Capital Expenditure</b>	<b>8</b>	-	-	-	<b>8</b>
	<i>11</i>	-	-	-	<i>11</i>
Depreciation	<b>148</b>	<b>6</b>	-	-	<b>154</b>
	<i>192</i>	<i>162</i>	-	-	<i>354</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 subsidiaries 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 : 2.55**

**Note on Disqualification of Directors**

During the previous 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 20<sup>th</sup> 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 : 2.56**

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 on account of pending the verification of invoices and work completion certification.

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

### Note : 2.57

During the earlier year, the RRL has issued, on behalf of Holding Company, a Corporate Guarantee of ₹ 1,400 crore in favour of Department of Telecommunications.

### Note : 2.58

Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor had written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of Rs. 31.62 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 : 2.59

A Subsidiary of the Company is in the process of reconciliation of unbilled revenue with customers on account of various business parameters and any GST applicable thereon shall be paid upon completion of pending reconciliation and billing thereof.

### Note : 2.60

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 Dhirubahi 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 : 2.61

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 and are presently sub judice before the Hon'ble High Court of Delhi. Since the matter is pending before the Hon'ble High Court of Delhi, presently there is no impact of such declaration by the banks, in the consolidated financial statements.

### Note : 2.62

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

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

### Note : 2.63

#### Note on Covid -19 Impact

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak. Further, various state governments have issued orders from time to time extending lockdowns and other restrictions. COVID-19 has impacted businesses globally and in India. Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. The Group has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown.

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

Further, the resurgence had led to imposition of various restrictions and lockdowns in various states. Accordingly, there exists uncertainty over the impact of the pandemic on future business performance of the Group, and the extent of effect of the pandemic will depend,

## Notes on Accounts to the Consolidated Financial Statements

among other things, on any action to contain its spread or mitigate its impact, whether government mandated or elected by the Group. However, in view of telecommunication services being considered as essential activity, the Group has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown and the Group has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID19.

### Note : 2.64

#### Authorisation of Consolidated Financial Statements

The Directors of the Company have approved the above consolidated financial statements at their meeting held on June 26, 2021 which was chaired by Mr. Anish Niranjan Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors.

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

- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (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, 2021 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the 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

Sl. 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 or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of consolidated total comprehensive income	Amount (₹ in crore)
<b>Parent Company</b>									
1	Reliance Communications Limited	70.19	(37,833.96)	84.43	(4,888.96)	3.51	1.45	85.01	(4,887.51)
<b>Indian Subsidiaries</b>									
2	Reliance WiMax Limited	(0.01)	3.91	0.00	(0.02)	-	-	0.00	(0.02)
3	Reliance Bhutan Limited	(0.00)	0.00	0.00	(0.00)	-	-	0.00	(0.00)
4	Reliance Webstore Limited	1.19	(640.06)	0.01	(0.33)	-	-	0.01	(0.33)
5	Campion Properties Limited	0.13	(68.58)	0.10	(5.54)	-	-	0.10	(5.54)
6	Reliance Tech Services Limited	0.04	(19.45)	0.00	(0.10)	-	-	0.00	(0.10)
7	Reliance Telecom Limited	20.12	(10,843.51)	13.12	(759.78)	0.02	0.01	13.21	(759.77)
8	Reliance Communications Infrastructure Limited	4.25	(2,291.75)	0.24	(13.82)	-	-	0.24	(13.82)
9	Globalcom IDC Limited	(0.11)	58.05	(0.48)	27.57	0.07	0.03	(0.48)	27.60
10	Reliance Infratel Limited	(1.79)	966.00	3.26	(189.00)	-	-	3.29	(189.00)
11	Globalcom Mobile Commerce Limited	0.00	(0.20)	0.00	(0.00)	-	-	0.00	(0.00)
12	Reliance BPO Private Limited	0.02	(9.15)	0.00	(0.21)	-	-	0.00	(0.21)
13	Reliance Communications Tamilnadu Limited	0.00	(1.64)	0.00	(0.00)	-	-	0.00	(0.00)
14	Globalcom Realty Limited	(0.00)	0.03	0.00	(0.01)	-	-	0.00	(0.01)
15	Internet Exchangenext.com Ltd.	(0.00)	0.05	0.00	(0.01)	-	-	0.00	(0.01)
16	Realsoft Cyber Systems Private Limited	0.00	(0.93)	0.00	(0.01)	-	-	0.00	(0.01)

# Reliance Communications Limited

## Notes on Accounts to the Consolidated Financial Statements

Sl. 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 or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % of consolidated total comprehensive income	Amount (₹ in crore)
17	Worldtel Tamilnadu Private Limited	0.19	(101.28)	0.00	(0.00)	-	-	0.00	(0.00)
18	Towercom Infrastructure Private Limited	0.00	(0.00)	(0.00)	0.01	-	-	(0.00)	0.01
19	Reliance Realty Limited	0.52	(279.79)	(0.20)	11.72	(0.06)	(0.03)	(0.20)	11.69
20	Reliance Infra Projects Limited	(0.00)	0.03	0.00	(0.01)	-	-	0.00	(0.01)
<b>Foreign Subsidiaries</b>									
21	Reliance Globalcom BV	4.23	(2,280.87)	0.00	(0.21)	205.96	84.98	(1.47)	84.77
22	Aircorn Holdingco B.V	0.00	(0.13)	(0.00)	0.09	(0.02)	(0.01)	(0.00)	0.08
23	Reliance Communications (U.K.) Limited	0.00	(1.01)	(0.01)	0.42	0.12	0.05	(0.01)	0.47
24	Reliance Communications (Hong Kong) Limited	0.03	(13.78)	(0.00)	0.07	1.17	0.48	(0.01)	0.55
25	Reliance Communications (Singapore) Pte. Limited	(3.41)	1,838.39	0.00	(0.11)	(155.72)	(64.25)	1.12	(64.36)
26	Reliance Communications (New Zealand) Pte. Limited	(0.00)	0.22	0.00	(0.01)	(0.01)	(0.02)	0.00	(0.03)
27	Reliance Communications (Australia) Pty. Limited	(0.00)	2.47	0.00	(0.03)	(0.22)	(0.09)	0.00	(0.12)
28	Anupam Globalsoft (U) Limited	(0.00)	2.28	-	-	(0.24)	(0.10)	0.00	(0.10)
29	Gateway Net Trading Pte. Limited	0.39	(211.40)	0.00	(0.10)	34.07	14.05	(0.24)	13.96
30	Reliance FLAG Pacific Holdings Limited	0.92	(493.41)	0.00	(0.00)	41.80	17.25	(0.30)	17.24
31	Reliance Infocore Inc.	0.04	(23.47)	0.05	(2.64)	2.42	1.00	0.03	(1.65)
32	Reliance Communications Inc.	0.06	(30.99)	(0.19)	10.81	6.24	2.57	(0.23)	13.38
33	Reliance Communications International Inc.	(0.11)	58.08	(0.01)	0.60	(4.88)	(2.02)	0.02	(1.41)
34	Reliance Communications Canada Inc.	0.00	(0.26)	0.00	(0.00)	0.03	0.01	(0.00)	0.01
35	Bonn Investment Inc.	0.03	(14.03)	0.04	(2.26)	1.08	0.45	0.03	(1.82)
36	Reliance Telecom Infrastructure (Cyprus) Holdings Limited	(0.06)	30.58	0.00	(0.07)	(2.59)	(1.07)	0.02	(1.14)
37	Lagerwood Investments Limited	0.00	(0.26)	0.05	(2.66)	(0.10)	(0.04)	0.05	(2.71)
	<b>Non Controlling Interest</b>	(0.55)	294.00	-	19.89	-	1.11	-	21.00
	<b>Indian</b>								
1	Mumbai Metro Transport Private Limited	0.00	(0.05)	-	-	-	-	-	-
	<b>Foreign</b>								
2	Warf Telecom International Private Limited	(0.06)	30.42	0.03	(1.45)	-	-	0.03	(1.45)

As per our report of even date  
For **Pathak H.D. & Associates LLP**  
Chartered Accountants  
Firm Reg. No.: 107783W/W100593

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

Place : Mumbai  
Date : June 26, 2021

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



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, 2021  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	779	779
	2	Total Expenditure	979	979
	3	Net Profit/(Loss)	(211)	(211)
	4	Net Profit/ (Loss) from Discontinued Operations	(5,601)	(9,333)
	5	Earnings Per Share	(21.10)	(34.78)
	6	Total Assets	47,826	47,826
	7	Total Liabilities	101,438	120,509
	8	Net worth	(53,612)	(72,683)
	9	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	Non Provision of Interest and Foreign Exchange variation (Refer Note 2.52)	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Fourth Time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is not ascertainable as the Company is under IBC and CIR process initiated	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	(i) Impairment review of tangible and intangible assets, assets held for sale, investments ,balances lying in Goods and Service Tax, liabilities and Impairment of goodwill on Consolidation(Refer Note 2.35 & 2.43.2(b)), Lease (Refer Note 2.40)	
			(ii) Qualification on Going Concern (Refer Note 2.35 & 2.43.1(b))	
			(iii) Non receipt of FD Confirmation from Bank. (Refer Note 2.58)	
			(iv) Reconciliation of Unbilled Revenue (Refer Note 2.59)	
	(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 consolidated financial statements, the same is self explanatory.	
III	Signatories:			
		Resolution Professional	Anish Niranjana Nanavaty	
		Executive Director and Chief Financial Officer	Vishwanath Devaraja Rao	
		Statutory Auditor	Vishal D. Shah	
		UDIN:	21119303AAAALT1335	

Place : Mumbai

Date : June 26, 2021

# Reliance Communications Limited

## 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 <sup>st</sup> January 2006	68.71	322.51	511.71	120.50	-	-	(1.93)	-	(1.93)	-	100.00
2	Reliance Bhutan Limited	1 <sup>st</sup> January 2006	5.00	(4.96)	20,006.23	20,006.19	-	0.26	(0.02)	0.07	(0.09)	-	90.45
3	Reliance Webstore Limited	1 <sup>st</sup> January 2006	5.00	(64,011.00)	20,523.90	84,529.89	-	9.66	(130.93)	(97.86)	(33.07)	-	100.00
4	Campion Properties Limited	1 <sup>st</sup> January 2006	356.36	(7,214.55)	9,011.14	15,869.33	-	-	(553.73)	-	(553.73)	-	100.00
5	Reliance Tech Services Limited	30 <sup>th</sup> July 2007	5.00	(1,950.00)	7,579.00	9,524.00	-	767.00	(10.00)	-	(10.00)	-	100.00
6	Reliance Telecom Limited	1 <sup>st</sup> January 2006	8,500.00	(10,92,851.00)	3,83,041.00	14,67,392.00	-	587.00	(75,978.00)	-	(75,978.00)	-	100.00
7	Reliance Communication Infrastructure Limited	1 <sup>st</sup> January 2006	93,800.00	(3,22,975.01)	3,94,809.55	6,23,984.56	-	855.47	(250.58)	1,131.72	(1,382.30)	-	100.00
8	Globalcom IDC Limited	1 <sup>st</sup> January 2006	210.00	5,594.75	47,538.18	41,733.43	-	23,297.90	3,580.91	824.33	2,756.58	-	100.00
9	Reliance Infratel Limited	1 <sup>st</sup> January 2006	2,79,300.00	(1,82,700.00)	13,04,300.00	12,07,700.00	-	1,21,600.00	(25,100.00)	(6,200.00)	(18,900.00)	-	90.45
10	Globalcom Mobile Commerce Limited	6 <sup>th</sup> December, 2010	200.00	(220.37)	5.84	26.21	-	-	(0.34)	-	(0.34)	-	100.00
11	Reliance BPO Private Limited	30 <sup>th</sup> April, 2012	1.00	(915.50)	39.37	953.87	-	33.27	5.56	26.54	(20.98)	-	100.00
12	Reliance Communications, Tamilnadu Limited	15 <sup>th</sup> November, 2013	5.00	(169.25)	26,003.89	26,168.14	-	-	(0.41)	-	(0.41)	-	100.00
13	Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)	11 <sup>th</sup> November 2014	5.00	(2.24)	4.09	1.33	-	-	(0.71)	-	(0.71)	-	100.00
14	Internet Exchangenext.com Ltd.	10 <sup>th</sup> November 2015	15.07	(10.09)	65.10	60.11	-	-	(0.58)	-	(0.58)	-	100.00
15	Realsoft Cyber Systems Private Limited	10 <sup>th</sup> November 2015	1.00	(94.42)	4.30	97.72	-	-	(0.91)	-	(0.91)	-	100.00
16	Wordtel Tamilnadu Private Limited	10 <sup>th</sup> November 2015	1.00	(10,128.62)	5.70	10,133.32	-	-	(0.38)	-	(0.38)	-	100.00
17	Towercom Infrastructure Private Limited	17 <sup>th</sup> November, 2016	1.00	(1.44)	15.21	15.65	-	0.89	0.72	(0.15)	0.57	-	99.52
18	Reliance Realty Limited	10 <sup>th</sup> December, 2019	500.00	(28,479.17)	2,41,205.74	2,69,184.91	-	10,458.37	977.59	(194.20)	1,171.78	-	100.00
19	Reliance Infra Projects Limited	10 <sup>th</sup> December, 2019	5.00	(2.46)	4.07	1.53	-	-	(0.91)	-	(0.91)	-	100.00
20	Reliance Globalcom BV	1 <sup>st</sup> January 2006	1,522.78	(2,29,609.92)	1,37,415.91	3,65,503.06	2,700.42	-	(20.78)	-	(20.78)	-	100.00
21	Unit of Currency - USD	20,82,861	0.86	(31,40,60,900)	18,79,57,751	49,99,35,790	36,93,636	-	(28,000)	-	(28,000)	-	100.00
22	Unit of currency - Euro	1,000	0.86	(14.23)	2.90	16.27	-	17.19	8.71	-	8.71	-	100.00
23	Unit of currency - GBP	15,964	16.08	(11,15,892)	7,44,974	8,44,902	-	19,860	10,058	-	10,058	-	100.00
24	Unit of Currency - USD	52.97	1,83,785.66	1,83,852.01	13.39	78,73,033	-	8,26,890	9,062	-	9,062	-	100.00
25	Unit of Currency - USD	72,450	25,13,82,385	25,14,73,143	18,308	18,308	-	-	(15,486)	-	(15,486)	-	100.00
26	Unit of Currency - NZD	1	43,611	60,476	16,864	16,864	-	-	(3,123)	-	(3,123)	-	100.00
27	Unit of Currency - AUD	1	4,42,873	5,26,090	83,216	83,216	-	-	(6,210)	-	(6,210)	-	90.00
28	Unit of Currency - US\$	3,00,00,00,000	(1,85,66,51,920)	10,42,48,85,846	9,28,15,37,766	9,28,15,37,766	-	-	-	-	-	-	100.00
	Gateway Net Trading Pre. Limited	1 <sup>st</sup> Oct. 2008	19,082.44	(40,222.77)	0.02	21,140.34	-	-	(9.58)	-	(9.58)	-	100.00
	Unit of Currency - USD	2,61,01,000	(5,50,16,779)	22	2,89,15,801	2,89,15,801	-	-	(12,914)	-	(12,914)	-	100.00

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
29	Reliance FLAG Pacific Holdings Limited Unit of Currency - USD	1 <sup>st</sup> January 2006	8.77	(49,350.12) (6,75,011.89)	495.56 6,77,832	49,836.91 6,81,67,021	-	-	(0.12) (1.60)	-	(0.12) (1.60)	-	100.00
30	Reliance Infocom Inc. Unit of Currency - USD	1 <sup>st</sup> January 2006	657.99	(3,005.03) (41,10,285)	3,681.65 50,35,763	6,028.69 82,46,048	-	-	(8.30) (11,183)	256.06 3,45,046	(264.35) (3,56,229)	-	100.00
31	Reliance Communications Inc. Unit of Currency - USD	1 <sup>st</sup> January 2006	3,655.50	(6,754.27) (92,38,509)	1,64,342.96 22,47,88,622	1,67,441.73 22,90,27,130	-	3,183.16 42,89,450	1,188.99 16,02,219	107.95 1,45,462	1,081.04 14,56,757	-	100.00
32	Reliance Communications International Inc. Unit of Currency - USD	1 <sup>st</sup> January 2006	7.31	5,800.74	11,944.85	6,136.80	-	1,525.14	65.13	4.94	60.18	-	100.00
33	Reliance Communications Canada Inc. Unit of Currency - USD	1 <sup>st</sup> January 2006	10,000	79,34,262 (33.36)	1,63,38,194 261.64	83,93,932 287.69	-	20,55,200 65.38	87,759 0.46	6,663 0.85	81,096 (0.39)	-	100.00
34	Bonn Investment Inc. Unit of Currency - USD	1 <sup>st</sup> January 2006	10,000	(45,626) (1,41,037)	3,57,877 3,889.89	3,93,503 5,292.95	-	88,099 71.24	616 (224.94)	1,140 1.52	(524) (226.46)	-	100.00
35	Reliance Telecom Infrastructure (Cyprus) Holdings Limited Unit of Currency - USD	15 <sup>th</sup> June, 2007	1.64	3,055.99	53,20,601 3,449.85	72,39,714 392.22	-	96,000	(3,03,117) (7.45)	2,054	(3,05,171) (7.45)	-	-
36	Lagerwood Investments Limited Unit of Currency - USD	15 <sup>th</sup> June, 2007	2,246	41,79,983 (27,34)	47,18,714	5,36,485	-	-	(10,038)	-	(10,038)	-	-
			1.66	(37,401)	-	25.69	-	-	(266.43)	-	(266.43)	-	-
			2,268	-	-	35,133	-	-	(3,59,033)	-	(3,59,033)	-	-

Notes

- The Financial Year of the Subsidiaries is for 12 months from April 1, 2020 to March 31, 2021
- Investment exclude investment in Subsidiaries
- Exchange rate as of March 31, 2021 1 USD = ₹ 73.110 1 GBP = ₹ 100.7533 1 AUD = ₹ 55.703 1 NZD = ₹ 51.17 1 Ushs = ₹ 0.0199 (\* 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		Extend of Holding %	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 <sup>th</sup> January, 2010	31.03.2021	13000	-	26%	(4.76)	-	(2.34)		
2	Warf Telecom International Private Limited	1 <sup>st</sup> January, 2006	31.12.2020	65025000	2,230.00	20%	3,050.80	(144.59)	-		

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.

