

Limited Review Report on Consolidated Unaudited Financial Results of Reliance Communications Limited for the quarter and half year ended September 30, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

1. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational / financial creditor against Reliance Communications Limited 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.
2. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Reliance Communications Limited ('the Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), and its share of net profit / (loss) after tax and total comprehensive income/ (loss) of its associates for the quarter and half year ended September 30, 2022 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").
3. This Statement which is the responsibility of the Parent Company's Management and approved by the Parent's Board of Directors and taken on record by RP in their meeting held on November 12, 2022, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable.



5. The Statement includes the results of the following entities:

A. Subsidiaries (Including step-down subsidiaries)

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

B. Associates

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



6. We draw attention to Note no. 3 & 5 of the Statement regarding "Assets Held for Sale (AHS)" including 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 as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter and half year ended September 30, 2022.

7. We draw attention to Note no. 4 of the Statement regarding admission of the Parent 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 Parent Company and some of it's subsidiaries have not provided interest on borrowings amounting to Rs. 1,329 crore and Rs. 2,689 crore for the quarter and half year ended September 30, 2022 respectively and Rs. 22,103 crore up to the previous financial year based on the basic rate of interest as per the terms of the borrowings. The Parent Company and some of its subsidiaries further has not provided for foreign exchange variance (gain)/ loss amounting to Rs. 586 crore and Rs. 1,371 crore for the quarter and half year ended September 30, 2022 respectively and Rs. 2,626 crore foreign exchange losses up to the previous financial year. Had such interest and foreign exchange variation (gain) / loss as mentioned above been provided, the reported loss for the quarter and half year ended September 30, 2022 would have been higher by Rs. 1,915 crore and Rs. 4,060 crore respectively and Networth of the Group as on September 30, 2022 and March 31, 2022 would have been lower by Rs. 28,789 crore and Rs. 24,729 crore respectively. Non provision of interest and non recognition of foreign exchange variation (gain)/loss is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

8. We draw attention to Note no. 3 of the Statement, regarding the pending comprehensive review of carrying amount 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 half year ended September 30, 2022. Non determination of fair value of financial assets & liabilities and impairment in carrying amount of other assets & liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
9. We draw attention to Note no. 13 of the Statement, regarding non adoption of Ind AS 116 "Leases" effective from April 01, 2019 and the impact thereof. The Parent Company and some of it's subsidiaries have not applied Ind AS 116. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.



10. We draw attention to Note no. 3, 6 & 19 of the Statement, regarding termination of definitive binding agreement for monetization of assets of the Parent Company and two of its subsidiaries namely RTL & RITL and the ongoing CIRP, the outcome of which cannot be presently ascertained. Further the Parent 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 04, 2020 respectively. The group has continued to incur losses, it's current liabilities exceed current assets and defaulted in repayment of its borrowings and payment of statutory dues and pending application of renewal of Telecom License. Further, auditors of material subsidiaries of the Parent 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 and matters pending before regulatory authorities, the outcome of which cannot be presently ascertained.

11. We draw attention to Note no. 14 of the Statement, regarding unbilled revenue recognized by one of the Parent Company's subsidiary amounting to Rs. 1,343 crore with respect to services provided during the half year ended September 30, 2022 and earlier years, which has not been billed by the subsidiary for the reasons mentioned in the aforesaid note. We are unable to comment on the ultimate outcome of reconciliation and its realizability and it's impact on the revenue recognized during the half year ended September 30, 2022 and in earlier years.
12. We draw attention to Note no. 18 of the Statement regarding non receipt of balance confirmation from balance with Industrial and Commercial Bank of China in Fixed Deposit (FD) account amounting to Rs. 32.79 crore as at September 30, 2022 in respect of one of the subsidiary. Pending receipt of balance confirmation as on reporting date, we are unable to comment on the consequential impact if any, on the unaudited consolidated financial results.
13. Based on our review conducted and procedures as stated in paragraph 4 above and based on the consideration of the review reports of other auditors referred to in paragraph 16 below, except for the possible effects of the matters stated in paragraphs 6 to 12 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material



14. We draw attention to Note no. 7 of the Statement, regarding provision of license fee and spectrum usage charges by the Parent Company and one of its subsidiary, based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter. Our conclusion is not modified in respect of this matter.
15. We did not review the financial information of 6 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total assets of Rs. 2,123 crore as at September 30, 2022, total revenues of Rs. 9 crore and Rs. 17 crore, total net profit / (loss) after tax of Rs. (3) crore and Rs. (5) crore and total comprehensive income / (loss) of Rs. (3) crore and Rs. (5) crore for the quarter and half year ended September 30, 2022 respectively, as considered in the consolidated unaudited financial results whose financial information has not been reviewed by us. The consolidated unaudited financial results also include the Group's share of net profit / (loss) after tax of Rs. 1 crore and Rs. 2 crore and total comprehensive income / (loss) of Rs. 1 crore and Rs. 2 crore for the quarter and half year ended September 30, 2022 respectively as considered in the consolidated unaudited financial results, in respect of 2 associates, whose financial information have not been reviewed by us. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far it relates to amounts and disclosures included in respect of these subsidiaries and associates, is solely based on the reports of the other auditors and the procedures performed by us as stated in paragraph 4 above. Our conclusion on the Statement is not modified in respect of this matter.
16. We did not review the financial information of 26 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total assets of Rs. 6,842 crore as at September 30, 2022, total revenues of Rs. 26 crore and Rs. 52 crore, total net profit / (loss) after tax of Rs. 1 crore and Rs. 5 crore and total comprehensive income / (loss) of Rs. 1 crore and Rs. 5 crore for the quarter and half year ended September 30, 2022 respectively, as considered in the consolidated unaudited financial results whose financial information has not been reviewed by their auditors. These unaudited financial statements / financial information have been furnished to us by the Directors and our opinion on the consolidated unaudited financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Directors, these financial statements / financial information are not material to the Group.
17. 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 Communication 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).



Further, Pursuant to an application filed by State Bank of India before the NCLT in terms of Section 7 of the Code, the NCLT had admitted the application and ordered the commencement of CIRP of the subsidiary namely Reliance Communications Infrastructure Limited (RCIL) ("the Company") ("Corporate Debtor") vide its order dated September 25, 2019 which has been received by the IRP (as defined hereinafter) on September 28, 2019 ("CIRP Order"). The NCLT has appointed Mr. Anish Niranjan Nanavaty as the Interim Resolution Professional for the Company ("IRP") vide the CIRP Order who has been confirmed as the Resolution Professional of the Company ("RP") by the committee of creditors.


Further, during the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Parent Company, has been admitted by NCLT on August 4, 2020 for CIRP under the code and Mr. Anjan Bhattacharya has been appointed as the Resolution Professional by the Hon'ble NCLT.

18. As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated unaudited financial results of the Group submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Parent Company who is duly authorized by the Board of Directors to sign the consolidated unaudited financial results. As mentioned in Note no. 1 of the statement, in view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

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

Chartered Accountants

Firm's Registration No:107783W/W100593



Jigar T. Shah

Partner

Membership No. : 161851

UDIN No. : 22161851BCWVHR5982



Date: November 12, 2022

Place: Mumbai