



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

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August 14, 2021

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

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

Dear Sirs,

Sub: Statement of Unaudited (Standalone and Consolidated) Financial Results for the quarter ended on June 30, 2021 and limited review reports thereon.

In furtherance of the letter dated August 07, 2021 and pursuant to Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2021, along with Limited Review Reports submitted by the Statutory Auditors of Reliance Communications Limited ("**Company**").

The above financial results were approved by the Directors of the Company at a meeting held on August 14, 2021. Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in, the resolution professional, Mr. Anish Niranjana Nanavaty ("**RP**"), the aforesaid meeting of the Directors was chaired by the RP of the Company who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2021.

The above-mentioned meeting of the Directors of the Company commenced at 12.30 P.M. and concluded at 7.45 P.M.

This is for your information and records.

Yours faithfully,
For **Reliance Communications Limited**

Rakesh Gupta
Company Secretary

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

Registered Office:

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

Limited Review Report on Standalone Unaudited Financial Results of Reliance Communications Limited for the Quarter ended June 30, 2021 pursuant to Regulation 33 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 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.
2. We have reviewed the accompanying statement of standalone unaudited financial results of the Company for the quarter ended June 30, 2021 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").
3. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company and taken on record by the RP in their meeting held on August 14, 2021, 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 the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. We draw attention to Note no. 3 & 5 of the Statement, "Assets Held for Sale (AHS)" including 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 installments due to Department of Telecommunication (DOT). Non determination of fair value of Asset Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter ended June 30, 2021.
6. We draw attention to Note no. 4 of the Statement regarding admission of the Company and its four subsidiaries into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the Operational/financial/other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact there of pending reconciliation and determination of final obligation. The Company accordingly has not provided interest on borrowings amounting to Rs. 1,067 crore for the quarter ended June 30, 2021 and Rs. 15,090 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 loss amounting to Rs. 246 crore for the quarter ended June 30, 2021 and Rs. 1,601 crore of foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation (gain)/ loss as mentioned above been provided, the reported loss for the quarter ended June 30, 2021 would have been higher by



Rs.1,313 crore. 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.

7. We draw attention to Note no. 3 of the Statement, regarding pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying under Goods and 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 quarter ended June 30, 2021. Non determination of fair value of financial assets & liabilities and impairment of 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".
8. We draw attention to Note no. 9 of the Statement, regarding non adoption of Ind AS 116 "Leases" effective from April 01, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
9. We draw attention to Note no. 3 of the Statement, regarding continuous losses incurred by the Company, current liabilities exceeding its current assets, default in repayment of borrowings and default in payment of regulatory and statutory dues and pending application of renewal of Telecom License. These situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the financial results, in view of ongoing CIRP and matters pending before regulatory authorities, the outcome of which cannot be presently ascertained.
10. Based on our review conducted as above, except for the matters described in paragraphs 5 to 9 above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results prepared in accordance with applicable Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 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 misstatement.
11. We draw attention to Note no. 7 of the Statement, regarding provision of license fee and spectrum usage charges based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter. Our conclusion on the Statement is not modified in respect of this matter.



12. We draw attention to Note no. 13 of the Statement, 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 conclusion on the Statement is not modified in respect of this matter.
13. 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).
14. As per Regulation 33 of the Listing Regulations, the standalone unaudited financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone 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

JT Shah

Jigar T. Shah
Partner
Membership No.: 161851
UDIN No. : 21161851AAAABP6526



Date: August 14, 2021
Place: Mumbai

Reliance Communications Limited
website: www.rcom.co.in

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CIN - L45309MH2004 PLC147531

Standalone Unaudited Financial Results for the Quarter ended June 30, 2021

Rs. in crore					
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from Operations	94	102	141	483
	(b) Other Income	-	-	-	-
	(c) Total Income [(a) + (b)]	94	102	141	483
2	Expenses				
	(a) Access Charges, Licence Fees and Network Expenses	69	67	138	415
	(b) Employee Benefits Expenses	16	17	21	82
	(c) Finance Costs	-	-	-	-
	(d) Depreciation, Amortisation and Provision for Impairment	32	34	30	132
	(e) Sales and General Administration Expenses	56	30	42	106
	(f) Total Expenses [(a) to (e)]	173	148	231	735
3	Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]	(79)	(46)	(90)	(252)
4	Exceptional Items (Refer Note 6)	-	-	-	-
5	Profit / (Loss) before Tax [3 - 4]	(79)	(46)	(90)	(252)
6	Tax Expenses				
	(a) Current Tax	-	-	-	-
	(b) Deferred Tax Charge/ (Credit)	-	-	-	-
	(c) Tax Expenses (net) [(a) to (b)]	-	-	-	-
7	Profit/ (Loss) after Tax [5 - 6]	(79)	(46)	(90)	(252)
8	Profit/ (Loss) before Tax and Exceptional Item from Discontinued Operations	(114)	(108)	(107)	(396)
9	Exceptional Items (Refer Note 7)				
	Provision of Liability on account of License & Spectrum fee	(1,159)	(1,118)	(1,004)	(4,241)
10	Profit/ (Loss) before Tax from Discontinued Operations [8-9]	(1,273)	(1,226)	(1,111)	(4,637)
11	Tax Expenses of Discontinued Operations	-	-	-	-
12	Profit/ (Loss) after Tax from Discontinued Operations [10-11]	(1,273)	(1,226)	(1,111)	(4,637)
13	Other Comprehensive Income/ (Expense) for the period /year	-	1	-	1
14	Total Comprehensive Income / (loss) for the period / year [7+ 12 + 13]	(1,352)	(1,271)	(1,201)	(4,888)
15	Earnings per Share (EPS) Basic and Diluted (Rs.)				
	(before exceptional items)) (not annualised for the quarter ended)				
	(a) Continuing Operations	(0.29)	(0.17)	(0.33)	(0.92)
	(b) Discontinued Operations	(0.41)	(0.39)	(0.39)	(1.44)
	(c) Continuing Operations and Discontinued Operations	(0.70)	(0.56)	(0.72)	(2.36)
	(after exceptional items)) (not annualised for the quarter ended)				
	(a) Continuing Operations	(0.29)	(0.17)	(0.33)	(0.92)
	(b) Discontinued Operations	(4.64)	(4.47)	(4.05)	(16.90)
	(c) Continuing Operations and Discontinued Operations	(4.93)	(4.64)	(4.38)	(17.82)
16	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,383	1,383



Notes:

1. Pursuant to an application filed by Ericsson India Pvt. Ltd before the National Company Law Tribunal, Mumbai Bench ("**NCLT**") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("**Code**"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("**CIRP**") of Reliance Communications Limited ("**Corporate Debtor**", "**the Company**") vide its order dated May 15, 2018. The NCLT had appointed Mr. Pardeep Kumar Sethi as the interim resolution professional for the Corporate Debtor vide its order dated May 18, 2018. The Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") by an order dated May 30, 2018 had stayed the order passed by the Hon'ble NCLT for initiating the CIRP of the Corporate Debtor and allowed the management of the Corporate Debtor to function. In accordance with the order of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi handed over the control and management of the Corporate Debtor back to the erstwhile management of the Corporate Debtor on May 30, 2018. Subsequently, by order dated April 30, 2019, the Hon'ble NCLAT allowed stay on CIRP to be vacated. On the basis of the orders of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi, wrote to the management of the Corporate Debtor on May 02, 2019 requesting the charge, operations and management of the Corporate Debtor to be handed over back to IRP. Therefore, Mr. Pardeep Kumar Sethi had in his capacity as IRP taken control and custody of the management and operations of the Corporate Debtor from May 02, 2019. Subsequently, the committee of creditors (CoC) of the Corporate Debtor pursuant to its meeting held on May 30, 2019 resolved, with requisite voting share, to replace the existing interim resolution professional, i.e. Mr. Pardeep Kumar Sethi with Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor in accordance with Section 22(2) of the Code. Subsequently, upon application by the CoC in terms of Section 22(3) of the Code, the NCLT appointed Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor ("**RP**") vide its order dated June 21, 2019, which was published on June 28, 2019 on the website of the NCLT. Accordingly, the IRP handed over the matters pertaining to the affairs of the Corporate Debtor to the RP as on June 28, 2019 who assumed the powers of the board of directors of the Corporate Debtor and the responsibility of conducting the CIRP of the Corporate Debtor.

Further, pursuant to the meeting of the CoC of the Corporate Debtor dated March 2, 2020, a resolution plan, submitted by a resolution applicant in respect of the Corporate Debtor, has been approved by the committee of creditors. The application under Section 31 of the Code filed by the RP for approval of resolution plan is currently pending adjudication before the NCLT.

With respect to the financial results for the quarter ended June 30, 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:

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- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
 - (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
 - (iii) The RP, in review of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter ended June 30, 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 financial results.
 - (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) has been re-commenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries has been confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

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

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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 lenders had appointed an auditor for conducting forensic audit on the affairs of the Corporate Debtor, RTL and RITL, and a forensic audit report has been purportedly issued by the auditor to such lenders (a copy of the report has not been provided to the relevant corporate debtors or their RP/erstwhile RP as it was a report prepared only for the benefit of the lenders). An application has been filed by Reliance Projects and Property Management Services Limited, the successful resolution applicant of RITL before the NCLT, Mumbai Bench seeking inter alia copies of the forensic audit report on the basis of which certain banks have declared the accounts of RITL (and that of the Corporate Debtor and RTL) as "fraud" in terms of the Master Directions on Frauds dated July 01, 2016 issued by the Reserve Bank of India, and other information and documents in respect thereof. RITL has not been arraigned as a party to the said application. The matter 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 recognized as Financial Creditors of the Corporate Debtor. R1 (RP) is directed to re-constitute the CoC...*" An appeal has been filed by certain lenders against the order of the NCLT before NCLAT. On April 12, 2021, the NCLAT has stayed the operation of the impugned order until next date. The matter remains *sub judice* before the NCLAT.

An application had been filed by Doha Bank before the NCLT, Mumbai Bench challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of deed of hypothecation. The NCLT has, vide order dated March 2, 2021, dismissed the application. An appeal has been filed by Doha Bank against the order of the NCLT before the NCLAT. On June 22, the NCLAT has granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The matter is currently *sub judice*.

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Corporate Debtor, the Corporate Debtor and its subsidiary companies; RTL and RITL, with the permission of and on the basis of suggestions of the lenders, had entered into definitive binding agreements with Reliance Jio Infocomm

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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 accordingly provide for impairment of assets and write back of liabilities, if any. The Auditors have drawn qualification in this regard in their Limited Review Report for the quarter ended June 30, 2021.

The Corporate Debtor had filed applications with the DoT for migration of various telecom licenses (UASL, NLD and ILD licenses) to the unified license regime (UL) on October 25, 2020 (17 of which were supposed to expire on July 19, 2021). On June 15, 2021, the DoT has issued a letter to the Corporate Debtor requiring payments of various categories of certain amounts such as 10% of the AGR dues, deferred spectrum instalments falling within the CIRP period, etc. against the telecom licenses, stating such dues to be in the nature of "current dues" and prescribing such payment as a pre-condition to the consideration/processing of the migration applications ("DoT Letter"). On June 25, 2021, the Corporate Debtor has issued a letter to DoT clarifying that the various categories of dues stipulated by the DoT are not in the nature of the "current dues" and are to be resolved within the framework of the Code (being dues that pertain to the period prior to May 7, 2019) and/ or are not payable at present, and requesting that making payments against the said dues should not be mandated as a pre-condition for further processing of the migration applications filed by the Corporate Debtor.

In light of the urgency of the matter, the RP had filed an application before the NCLT praying that the DOT *inter alia* be restrained from taking any action which may interfere with the continued holding of the telecom spectrum of the Corporate Debtor. The NCLT had adjourned the matter to September 2, 2021.

The RP had thereafter filed a writ petition in the Delhi High Court seeking issuance of an appropriate writ, order or direction in the nature of mandamus directing the DoT to migrate the telecom licenses to UL without the insistence on the payment of the dues set out in DoT Letter. The High Court, on July 19, 2021, passed an interim order that "till the next date, the respondent is directed to not take any coercive action against the petitioner for withdrawal of the telecom spectrum granted to the petitioner in respect of 18 service areas, as also to permit the petitioner to continue providing telecom services in the 18 service areas which are subject matters of the present petition." On July 20, 2021, the writ petition hearing concluded and order was passed by the High Court permitting the withdrawal of the writ petition with direction that the issue on "current dues" should be decided by the NCLT and extending the protection under the July 19 order by further 10 days.

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In view of the aforesaid, the NCLT was apprised of the order of the High Court and the NCLT has, as an interim measure, extended the ad interim protection granted by the Delhi High Court until next date of hearing; i.e., August 12, 2021. Further, on August 12, 2021, the NCLT has directed that the interim orders shall continue until the next date of hearing, i.e., August 23, 2021. The issue under consideration by the NCLT relates to whether the dues being claimed by DOT in its letter of June 15, 2021 for the purposes of processing the license renewal/ migration applications of the Corporate Debtor are in the nature of "current dues" (within the meaning of the Explanation to Section 14(1) of the Code) and therefore, payable during the CIRP period.

Simultaneously, a petition has been filed before the TDSAT seeking directions for migration of the telecom licenses, in view of the Guidelines for Grant of Unified License dated March 28, 2016 issued by the DOT, not prescribing pre-condition for any payment to be made prior to the migration of the telecom licenses. On August 12, 2021, the TDSAT has, as an ad interim protection, directed the parties to maintain *status quo* until the next date of hearing, i.e., (August 16, 2021). The matters are currently sub judice before the NCLT and the TDSAT.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the financial results continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. Since the Corporate Debtor 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 Corporate Debtor's ability to continue as a going concern. The Auditors have drawn qualification in their Limited Review Report for the quarter ended June 30, 2021.

4. Considering various factors including admission of the Corporate Debtor and its three subsidiaries; RTL RITL and RCIL to CIRP under the Code, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.

Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan were being worked out. The Corporate Debtor has not provided Interest of Rs. 1,067 crore calculated based on basic rate of interest as per terms of loan for the quarter ended June 30, 2021 and foreign exchange (loss aggregating to Rs.246 crore for the quarter ended June 30, 2021. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 1,313 crore for the quarter ended June 30, 2021. The Auditors have drawn qualification for non provision of interest and foreign

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exchange variations in their Limited Review Report for the quarter ended June 30, 2021. During the previous years, Interest of Rs. 15,090 crore and foreign exchange loss (net) aggregating to Rs.1,601 crore were not provided and the Auditors had drawn qualification in their audit reports for the financial years ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31,2021.

- 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, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”.

In this regard it is pertinent to note that the due pertaining to the spectrum (including entire deferred payments) have been claimed by DoT and the same have been admitted by the RP, and accordingly, the dues shall be dealt with in accordance with provisions of the IBC. In accordance with the aforesaid and admission of deferred spectrum installments as claims, the Corporate Debtor and its subsidiary RTL have not paid the installments.

The financial result of discontinued operations is as under: (Rs in crore)

Particulars	Quarter ended			Year ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
	Unaudited	Audited	Unaudited	Audited
Total Income	1	-	2	47
Total Expenses	115	108	109	443
Profit/ (Loss) before Exceptional Item tax	(114)	(108)	(107)	(396)
Exceptional Item	(1,159)	(1,118)	(1,004)	(4,241)
Tax	-	-	-	-
Profit/ (Loss) after tax	(1,273)	(1,226)	(1,111)	(4,637)

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

The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the “Effective Date” of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice

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of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective)

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

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

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

7. 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*.

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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 Rs. 32,062 crore up to the previous year ended March 31, 2021 and has provided additional charge of Rs. 1,159 crore during the quarter ended June 30, 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). This matter has been referred to by the Auditors in their Limited Review report for the quarter ended June 30, 2021.

8. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on June30, 2021 are secured by way of first pari-passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of Rs. 750 crores, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
9. The Corporate Debtor and some of its subsidiaries where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Limited Review Report for the quarter ended June 30, 2021.
10. Disclosure as per Ind AS 108 "Operating Segments" is reported in consolidated financial results of the Company. Therefore, the same has not been separately disclosed in line with the provisions of Ind AS.

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11. During the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the quarter, the resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial statements of RTSL and the consequential impact in the standalone financial results of the Corporate Debtor will be given basis the decision of the NCLT on the application.
12. Provision for Income Tax for the quarter ended June 30, 2021 is based on the estimate for the full financial year.
13. Figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the previous financial year.
14. 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 honor 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. 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 honor 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

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of the NCLAT in *Suo Moto - Company Appeal (AT) (Insolvency) No. 01 of 2020* dated March 30, 2020. This matter has been referred to by the Auditors in their Limited Review report for the quarter ended June 30, 2021.

15. 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 results.

16. During the previous year ended March 31, 2021 and quarter ended June 30, 2021, certain banks had issued show cause notices 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 notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the banks to withdraw the notices. No further response has been received from the banks since then.

During the quarter ended June 30, 2021, a bank has served notice seeking explanation on why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and RTL have responded back to the bank highlighting the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 (Code) and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor and RTL for classification as fraud. No further response has been received from the bank since then. Since the matter is pending before the banks, presently there is no impact of such notices issued from banks, in the standalone financial results.

17. 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 Labor and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders

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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 results when the Code becomes effective.

18. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on August 14, 2021 which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors. The Statutory Auditors have done Limited Review of the standalone Financial Results for the quarter ended June 30, 2021.

For Reliance Communications Limited

**Anish Niranjana Nanavaty
(Resolution Professional)**

**Viswanath Devaraja Rao
(Executive Director and Chief Financial Officer)**

Place: Mumbai
Date: August 14, 2021

Registered Office:

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Limited Review Report on Consolidated Unaudited Financial Results of Reliance Communications Limited for the Quarter ended June 30, 2021 pursuant to Regulation 33 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 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 ended June 30, 2021 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 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 August 14, 2021, 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 Holco 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 ended June 30, 2021.
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. 1,198 crore for the quarter ended June 30, 2021 and Rs. 17,108 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 loss amounting to Rs. 301 crore for the quarter ended June 30, 2021 and Rs. 1,963 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 ended June 30, 2021 would have been higher by Rs. 1,499 crore. 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 ended June 30, 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 Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
9. We draw attention to Note no. 10 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 & 7 of the Statement, regarding termination of definitive binding agreement for monetization of assets of the Company and two of its subsidiaries namely RTL & RITL and the ongoing CIRP, the outcome of which cannot be presently ascertained. 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 which has been confirmed by the Delaware Court order as explained in Note No 6 of the Statement. 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. 11 of the Statement, regarding unbilled revenue recognized by one of the Parent 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 it's impact on the revenue recognized during the period and in earlier years and its realisation.
12. We draw attention to Note no. 15 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. 31.62 crore as at June 30, 2021 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 of the Group.
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 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 misstatement.
14. We draw attention to Note no. 8 of the Statement, regarding provision of license fee and spectrum usage charges by the Company and one of it's 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 draw attention to Note no. 18 of the Statement, 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 conclusion on the Statement is not modified in respect of this matter.
16. We did not review the financial information of 6 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 10 crore, total net loss after tax of Rs. 1 crore and total comprehensive loss of Rs. 1 crore for the quarter ended June 30, 2021, 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 loss after tax of Rs. 0.26 crore and total comprehensive loss of Rs. Rs. 0.26 crore for the quarter ended June 30, 2021 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.
17. We did not review the financial information of 26 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 28 crore, total net profit after tax of Rs. 1 crore and total comprehensive income of Rs. 1 crore for the quarter ended June 30, 2021, 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.
18. 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 Niranjana Nanavaty as the Interim Resolution Professional for the Company ("IRP") vide the CIRP Order who has been confirmed as the Resolution Professional of the Company ("RP") by the committee of creditors.

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.

19. 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

J.T. Shah

Jigar T. Shah

Partner

Membership No. : 161851

UDIN No. : 21161851AAAABQ7743



Date: August 14, 2021

Place: Mumbai

Reliance Communications Limited
 website: www.rcom.co.in
 Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710
 CIN - L45309MH2004 PLC147531

Consolidated Unaudited Financial Results for the quarter ended June 30, 2021

Sr. No.	Particulars	(₹ in Crore)			
		Quarter ended		Year ended	
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited	Unaudited	Audited
1	Income				
	(a) Revenue from Operations	149	177	212	760
	(b) Other Income	5	14	3	19
	(c) Total Income [(a) + (b)]	154	191	215	779
2	Expenses				
	(a) Access Charges, Licence Fees and Network Expenses	104	107	175	562
	(b) Employee Benefits Expenses	18	19	23	91
	(c) Finance Costs	12	12	12	48
	(d) Depreciation and Amortisation Expenses	37	39	36	154
	(e) Sales and General Administration Expenses	58	42	45	124
	(f) Total Expenses [(a) to (e)]	229	219	291	979
3	Profit/ (Loss) before Share of Profit/ (Loss) of Associates, Exceptional Items and Tax [1 (c) - 2 (f)]	(75)	(28)	(76)	(200)
4	Share of Profit / (Loss) of Associates	-	-	-	(1)
5	Profit/ (Loss) before Exceptional Items and Tax [3 + 4]	(75)	(28)	(76)	(201)
6	Exceptional Items	-	-	-	-
7	Profit/ (Loss) before Tax [5 + 6]	(75)	(28)	(76)	(201)
8	Tax Expenses				
	(a) Current Tax	1	2	5	15
	(b) Deferred Tax Charge/ (Credit) (net) (including MAT Credit)	-	(5)	-	(5)
	(c) Tax Expenses (net) [(a) + (b)]	1	(3)	5	10
9	Profit/ (Loss) after Tax for the period / year [7 - 8]	(76)	(25)	(81)	(211)
10	Profit/ (Loss) before Tax and Exceptional Items from Discontinued Operations	(314)	(263)	(227)	(939)
11	Exceptional Items relating to Discontinued Operations				
	Provision of liability on account of License and Spectrum Fee (Refer Note 8)	(1,288)	(1,242)	(1,116)	(4,713)
12	Profit/ (Loss) before Tax from Discontinued Operations [10-11]	(1,602)	(1,505)	(1,343)	(5,652)
13	Tax Expenses of Discontinued Operations	(66)	(4)	(15)	(51)
14	Profit/ (Loss) after Tax from Discontinued Operations for the period / year [12-13]	(1,536)	(1,501)	(1,328)	(5,601)
15	Other Comprehensive Income/ (Loss) for the period / year	(18)	(7)	5	41
16	Total Comprehensive Income/ (Loss) for the period/ year [9 + 14 + 15]	(1,630)	(1,533)	(1,404)	(5,771)
17	Profit/ (Loss) for the period / year attributable to				
	(a) Equity holders of the company	(1,607)	(1,518)	(1,407)	(5,791)
	(b) Non Controlling Interest	(5)	(8)	(3)	(21)
18	Total Comprehensive Income/ (Loss) attributable to				
	(a) Equity holders of the company	(1,625)	(1,525)	(1,401)	(5,750)
	(b) Non Controlling Interest	(5)	(8)	(3)	(21)
19	Earnings per Share (EPS) (Basic and Diluted) (Rs.)				
	(before exceptional items) (Not annualised for the quarter ended)				
	(a) Continuing Operations	(0.28)	(0.09)	(0.30)	(0.77)
	(b) Discontinued Operations	(0.88)	(0.91)	(0.76)	(3.16)
	(c) Continuing and Discontinued Operations	(1.16)	(1.00)	(1.06)	(3.93)
	(after exceptional items) (Not annualised for the quarter)				
	(a) Continuing Operations	(0.28)	(0.09)	(0.30)	(0.77)
	(b) Discontinued Operations	(5.58)	(5.44)	(4.83)	(20.33)
	(c) Continuing and Discontinued Operations	(5.85)	(5.53)	(5.12)	(21.10)
20	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,383	1,383

Segment wise Revenue, Results , Segment Assets and Segment Liabilities					(₹ in Crore)
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	(a) India Operation	147	188	208	758
	(b) Global Operation	9	7	12	41
	(c) Total [(a) + (b)]	156	195	220	799
	(d) Less: Inter segment revenue	(2)	(4)	(5)	(20)
	(e) Income from Operations [(c) - (d)]	154	191	215	779
2	Segment Results				
	Profit / (Loss) before Tax and Finance Cost from each segment				
	(a) India Operation	(64)	(14)	(61)	(142)
	(b) Global Operation	1	(2)	(3)	(10)
	(c) Total [(a) + (b)]	(63)	(16)	(64)	(152)
		-	-	-	(0)
	(d) Less : Finance Costs (net)	12	12	12	48
	(e) Add : Exceptional Items	-	-	-	-
	Total Profit/ (Loss) before Tax and share in Profit / (Loss) of Associates	(75)	(28)	(76)	(200)
	Total Profit/ (Loss) before Tax from Discontinued Operations	(1,602)	(1,505)	(1,343)	(5,652)
3	Segment Assets				
	(a) India Operation	47,653	47,688	47,852	47,688
	(b) Global Operation	871	830	863	830
	(c) Others/ Unallocable	1,235	1,273	1,285	1,273
	(d) Inter segment Eliminations	(1,993)	(1,965)	(2,011)	(1,965)
	(e) Total [(a) to (d)]	47,766	47,826	47,989	47,826
4	Segment Liabilities				
	(a) India Operation	1,02,004	1,00,375	96,110	1,00,375
	(b) Global Operation	1,564	1,536	1,605	1,536
	(c) Others/ Unallocable	1,128	1,194	1,242	1,194
	(d) Inter segment Eliminations	(1,689)	(1,667)	(1,728)	(1,667)
	(e) Total [(a) to (d)]	1,03,007	1,01,438	97,229	1,01,438



Notes:

1. Pursuant to an application filed by Ericsson India Pvt. Ltd before the National Company Law Tribunal, Mumbai Bench ("**NCLT**") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed there under ("**Code**"), the NCLT had admitted the application and ordered the commencement of corporate insolvency resolution process ("**CIRP**") of Reliance Communications Limited ("**Corporate Debtor**", "**the Company**") vide its order dated May 15, 2018. The NCLT had appointed Mr. Pardeep Kumar Sethi as the interim resolution professional for the Corporate Debtor vide its order dated May 18, 2018. The Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") by an order dated May 30, 2018 had stayed the order passed by the Hon'ble NCLT for initiating the CIRP of the Corporate Debtor and allowed the management of the Corporate Debtor to function. In accordance with the order of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi handed over the control and management of the Corporate Debtor back to the erstwhile management of the Corporate Debtor on May 30, 2018. Subsequently, by order dated April 30, 2019, the Hon'ble NCLAT allowed stay on CIRP to be vacated. On the basis of the orders of the Hon'ble NCLAT, Mr. Pardeep Kumar Sethi, wrote to the management of the Corporate Debtor on May 02, 2019 requesting the charge, operations and management of the Corporate Debtor to be handed over back to IRP. Therefore, Mr. Pardeep Kumar Sethi had in his capacity as IRP taken control and custody of the management and operations of the Corporate Debtor from May 02, 2019. Subsequently, the committee of creditors (CoC) of the Corporate Debtor pursuant to its meeting held on May 30, 2019 resolved, with requisite voting share, to replace the existing interim resolution professional, i.e. Mr. Pardeep Kumar Sethi with Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor in accordance with Section 22(2) of the Code. Subsequently, upon application by the CoC in terms of Section 22(3) of the Code, the NCLT appointed Mr. Anish Niranjana Nanavaty as the resolution professional for the Corporate Debtor ("**RP**") vide its order dated June 21, 2019, which was published on June 28, 2019 on the website of the NCLT. Accordingly, the IRP handed over the matters pertaining to the affairs of the Corporate Debtor to the RP as on June 28, 2019 who assumed the powers of the board of directors of the Corporate Debtor and the responsibility of conducting the CIRP of the Corporate Debtor.

Further, pursuant to the meeting of the CoC of the Corporate Debtor dated March 2, 2020, a resolution plan, submitted by a resolution applicant in respect of the Corporate Debtor, has been approved by the committee of creditors. The application under Section 31 of the Code filed by the RP for approval of resolution plan is currently pending adjudication before the NCLT.

With respect to the financial results for the quarter ended June 30, 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;

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- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
 - (iii) The RP, in review of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter ended June 30, 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 financial results.
 - (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
 3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) has been re-commenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries has been confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

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

In the 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

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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 Niranjan 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 (a copy of the report has not been provided to the relevant corporate debtors or their RP/erstwhile RP as it was a report prepared only for the benefit of the lenders). An application has been filed by Reliance Projects and Property Management Services Limited, the successful resolution applicant of RITL before the NCLT, Mumbai Bench seeking inter alia copies of the forensic audit report on the basis of which certain banks have declared the accounts of RITL (and that of the Corporate Debtor and RTL) as “fraud” in terms of the Master Directions on Frauds dated July 01, 2016 issued by the Reserve Bank of India, and other information and documents in respect thereof. RITL has not been arraigned as a party to the said application. The matter 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. On June 22, the NCLAT has granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The matter is currently *sub judice*.

Pursuant to strategic transformation programme, as a part of asset monetization and resolution plan of the Corporate Debtor, the Corporate Debtor and its subsidiary companies; RTL and RITL, with the permission of and on the basis of suggestions of the lenders, had entered into definitive binding agreements with Reliance Jio Infocomm Limited (RJio) for monetization of certain specified assets on December 28, 2017 for sale of Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs). During an earlier year, the said asset sale agreements were terminated by mutual consent on account of various factors and developments including *inter alia* non receipt of consents from lenders and permission/ approvals from Department of Telecommunication.

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On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including 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. The Auditors have drawn qualification in this regard in their Limited Review Report for the quarter ended June 30, 2021.

The Corporate Debtor had filed applications with the DoT for migration of various telecom licenses (UASL, NLD and ILD licenses) to the unified license regime (UL) on October 25, 2020 (17 of which were supposed to expire on July 19, 2021). On June 15, 2021, the DoT has issued a letter to the Corporate Debtor requiring payments of various categories of certain amounts such as 10% of the AGR dues, deferred spectrum instalments falling within the CIRP period, etc. against the telecom licenses, stating such dues to be in the nature of "current dues" and prescribing such payment as a pre-condition to the consideration/processing of the migration applications ("DoT Letter"). On June 25, 2021, the Corporate Debtor has issued a letter to DoT clarifying that the various categories of dues stipulated by the DoT are not in the nature of the "current dues" and are to be resolved within the framework of the Code (being dues that pertain to the period prior to May 7, 2019) and/ or are not payable at present, and requesting that making payments against the said dues should not be mandated as a pre-condition for further processing of the migration applications filed by the Corporate Debtor.

In light of the urgency of the matter, the RP had filed an application before the NCLT praying that the DOT inter alia be restrained from taking any action which may interfere with the continued holding of the telecom spectrum of the Corporate Debtor. The NCLT had adjourned the matter to September 2, 2021.

The RP had thereafter filed a writ petition in the Delhi High Court seeking issuance of an appropriate writ, order or direction in the nature of mandamus directing the DoT to migrate the telecom licenses to UL without the insistence on the payment of the dues set out in DoT Letter. The High Court, on July 19, 2021, passed an interim order that "till the next date, the respondent is directed to not take any coercive action against the petitioner for withdrawal of the telecom spectrum granted to the petitioner in respect of 18 service areas, as also to permit the petitioner to continue providing telecom services in the 18 service areas which are subject matters of the present petition." On July 20, 2021, the writ petition hearing concluded and order was passed by the High Court permitting the withdrawal of the writ petition with direction that the issue on "current dues" should be decided by the NCLT and extending the protection under the July 19 order by further 10 days.

In view of the aforesaid, the NCLT was apprised of the order of the High Court and the NCLT has, as an interim measure, extended the ad interim protection granted by the Delhi High Court until next date of hearing, i.e., August 12, 2021. Further, on August 12, 2021, the NCLT has directed that the interim orders shall continue until the next date of hearing,

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i.e, August 23, 2021. The issue under consideration by the NCLT relates to whether the dues being claimed by DOT in its letter of June 15, 2021 for the purposes of processing the license renewal/ migration applications of the Corporate Debtor are in the nature of “current dues” (within the meaning of the Explanation to Section 14(1) of the Code) and therefore, payable during the CIRP period.

Simultaneously, a petition has been filed before the TDSAT seeking directions for migration of the telecom licenses, in view of the Guidelines for Grant of Unified License dated March 28, 2016 issued by the DOT, not prescribing pre-condition for any payment to be made prior to the migration of the telecom licenses. On August 12, 2021, the TDSAT has, as an ad interim protection, directed the parties to maintain *status quo* until the next date of hearing, i.e, (August 16, 2021).

The matters are currently sub judice before the NCLT and the TDSAT.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the financial results continue to be prepared on going concern basis. It is clarified that RITL is currently under the supervision of a Monitoring Committee. Since the Group continues to incur loss, current liabilities exceed current assets and Group has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Group’s ability to continue as a going concern. The Auditors have drawn qualification in their Limited Review Report for the quarter ended June 30, 2021.

4. Considering various factors including admission of the Corporate Debtor and its three subsidiaries; RTL RITL and RCIL to CIRP under the Code, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP.

Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan were being worked out. The Corporate Debtor and some of its subsidiaries have not provided Interest of Rs. 1,198 crore calculated based on basic rate of interest as per terms of loan for the quarter ended June 30, 2021 and foreign exchange loss aggregating to Rs. 301 crore for the quarter ended June 30, 2021. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 1,499 crore for the quarter ended June 30, 2021. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter ended June 30, 2021. During the previous years, Interest of Rs. 17,108 crore and foreign exchange loss (net) aggregating to Rs.1,963 crore were not provided and the Auditors

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had drawn qualification in their audit reports for the financial years ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021.

- 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, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”.

In this regard it is pertinent to note that the due pertaining to the spectrum (including entire deferred payments) have been claimed by DoT and the same have been admitted by the RP, and accordingly, the dues shall be dealt with in accordance with provisions of the IBC. In accordance with the aforesaid and admission of deferred spectrum installments as claims, the Corporate Debtor and its subsidiary RTL have not paid the installments.

The financial result of discontinued operations is as under:

(Rs in crore)

Particulars	Quarter ended			Year ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
	Unaudited	Audited	Unaudited	Audited
Total Income	259	274	263	1,142
Total Expenses	573	537	493	2,081
Profit/ (Loss) before Exceptional Item tax	(314)	(263)	(230)	(939)
Exceptional Item	(1,288)	(1,242)	(1,116)	(4,713)
Tax	(66)	(4)	(15)	(51)
Profit/ (Loss) after tax	(1,536)	(1,501)	(1,331)	(5,601)

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

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

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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 results of the Corporate Debtor.

7. In case of Four overseas subsidiaries and one domestic subsidiaries, it indicates the existence of material uncertainty due to loss during quarter ended June 30, 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 Limited Review Reports of these subsidiaries. Further, in case of one other overseas subsidiary, the Auditor has given Qualification for Material Uncertainty on Going Concern in the Limited Review reports. The matter has been referred by the auditors in their Limited Review Report.
8. The Hon’ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license

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

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(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 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 Rs. 35,550 crore up to the previous year ended March 31, 2021 and has provided additional charge of Rs. 1,288 crore during the quarter ended June 30, 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). This matter has been referred to by the Auditors in their Limited Review report for the quarter ended June 30, 2021.

9. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on June30, 2021 are secured by way of first pari-passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of Rs. 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
10. The Corporate Debtor and some of its subsidiaries where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Limited Review Report for the quarter ended June 30, 2021.

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11. A Subsidiary of the Corporate Debtor is in the process of reconciliation of unbilled revenue with customers on account of various business parameters and any GST applicable thereon shall be paid upon completion of pending reconciliation and billing thereof. The Auditors have drawn qualification in their Limited Review Report for the quarter ended June 30, 2021.
12. The Corporate Debtor is operating with India Operations, Global Operations and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of Ind AS 108 "Operating Segments".
13. The Corporate Debtor has opted to publish consolidated financial results for the financial year 2021-22. Standalone financial results, for the quarter ended June 30, 2021 can be viewed on the website of the Corporate Debtor, National Stock Exchange of India Limited and BSE Limited at www.rcom.co.in, www.nseindia.com and www.bseindia.com respectively.
14. Additional information on standalone basis is as follows:

(Rs. in crore)

Particulars	Quarter ended			Year ended
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
	Unaudited	Audited	Unaudited	Audited
Total Income	94	102	141	483
Profit/ (Loss) before tax	(79)	(46)	(90)	(252)
Profit/ (Loss) before tax from Discontinued Operations	(1,273)	(1,226)	(1,111)	(4,637)
Total Comprehensive Income/(Loss)	(1,352)	(1,271)	(1,201)	(4,888)

15. During an earlier year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor had written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of Rs. 31.62crore 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 and hence, the auditors have drawn qualification in this regard in their Limited Review Report for the quarter ended June 30, 2021.
16. During the previous year, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had

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been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the quarter, the resolution professional of RTSL has filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial results of RTSL and the consequential impact in the consolidated financial results will be given basis the decision of the NCLT on the application.

17. Provision for Income Tax for the quarter ended June 30, 2021 is based on the estimate for the full financial year.
18. Figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the previous financial year.
19. 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. 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. This matter has been referred to by the Auditors in their Limited Review report for the quarter ended June 30, 2021.

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20. 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 results.

21. During the previous year ended March 31, 2021 and quarter ended June 30, 2021, certain banks had issued show cause notices 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 notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and requested the banks to withdraw the notices. No further response has been received by the banks since then.

During the quarter ended June 30, 2021, a bank has served notice seeking explanation on why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and RTL have responded back to the bank highlighting the prevailing moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 (Code) and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor for classification as fraud. No further response has been received from the bank since then. Since the matter is pending before the banks, presently there is no impact of such notices issued from banks, in the consolidated financial results.

22. 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 results when the Code becomes effective.

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23. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on 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. The Statutory Auditors have done Limited Review of the Consolidated Financial Results for the quarter ended June 30, 2021.

For Reliance Communications Limited

**Anish Niranjan Nanavaty
(Resolution Professional)**

**Viswanath Devaraja Rao
(Executive Director and Chief Financial Officer)**

Place: Mumbai

Date: August 14, 2021

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