

**Globalcom Mobile Commerce Limited**  
**(Formerly Reliance Mobile Commerce Limited)**

**Financial Statements**

**March 31, 2024**



VIPUL P. MEHTA | F.C.A

# V. P. MEHTA & CO.

## CHARTERED ACCOUNTANTS

### Independent Auditor's Report

To the Members of Global Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Global Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)** ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India ("ICAI") together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Information other than standalone financial statements and Auditors report thereon**

The company's Board of Directors are responsible for the other information. The other information comprises of the information included in the management discussion and analysis, Boards report including annexure to Boards Report, Corporate Governance and Shareholders information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained during the course of our audit or otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments



and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on



the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone financial statements dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2014 as amended;
- e) As per the management representation we report,
- no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
  - no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
  - Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.
- f) In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
- g) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.  
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For V. P. Mehta & Co**  
Chartered Accountants  
(Firm Registration No: 0106326W)

  
**Vipul P. Mehta**  
Proprietor  
Membership No: 035722  
UDIN: 24130514BKDLUCU8247



Place: Mumbai  
Date: 29/05/2024

## **Global Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited**

### **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31<sup>st</sup> 2024:

We report that:

#### **i). Property, Plant and Equipment:**

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment, capital work-in progress and relevant details of right-of-use assets.
- b. The Company has maintained proper records showing full particulars of intangible assets.
- c. As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- d. All the properties, plants and equipments and capital work-in progress are held in the name of the Company as at the balance sheet date.
- e. The Company has not revalued its property, plant and equipment (including right to use assets) or Intangible assets or both during the year.
- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

#### **ii). Inventory:**

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy of 10% or more in the aggregate for each class of inventory were noticed was noticed on physical verification of stocks by the management as compared to book records.

During any point of time of the year, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets.

#### **iii). Loans, Guarantee and Advances given:**

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.



**iv). Loans, Guarantee and Advances to Director of Company:**

During the year the company has not provided any loans, guarantees, advances and securities to the director of the company and the company is compliant provisions of section 185 and 186 of the Companies Act, 2013.

**v). Deposits:**

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**vi). Maintenance of costing records:**

As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause(vi) of the order is not applicable to the company.

**vii). Deposit of statutory liabilities:**

- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Gst, Sales-tax, Service Tax, Goods and Service tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March,2024 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there is no amount payable in respect of income tax, gst, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

**viii). Surrendered or disclosed as income in the tax assessments:**

The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

**ix). Default in repayment of borrowings:**

In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company does not have any dues to a financial institution, bank, Government or debenture holders.



**x). Funds raised and utilisation:**

Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

**xi). Fraud and whistle-blower complaints:**

- According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- As informed, the Company has not received any whistle blower complaints during the year and upto the date of this report.

**xii). Nidhi Company:**

The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.

**xiii). Related Party Transactions:**

According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

**xiv). Internal Audit:**

The company does have an internal audit system commensurate with the size and nature of its business. Reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

**xv). Non Cash Transactions:**

The company has not entered into non-cash transactions with directors or persons connected with him and therefore the provisions of section 192 of the Companies Act' 2013 are not applicable to the Company.

**xvi). Registration under RBI act:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



**xvii). Cash Losses:**

The company has not incurred cash losses in the financial year and in the immediately preceding financial year

**xviii). Resignation of Statutory Auditors:**

There has been no instance of any resignation of the statutory auditors occurred during the year.

**xix). Material uncertainty on meeting liabilities:**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**xx). Transfer to fund specified under Schedule VII of Companies Act, 2013**

In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;

**xxi). There is no consolidation of financial statements, accordingly reporting under this clause is not applicable to the company.**

**For V. P. Mehta & Co**  
Chartered Accountants  
(Firm Registration No: 0106326W)

**Vipul P. Mehta**  
Proprietor  
Membership No: 035722  
UDIN: 24130514BKDLUCU8247



Place: Mumbai  
Date: 29/05/2024

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF Global Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Global Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited ("the Company")) as of March 31<sup>st</sup>, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

**For V. P. Mehta & Co**

Chartered Accountants

(Firm Registration No: 0106326W)

  
**Vipul P. Mehta**

Proprietor

Membership No: 035722

UDIN: 24130514BKDLUCU8247



Place: Mumbai

Date: 29/05/2024

**Globalcom Mobile Commerce Limited****Balance Sheet as at March 31, 2024**( ₹ ) in thousand  
As at  
March 31, 2023

Notes

As at  
March 31, 2024**ASSETS****Current Assets**

## (a) Financial Assets

(i) Other Receivables

2.01

32

9

(ii) Cash and Cash Equivalents

2.02

584

616

584

593

**TOTAL**

616

593

**EQUITY AND LIABILITIES****Equity**

(a) Equity Share Capital

2.03

20 000

20 000

(b) Other Equity

2.04

( 22 306)

( 2 306)

( 22 166)

( 2 166)

**Liabilities****Current Liabilities**

(a) Financial Liabilities

Other Financial Liabilities

2.05

2 914

2 750

(b) Other Current Liabilities

2.06

8

9

**TOTAL**

616

593

**Significant Accounting Policies**

1

**Notes to the Financial Statements**

2

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date

**For Priti V Mehta & Co.**

Chartered Accountants

Firm Registration No 129568W

**For and on behalf of the Board****Priti V Mehta**

Proprietor

Membership No. 130514

**Srinivasan Gopalan**

Director

DIN No :- 10573694

**Vineeta P Patel**

Director

DIN No :-07151087

Place : Mumbai

Date : May 29, 2024



**Globalcom Mobile Commerce Limited**

**Statement of Profit and Loss for the year ended March 31, 2024**

	Notes	For the year ended March 31, 2024	(₹) in thousand For the year ended March 31, 2023
<b>I INCOME</b>			
Other Income		-	-
<b>Total Income (I)</b>		-	-
<b>II EXPENDITURE</b>			
General Administration Expenses	2.07	140	80
<b>Total Expenses (II)</b>		140	80
<b>III Loss before Tax (I- II)</b>		( 140)	( 80)
<b>IV Tax expense:</b>			
Current Tax		-	-
Short/ (Excess) provision of earlier years		-	-
<b>V Loss after Tax</b>		( 140)	( 80)
<b>VI Other Comprehensive Income</b>		-	-
<b>VII Total Comprehensive Income / (Loss) during the year</b>		( 140)	( 80)
<b>VIII Earning per share of face value of ₹ 10 each for fully Paid</b>	2.09		
Basic (₹)		(0.00)	(0.00)
Diluted (₹)		(0.00)	(0.00)

**Significant Accounting Policies**

1

**Notes to the Financial Statements**

2

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date

**For Priti V Mehta & Co.**

Chartered Accountants

Firm Registration No 129568W

**For and on behalf of the Board**

**Priti V Mehta**

Partner

Membership No. 130514



**Srinivasan Gopalan**

Director

DIN No :- 10573694

**Vineeta P Patel**

Director

DIN No :-07151087

Place : Mumbai

Date : May 29, 2024



**Globalcom Mobile Commerce Limited**

**Statement of Change in Equity for the year ended March 31, 2024**

( ₹ ) in thousand

**A: Equity**

**For the year ended  
March 31, 2024**

**For the year ended  
March 31, 2023**

<b>Balance at the beginning of the year</b>	<b>20 000</b>	<b>20 000</b>
Change in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>20 000</b>	<b>20 000</b>

**B: Other Equity**

**Surplus/ (Deficit) in Statement of Profit and Loss**

**Particular**

**Retained Earnings**

Balance as at April 01, 2022	( 22 086)
Add : Loss during the year	( 80)
Balance as at March 31, 2023	( 22 166)
Add : Loss during the year	( 140)
<b>Balance as at March 31, 2024</b>	<b>( 22 306)</b>

The accompanying statement of changes in equity should be read in conjunction with the accompanying notes (1-2).

As per our Report of even date

**For Priti V Mehta & Co.**

Chartered Accountants

Firm Registration No 129568W

*pr-mehta*  
**Priti V Mehta**

Partner

Membership No. 130514



**For and on behalf of the Board**

**Srinivasan Gopalan**

Director

DIN No :- 10573694

**Vineeta P Patel**

Director

DIN No :-07151087



Place : Mumbai

Date : May 29, 2024

**Globalcom Mobile Commerce Limited**

**Statement of Cash Flow for the year ended March 31, 2024**

Particulars	For the year ended March 31, 2024	( ₹ ) in thousand For the year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax as per Statement of Profit and Loss	( 140)	( 80)
Operating Profit/(Loss) before Working Capital Changes	( 140)	( 80)
Adjusted for:		
Receivables and Other Advances	( 23)	( 9)
Other Current Liabilities	163	89
<b>Cash (Used in) Operations</b>	<b>140</b>	<b>80</b>
Tax Refund	-	-
Tax Paid	-	-
<b>Net Cash (used in) / Generated from Operating Activities</b>	<b>-</b>	<b>-</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash Generated from Investing Activities	-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	-	-
Opening Balance of Cash and Cash Equivalents	584	584
Closing Balance of Cash and Cash Equivalents (Refer Note 2.01)	584	584

**Note:**

- (1) Figures in brackets indicate cash outgo.
- (2) Cash and cash equivalents includes cash on hand and bank balances including Fixed Deposits with Bank.
- (3) Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standard 7 "Statement of Cash Flow".

The accompanying statement of cash flow should be read in conjunction with the accompanying notes (1-2).

As per our Report of even date

**For Priti V Mehta & Co.**  
Chartered Accountants  
Firm Registration No 129568W

*P. V. Mehta*  
**Priti V Mehta**  
Partner  
Membership No. 130514



**For and on behalf of the Board**

*Srinivasan Gopalan*  
**Srinivasan Gopalan**  
Director  
DIN No :- 10573694

*Vineeta P Patel*  
**Vineeta P Patel**  
Director  
DIN No :- 07151087

Place : Mumbai  
Date : May 29, 2024



# Globalcom Mobile Commerce Limited

## Notes on accounts to the Financial Statements as at March 31, 2024

### Note:1 General Information and Significant Accounting Policies

#### 1.01 General Information

Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited) ("the Company"), is registered under Companies Act 1956, having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710 and wholly owned subsidiary of Reliance Communications Limited.

#### 1.02 Basis of Preparation of Financial Statements

The Financial Statements are prepared under historical cost convention except for certain financial instruments measured at fair value, in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act 2013 ("the Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

#### 1.03 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Critical estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



## Notes on accounts to the Financial Statements as at March 31, 2024

### 1.04 Functional Currency and Presentation Currency

These financials statements are presented in Indian Rupees ( "Rupees" or "₹") which is functional currency of the Company.

### 1.05 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as expense in the year in which they are incurred.

### 1.06 Revenue Recognition and Receivables

i) Revenue is recognised when control over goods or services is transferred to a customer. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

ii) The Company determines whether revenue should be recognised 'over time' or 'at a point in time'.

iii) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition.

### 1.07 Taxation

Provision for income tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income Tax payable / recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of temporary difference between the carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in computation of taxable income. Deferred Tax Liabilities are generally accounted for all taxable temporary differences. The deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. MAT credit is recognised as an asset only if it is probable that the Company will pay normal income tax during the specified period.

### 1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognised but disclosed in the financial statements, when economic inflow is probable.

### 1.09 Earning per Share

In determining Earning per Share, the Company considers the net profit or loss after tax and includes the post tax effect of any extraordinary/ exceptional item. Number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

### 1.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

#### Classification

- (i) The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.
- (ii) In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine fair value include discounted cash flow analysis and available quoted market price. All method of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.



## Notes on accounts to the Financial Statements as at March 31, 2024

### (iii) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### (iv) Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the profit or loss.

### (v) Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in the Statement of Profit and Loss.

### (vi) Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### (vii) Impairment of Financial Assets

In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are Investment in Mutual fund.

### Financial Liabilities

#### (i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### (ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables.

#### (iii) Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind - AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

#### (iv) Loans and Borrowings

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### (v) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### (vi) Derivative Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



## **Notes on accounts to the Financial Statements as at March 31, 2024**

### **1.11 Measurement of Fair value of financial instruments**

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred (Note 2.14) for information on detailed disclosures pertaining to the measurement of fair values.

### **1.12 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**Globalcom Mobile Commerce Limited**
**Notes on accounts to the Financial Statements as at March 31, 2024**

	As at March 31, 2024	( ₹ ) in thousand As at March 31, 2023
<b>2.01 Other Receivables</b>		
GST Recoverable	32	9
	<u>32</u>	<u>9</u>
<b>2.02 Cash and Cash Equivalents</b>		
Balance with Banks	584	584
	<u>584</u>	<u>584</u>

2.02.1 Other receivable represents GST input credit which shall be utilized against GST liabilities arises in future.

**2.03 Equity Share Capital**
**Authorised**

20 00 000 (20 00 000) Equity Shares of ₹ 10 each	20 000	20 000
	<u>20 000</u>	<u>20 000</u>

**Issued, Subscribed and Paid up**

20 00 000 (20 00 000) Equity Shares of ₹ 10 each fully paid up	20 000	20 000
	<u>20 000</u>	<u>20 000</u>

**2.03.01 Equity Shares held by Promoters**

	No. of Shares	% of Total Shares	% Change during the year
Reliance Communications Limited, the Holding Company & its nominees.	20,00,000 (20,00,000)	100% (100%)	Nil (Nil)

As at  
March 31, 2024

As at  
March 31, 2023

**2.03.02 Shares held by Holding Company**

	No. of Shares	%	No. of Shares	%
Reliance Communications Limited, the Holding Company & its nominees.	50 000	100%	20,00,000	100%

**Equity Shares**

a) All the 20 00 000 shares are held by Reliance Communications Limited, the Holding Company & its nominees.

	As at March 31, 2024	As at March 31, 2023
	No. of Shares	No. of Shares
	( ₹ ) in thousand	( ₹ ) in thousand
<b>b) Equity Shares</b>		
At the beginning of the year	20 00 000	20 00 000
Add/(Less): Changes during the year	-	-
	<u>20 00 000</u>	<u>20 00 000</u>

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after the distribution of all the preferential amounts, in proportion to their shareholdings.

As at  
March 31, 2024

As at  
March 31, 2023

**2.04 Other Equity**
**Surplus/(Deficit) in the Statement of Profit and Loss**

As per last Balance Sheet	( 22 166)	( 22 086)
Add: Loss during the year	( 140)	( 80)
Closing Balance	<u>( 22 306)</u>	<u>( 22 166)</u>

**2.05 Other Financial Liabilities**

Provision for Expenses	70	70
Other Payables	67	34
Payable to Related Parties ( Refer Note 2.13)	2 777	2 646
	<u>2 914</u>	<u>2 750</u>

**2.06 Other Current Liabilities**

GST Payable	5	9
TDS Payable	3	-
	<u>8</u>	<u>9</u>



## Notes on accounts to the Financial Statements as at March 31, 2024

		( ₹ ) in thousand
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>2.07 General administration Expenses</b>		
Professional Fees	-	16
Payment to Auditors - Audit Fees	14	14
Interest on TDS	1	-
Director's Sitting Fees	125	50
	<u>140</u>	<u>80</u>

**2.08** The figures for the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in ₹, except as otherwise stated.

**2.09 Earnings per Share (EPS)**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Numerator - Profit after tax ( ₹ )	( 140 )	( 80 )
Denominator - Weighted number of equity shares	20 00 000	20 00 000
Basic as well as diluted, earning per equity share ( ₹ )	(0.00)	(0.00)

**2.10 Deferred Tax Assets (net)**

10 Deferred Tax Assets (net)		( ₹ ) in thousand	
		As at March 31, 2024	As at March 31, 2023
(i) Deferred Tax Assets			
Related to Carried forward Loss		-	-
		-	-

Significant management judgement considered in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. The Company on a conservative basis has restricted deferred tax asset to Nil.

**(a) Amounts recognised in profit and loss**

	For the year ended March 31, 2024	For the year ended March 31, 2022
Current income tax	-	-
Short Provision pertaining to earlier year	-	-
<b>Tax expense for the year</b>	<u>-</u>	<u>-</u>

**(b) Amounts recognised in other comprehensive income - Rs. Nil****(c) Reconciliation of Tax Expenses**

Loss before Tax	( 140 )	( 80 )
Applicable Tax Rate	26.00%	26.00%
<b>Computed Tax Expenses (I)</b>	<b>( 36 )</b>	<b>( 21 )</b>
Add: Tax on Expenses disallowed under Income Tax Act	36	21
	<u>-</u>	<u>-</u>



**Notes on accounts to the Financial Statements as at March 31, 2024****2.11 Segment Reporting**

There are no reportable Segments as per Ind AS-108 "Operating segment" issued by the Institute of Chartered Accountants of India.

**2.12 Going Concern**

The Accounts have been prepared on a 'Going concern basis' as the Company has been able to meet its obligations in the ordinary course of business and considering the assurance of the financial support extended by the other body corporate.

**2.13 Post Reporting Events**

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

**2.14 Related Parties :**

As per Indian Accounting Standard ("Ind AS")-24 of "Related Party Disclosures", the disclosures, the disclosure of transactions with the related parties as defined therein are given below:

a) Name of the Related Party	Relationship
i Reliance Communications Limited	Holding Company
ii Reliance Communications Infrastructure Limited	Fellow Subsidiary Company
iii Globalcomm IDC Limited	Fellow Subsidiary Company
iv Reliance Comm Tamil Nadu Ltd	Fellow Subsidiary Company
v Reliance Infra Projects Ltd	Fellow Subsidiary Company
vi Reliance Realty Ltd (TFIL)	Fellow Subsidiary Company

**b) Transactions during the year with related parties :**

(₹) in thousand

Sr. No.	Nature of Transactions	Fellow Subsidiary Company	Total
1	Other Financial Liabilities	2 778 -( 2 646)	2 778 -( 2 646)

**c) Details of Material Transaction with Related Party**

(₹) in thousand

Particulars	March 31, 2024	March 31, 2023
<b>Transaction during the year</b>		
<u>Reimbursement of expenses (net)</u>		
Globalcom IDC Limited	-	46
Reliance Comm Tamil Nadu Ltd	-	9
Reliance Infra Projects Ltd	-	14
Reliance Realty Ltd (TFIL)	132	11
<b>Balance Sheet (Closing Balance)</b>		
<u>Other Financial Liabilities</u>		
Reliance Communications Infrastructure Limited	2 504	2 504
Globalcom IDC Limited	108	108
Reliance Comm Tamil Nadu Ltd	9	9
Reliance Infra Projects Ltd	14	14
Reliance Realty Ltd (TFIL)	143	11

**Note : 2.15****1 Financial Instruments**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans approximate their carrying amounts largely due to the short term maturities of these instruments

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying value and fair value of the financial instruments by categories were as follows:



Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents (Refer Note 2.01)	584	584
Financial assets at fair value through Profit and Loss/ other Comprehensive Income:	Nil	Nil
Investments	Nil	Nil
<b>Financial liabilities at amortised cost:</b>		
Borrowings	Nil	Nil
Other Financial Liabilities	2 914	2 750
Financial liabilities at fair value through Statement of Profit and Loss/ other Comprehensive Income:	Nil	Nil

**2 Financial Risk Management Objectives and Policies**

The Company does not have any activity during the year and therefore no financial risks like market risk, credit risk and liquidity risk.

**Note : 2.16****Capital Management**

Capital of the Company, for the purpose of capital management, include issued equity capital and all other equity

**Note : 2.17****Accounting Ratio**

Name of the Ratio	Numerator	Denominator	2023-24	2022-23	% Variance #
Current Ratio (in times)	Current Assets	Current Liabilities	0.2004	0.2125	(0.056)%

The Company does not have business operations, Turnover, Inventory, Purchases and also having negative Net worth, during the year and previous year. Accordingly, ratios (i.e. Debt-Equity Debt Service coverage, Return on equity, Inventory turnover, Trade receivable turnover, Trade payable turnover, Net capital turnover, Net profit, Return on capital employed and Return on investment) are not applicable.

# There is no significant change (i.e. more then 25%) in the above mentioned ratios during the year in comparison to Previous year.

**Note : 2.18****Authorisation of Financial Statements**

The financial statements for the year ended March 31, 2024 are approved by the Board of Directors on May 29, 2024.

As per our Report of even date

**For Priti V Mehta & Co.**

Chartered Accountants

Firm Registration No 129568W

**Priti V Mehta**

Partner

Membership No. 130514

**For and on behalf of the Board**

**Srinivasan Gopalan**

Director

DIN No :- 10573694

**Vineeta P Patel**

Director

DIN No :-07151087

Place : Mumbai

Date : May 29, 2024



**Globalcom Realty Limited**

**Financial Statements**

**March 31, 2024**



# PRITI V. MEHTA & COMPANY

## CHARTERED ACCOUNTANTS

### Independent Auditor's Report

To the Members of Globalcom Realty Limited

(Formerly Reliance Infra Realty Limited)

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)** ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, *financial* performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, *or* has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matter that may be reasonably be thought to bear on our independence, and where applicable, related safe guards.

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- b. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. As per the management representation we report,
- no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like or behalf of ultimate beneficiaries.
  - no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
  - Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contains any material mis-statement.
- f. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :In our opinion and to the best of our information and according to the explanations given to us, during the year the remuneration is not paid by the Company to its directors.
- i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- j. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2024



- ii. If the Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2024 for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
- iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

For Priti V Mehta & Company  
Chartered Accountants  
Firm Regn.No. 129568W

*P.V. mehta*

Priti V. Mehta  
(Proprietor)  
M No.130514

UDIN: 24130514BKDLN1049



Place: Mumbai  
Date: 28/05/2024

**Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)**  
**Annexure A to Independent Auditor's Report - 31<sup>st</sup> March 2024**

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of **Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)** ('the Company') on the financial statements for the year ended March 31, 2024, we report the following:  
We report that

- i). (a) The company does not have fixed assets as on 31st March 2024. Accordingly paragraphs 1(a), (b) and (c) of the orders are not applicable to the company.
- (b) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) The Company does not have inventories at the end of financial year. Accordingly clause ii (a) of paragraph 3 of the orders are not applicable to the company.
- ii) (b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits from banks or financial institutions on the basis of security of current assets has been taken by the Company. Therefore, the reporting requirements under clause ii (b) of paragraph 3 of the Order is not applicable to the Company.
- iii). According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv). During the year the company has not provided any loans, guarantees, advances and securities to the director of the company and the company is compliant provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, Paragraph of the Order is not applicable to the Company.
- v). The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi). As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii). According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service tax (GST), Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2024 for a period of more than six months from the date they became payable.



Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)  
Annexure A to Independent Auditor's Report - 31<sup>st</sup> March 2024

- According to the information and explanations given to us, there is no amount payable in respect of Income tax, GST, Service tax, Sales tax, Customs duty, Excise duty, Value added tax and Cess whichever applicable, which have not been deposited on account of any disputes.
- viii). The Company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix). In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company does not have any dues to a financial institution, bank, Government or debenture holders.
- x). Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xi). (a) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii). The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii). According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv). The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- xv). The company has not entered into noncash transactions with directors or persons connected with him.
- xvi). (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)  
Annexure A to Independent Auditor's Report - 31st March 2024

- (b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii). The company has not incurred cash losses in the financial year and in the immediately preceding financial year
- xviii). There has been no instance of any resignation of the statutory auditors occurred during
- xix). No material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date.
- xx). There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.
- xxi). The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

For Priti V Mehta & Company  
Chartered Accountants  
Firm Regn. No. 129568W

*p.v.mehta*

Priti V. Mehta  
(Proprietor)  
M No. : 130514  
UIN: 24130514BKDLN1049

Place: Mumbai  
Date: 28/05/2024



## Annexure B to Independent Auditor's Report - 31<sup>st</sup> March 2024 on the Financial Statements of Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Globalcom Realty Limited (Formerly Reliance Infra Realty Limited) ('the Company') as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Annexure B to Independent Auditor's Report-31<sup>st</sup> March 2024 on the Financial Statements of Globalcom Realty Limited (Formerly Reliance Infra Realty Limited)

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".

For Priti V. Mehta & Company

Chartered Accountants

Firm Regn. No. : 129568W

*p.v.mehta*

Priti V. Mehta (Proprietor)

M.No.130514



Place: Mumbai

Date: 28-05-2024

UDIN: 24130514BKDLN1049

---

# Globalcom Realty Limited

Balance Sheet as at March 31, 2024

	Note	As at March 31, 2024	(₹) in thousand As at March 31, 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
(a) Financial Assets			
(i) Other Receivables	2.01	32	9
(ii) Cash and Cash Equivalents	2.02	409	409
<b>Total Assets</b>		<b>441</b>	<b>418</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	2.03	500	500
(b) Other Equity	2.04	( 513)	( 369)
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Other Current Liabilities	2.05	455	131
<b>Total Equity and Liabilities</b>		<b>441</b>	<b>418</b>
<b>Significant Accounting Policies</b>			
Notes on Accounts	1		
	2		

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date  
For Priti V Mehta & Co.  
Chartered Accountants  
Firm Registration No 129568W

p.v.mehta

Priti V Mehta  
Proprietor  
Membership No. 130514

Place : Mumbai  
Date : May 28, 2024



For and on behalf of the Board

Vijay V Ahuja  
DIN: 08717328

Vineeta P Patel  
DIN: 07151087

} Directors



**Globalcom Realty Limited****Statement of Profit and Loss for the year ended March 31, 2024**

	Note	For the year ended March 31, 2024	(₹) in thousand For the year ended March 31, 2023
<b>INCOME</b>			
I Other Income		-	-
<b>II Total Income</b>		<u>-</u>	<u>-</u>
<b>III EXPENSES</b>			
General and Administration Expenses	2.05	144	74
<b>IV Total Expenses</b>		<u>144</u>	<u>74</u>
<b>V Profit (Loss) Before Tax (II -IV)</b>		<u>( 144)</u>	<u>( 74)</u>
<b>VI Tax expense:</b>			
- Current Tax		-	-
<b>VII Profit After Tax</b>		<u>( 144)</u>	<u>( 74)</u>
<b>Earning per Share of face value of ₹ 10 each fully paid up</b>			
Basic and Diluted ( ₹)	2.09	(0.00)	(0.00)

**Significant Accounting Policies**  
**Notes on Accounts**

1  
2

Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date  
**For Priti V Mehta & Co.**  
Chartered Accountants  
Firm Registration No 129568W

*p.v.mehta*

**Priti V Mehta**  
Proprietor  
Membership No. 130514

Place : Mumbai  
Date : May 28, 2024



**For and on Behalf of the Board**

*[Signature]*  
Vijay V Ahuja  
DIN: 08717328

*[Signature]*  
Vineeta P Patel  
DIN: 07151087

}  
}  
}  
} **Directors**  
}  
}



# Globalcom Realty Limited

## Statement of Change in Equity for the year ended March 31, 2024

( ₹ ) in thousand

### A Equity ( Refer Note.2.02 )

Balance at April 1, 2022

500

Change in equity share capital during the year

-

Balance at March 31, 2023

500

Change in equity share capital during the year

-

Balance at March 31, 2024

500

### B Other Equity ( Refer Note.2.03 )

#### Particular

#### Retained Earnings

Balance at April 1, 2022

( 295 )

Add : (Loss) for the year

( 74 )

Balance at March 31, 2023

( 369 )

Add : (Loss) during the year

( 144 )

Balance at March 31, 2024

( 513 )

As per our Report of even date

For Priti V Mehta & Co.

Chartered Accountants

Firm Registration No 129568W

For and on Behalf of the Board



Vijay V Ahuja  
DIN: 08717328



Vineeta P Patel  
DIN: 07151087

}  
}  
} Directors  
}  
}  
}

p.v.mehta

Priti V Mehta

Proprietor

Membership No. 130514



Place : Mumbai

Date : May 28, 2024



# Globalcom Realty Limited

## Statement of Cash Flow for the year ended March 31, 2024

	For the year ended March 31, 2024	( ₹ ) in thousand For the year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	( 144 )	( 74 )
Adjusted for:		
Write back of Provision for Liabilities no longer required	-	-
<b>Operating Profit/(Loss) before Working Capital Changes</b>	( 144 )	( 74 )
Adjusted for:		
Receivables and other Advances	( 23 )	( 9 )
Trade Payable and Other Liabilities	167	83
<b>Cash Used in Operations</b>	144	74
Tax Paid	-	( )
<b>Net Cash from/(Used In) Operating Activities</b>	-	( )
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash from / (Used in) Investing Activities	-	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash from Financing Activities	-	-
<b>Net Increase / Decrease in Cash and Cash Equivalents</b>	-	( )
Opening Balance of Cash and Cash Equivalents	409	409
<b>Closing Balance of Cash and Cash Equivalents (Refer Note 2.01)</b>	409	409

### Note:

- (1) Figures in brackets indicate cash outgo.
- (2) Cash and cash equivalents includes cash on hand and bank balances including Fixed Deposits.
- (3) Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standards 7 "Statement of Cash flow".

As per our Report of even date

For Priti V Mehta & Co.  
Chartered Accountants  
Firm Registration No 129568W

P.V. mehta

Priti V Mehta  
Proprietor  
Membership No. 130514



For and on Behalf of the Board

Vijay V Ahuja

DIN: 08717328

Vineeta P Patel

DIN: 07151087

}  
}  
} Directors  
}  
}  
}



Place : Mumbai  
Date : May 28, 2024

## Globalcom Realty Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Note: 1

#### General Information and Significant Accounting Policies

##### 1.01 General Information

Globalcom Realty Limited ("the Company"), is registered under Companies Act 1956 and having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710. The Company is wholly owned subsidiary of Reliance Communications Infrastructure Limited ("RCIL" or "the Holding Company").

##### 1.02 Basis of Preparation of Financial Statements

The Financial Statements are prepared under historical cost convention except for certain financial instruments measured at fair value, in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

##### 1.03 Recent Accounting Developments

###### Standards issued but not yet effective:

Recent pronouncements relating to Ind AS 116 "Leases", Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" issued by the Ministry of Corporate Affairs (the MCA), Government of India (GoI), applicable with effect from April 1, 2019, does not have any impact on Financial Statements of the Company.

##### 1.04 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

###### Critical estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise.

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



## Globalcom Realty Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### 1.05 Functional Currency and Presentation Currency

These financials statements are presented in Indian Rupees ( "Rupees" or "₹") which is functional currency of the Company.

#### 1.06 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as expense in the year in which they are incurred.

#### 1.07 Revenue Recognition and Receivables

i) Revenue is recognised when control over goods or services is transferred to a customer. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. – with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.

ii) The Company determines whether revenue should be recognised 'over time' or 'at a point in time'.

iii) Interest income on investment is recognised on time proportion basis. Interest income is accounted using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial assets to that asset's net carrying amount on initial recognition.

#### 1.08 Taxation

Provision for income tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income Tax payable / recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of temporary difference between the carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in computation of taxable income. Deferred Tax Liabilities are generally accounted for all taxable temporary differences. The deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. MAT credit is recognised as an asset only if it is probable that the Company will pay normal income tax during the specified period.

#### 1.09 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognised but disclosed in the financial statements, when economic inflow is probable.

#### 1.10 Earning per Share

In determining Earning per Share, the Company considers the net profit or loss after tax and includes the post tax effect of any extraordinary/ exceptional item. Number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.



## Globalcom Realty Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### 1.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial Assets

###### Classification

- (i) The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.
- (ii) In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine fair value include discounted cash flow analysis, available quoted market price. All method of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.
- (iii) **Initial recognition and measurement**  
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
- (iv) **Financial Assets measured at amortised cost:**  
Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the profit or loss.
- (v) **Financial Assets measured at fair value through profit or loss (FVTPL):**  
Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in the Statement of Profit and Loss.
- (vi) **Investment in Mutual Funds:**  
A Mutual fund is measured at amortised cost or at FVTPL with all changes recognised in the Statement of Profit and Loss.
- (vii) **Derecognition of Financial Assets**  
A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.
- (viii) **Impairment of Financial Assets**  
In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are Investment in Mutual fund.

##### Financial Liabilities

- (i) **Classification**  
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- (ii) **Initial recognition and measurement**  
All financial liabilities are recognised initially at fair value, in the case of payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables.
- (iii) **Subsequent measurement**  
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind - AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.



## **Globalcom Realty Limited**

### **Notes on Accounts to Financial Statements as at March 31, 2024**

#### **(iv) Loans and Borrowings**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### **(v) Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **(vi) Derivative Financial Instrument and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



# Globalcom Realty Limited

## Notes on Accounts to Financial Statements as at March 31, 2024

( ₹ ) in thousand

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Note 2.01 Other Receivables</b>		
GST Recoverable	32	9
	<u>32</u>	<u>9</u>
<b>Note 2.02 Cash And Cash Equivalents</b>		
Balances with Banks- In current account	409	409
	<u>409</u>	<u>409</u>
<b>Note 2.03 Equity Share Capital</b>		
<b>Authorised</b>		
50 000 Equity Shares of ₹ 10 each (50 000)	500	500
	<u>500</u>	<u>500</u>
<b>Issued, Subscribed and Paid up</b>		
50 000 Equity Shares of ₹ 10 each fully paid up (50 000)	500	500
	<u>500</u>	<u>500</u>

### a) Equity Shares held by Promoters

Particulars	No. of Shares	% of Total Shares	% Change during the year
Reliance Communication Infrastructure Ltd and its nominees	50 000 (50 000)	100% (100%)	Nil (Nil)

### b) Shares held by Holding Company

Particulars	No. of Shares	%	No. of Shares	%
Reliance Communication Infrastructure Ltd and its nominees	50 000	100%	50 000	100%

### c) Details of Shareholders holding more than 5% shares in the Company

Particulars	No. of Shares	%	No. of Shares	%
Reliance Communication Infrastructure Ltd and its nominees	50 000	100%	50 000	100%

### d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No of Shares	( ₹ ) in thousand	No of Shares	( ₹ ) in thousand
<b>Equity Shares</b>				
At the beginning of the year	50 000	500	50 000	500
Add/ (Less) : Changes during the period	-	-	-	-
At the end of the period	<u>50 000</u>	<u>500</u>	<u>50 000</u>	<u>500</u>

### e) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the numbers of equity shares held by the shareholder.



**Globalcom Realty Limited****Notes on Accounts to Financial Statements as at March 31, 2024**

( ₹ ) in thousand

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Note 2.04 Other Equity</b>		
Balance carried from last balance sheet		
Add : Profit / (Loss) during the year	( 369)	( 295)
	( 144)	( 74)
<b>Balance at the end of the year</b>	<b>( 513)</b>	<b>( 369)</b>

**Note 2.05 Other Current Liabilities**

Audit Fees Payable	15	14
GST Payable	7	10
TDS Payable	4	-
Other payable	94	32
Other payable Related Party (Ref Note.2.15)	335	232
	<b>455</b>	<b>288</b>

( ₹ ) in thousand

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Note 2.06 Other Expenses</b>		
Audit Fees	14	12
Rates & Taxes	4	-
Professional Fees	-	10
Director's Sitting Fees	125	50
Interest on TDS	1	2
	<b>144</b>	<b>74</b>



## Globalcom Realty Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Note 2.07 Previous Year

The figures for the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees, except as otherwise stated.

#### Note : 2.08

##### 1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans approximate their carrying amounts largely due to the short term maturities of these instruments

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying value and fair value of the financial instruments by categories were as follows:

Particulars	( ₹ ) in thousand	
	As at March 31, 2024	As at March 31, 2023
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents (Refer Note 2.	409	409
Financial assets at fair value through Profit and Loss/ other Comprehensive Income:	Nil	Nil
Financial liabilities at amortised cost:	Nil	Nil
Financial liabilities at fair value through Statement of Profit and Loss/ other Comprehensive Income:	Nil	Nil

##### 2 Financial Risk Management Objectives and Policies

Activities of the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings to manage its operation and the financial assets include cash and bank balances, other receivables etc. arising from its operation.

##### Financial risk management

##### Market risk

The Company operates in India only. Market Risk is the risk that changes in market prices such as interest rates will affect income or value of its holding financial assets/ instruments.

##### Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

##### Exposure to interest rate risk

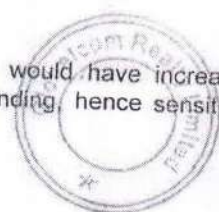
The Company does not have Interest rate risk as there is no interest bearing liability  
The Company does not have interest bearing financial instruments.

##### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss. However, as there is no financial instruments outstanding, hence sensitivity analysis not computed.



## Globalcom Realty Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Derivative financial instruments

The Company does not hold derivative financial instruments

#### Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The Company does not have exposure to the credit risk at the reporting date.

#### Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company does not have any contractual maturities of financial liabilities.

### Note 2.09 Earning per share :

( ₹ ) in thousand

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Numerator - Profit /(Loss) after tax (₹)	( 144 )	( 74 )
Denominator - Weighted number of equity shares	50 000	50 000
Basic as well as Diluted, earning per equity share (₹)	(0.00)	(0.00)

### Note 2.10 Segment Reporting

The Company is not having any reportable segment as per Indian Accounting Standard ("Ind AS") 108 - 'Operating Segment'

### Note 2.11 Deferred Tax

The Company does not have any items on which deferred tax should be recognised.

### Note 2.12 Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value. The funding requirement is met through a mixture of equity, internal accruals and borrowings which the Company monitors on regular basis.

### Note 2.13 Accounting Ratio

Name of the Ratio	Numerator	Denominator	2023-24	2022-23	% Variance #
Current Ratio (in times)	Current Assets	Current Liabilities	0.8999	1.4245	(0.3674)%

The Company does not have business operations, Turnover, Inventory, Purchases and also having negative Net worth, during the year and previous year. Accordingly, ratios (i.e. Debt-Equity Debt Service coverage, Return on equity, Inventory turnover, Trade receivable turnover, Trade payable turnover, Net capital turnover, Net profit, Return on capital employed and Return on investment) are not applicable.

# There is no significant change (i.e. more than 25%) in the above mentioned ratios during the year in comparison to Previous year.

### Note 2.14 Post Reporting Events

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

### Note 2.15 Related Parties:

As per Indian Accounting Standard ("Ind AS")-24 of "Related Party Disclosures", the disclosures, the disclosure of transactions with the related parties as defined therein are given below:

#### A. List of related parties and relationships :

1. Reliance Communications Infrastructure Limited (RCIL)
2. Reliance IDC Limited (RIDC)
3. Reliance Comm Tamil Nadu imited (RCTNL)
4. Reliance Infra Projects Limited (RIPL)
5. Reliance Realty Limited (TFIL)

#### B. Transactions during the year with Related Parties and closing balances.

(Figures relating to current year are reflected in Bold, relating to previous year are reflected in brackets)

Holding Company  
Holding Company  
Fellow Subsidiary  
Fellow Subsidiary  
Fellow Subsidiary



# Globalcom Realty Limited

## Notes on Accounts to Financial Statements as at March 31, 2024

( ₹ ) in thousand

Sr. Nature of Transactions		Fellow Subsidiary	Holding Company
Equity Shares			
01.	Reliance Communication Infrastructure Ltd		
	Balance as at April 1, 2023		500 ( 500)
	Shares issued during the period		- (-)
	Balance as at March 31, 2024		500 ( 500)
Other Payables			
02.	Reliance IDC Limited		
	Balance as at April 1, 2023	198 ( 150)	
	Acquired during the period	- ( 48)	
	Balance as at March 31, 2024	198 ( 198)	
03.	Fellow Subsidiary	RCTNL + RIPL + TFIL	
	Balance as at April 1, 2023	35 (-)	
	Acquired during the period	103 ( 35)	
	Balance as at March 31, 2024	138 ( 35)	

### Note 2.16 Authorisation of Financial Statements

The financial statements for the year ended March 31, 2024 are approved by the Board of Directors on May 28, 2024.

As per our Report of even date  
For Priti V Mehta & Co.  
Chartered Accountants  
Firm Registration No 129568W

P.V. mehta

Priti V Mehta  
Proprietor  
Membership No. 130514

Place : Mumbai  
Date : May 28, 2024



For and on Behalf of the Board

Vijay V Ahuja  
DIN: 08717328

Vineeta P Patel  
DIN: 07151087



}  
}  
}  
} Directors  
}  
}

**Reliance Telecom Limited**  
**Financial Statements**

**2023-24**

**March 31, 2024**

---

**Independent Auditors' Report**

**To the Members of Reliance Telecom Limited**

**Report on the Audit of the Financial Statements**

**Corporate Insolvency Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)**

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational/financial creditor against Reliance Telecom Limited, Reliance Communications Limited ("the Holding Company"), Reliance Infratel Limited (ceased w.e.f December 22, 2022) and Reliance Communication Infrastructure Limited ("the Fellow Subsidiaries") and appointed Resolution Professional who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

**Qualified Opinion**

We have audited the financial statements of **Reliance Telecom Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive loss), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss (including other comprehensive loss) and the statement of changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- a) We draw attention to Note no. 2.06 & 2.21 of the financial statements on "Assets Held for Sale (AHS)" regarding Spectrum acquired on deferred payment basis classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non-payment of spectrum instalments due to Department of Telecommunication (DoT). Non determination of fair value of spectrum as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the year ended March 31, 2024.
- b) We draw attention to Note no. 2.18.01 of the financial statements regarding admission of the Company 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 & disclosure thereof pending reconciliation and determination of final obligation.



The Company accordingly has not provided interest on borrowings amounting to Rs. 20,709 lakh for the year ended March 31, 2024 & Rs. 1,17,218 lakh up to previous financial year calculated based on the basic rate of interest as per the terms of the loan. The Company further has not provided foreign exchange loss amounting to Rs. 2,541 lakh for the year ended March 31, 2024 & foreign exchange loss of Rs. 34,969 lakh up to previous financial year, resulting in understatement of loss by the said amounts. The Company has also not provided premium payable on maturity of preference shares amounting to Rs. 40,500 lakh as at March 31, 2024 and Rs. 40,500 lakh as at March 31, 2023. Had such interest and foreign exchange variation as mentioned above been provided, the reported loss for the year ended March 31, 2024 would have been higher by Rs. 23,250 lakh and Net worth of the Company would have been lower by Rs. 2,15,937 lakh and Rs. 1,92,687 lakh as on March 31, 2024 and as on March 31, 2023 respectively. Non provision of interest and premium payable on maturity and non-recognition of foreign exchange variation (gain)/ loss is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

- c) We draw attention to Note no. 2.21 of the financial statements, regarding pending comprehensive review of carrying amount of all assets (including receivables, investments and balances lying under Goods & Service Tax) & liabilities and non provision for impairment of carrying value of the assets and write back of liabilities if any, pending completion of the CIRP and various irregularities reported by the forensic auditor M/s BDO India LLP, appointed by one of the lenders, in their forensic audit report for the period from April 01, 2013 to March 31, 2017 as communicated by certain banks. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the year ended March 31, 2024. Non determination of fair value of financial assets & liabilities and impairment in carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
- d) We draw attention to Note no. 2.26 of the financial statements, regarding non adoption of Ind AS 116 "Leases" effective from April 01, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Ind AS 116.
- e) We draw attention to Note no. 2.21 of the financial statements, regarding continuous losses incurred by the Company, current liabilities exceeding its current assets, default in repayment of borrowings, default in payment of regulatory and statutory dues and pending application of renewal of a Telecom License. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the financial statements, in view of ongoing CIRP, the outcome of which cannot be presently ascertained.

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



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

### Emphasis of Matter Paragraph

We draw attention to Note no 2.25 of the financial statements, regarding provision of license fee and spectrum usage charges based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof.

Our opinion on the financial statement is not modified in respect of above matters.

### Key Audit Matters

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

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Valuation and disclosure of accrual estimates for legal claims, litigations, regulatory matters and contingencies and deposits against the same legal matters including provision of license fee and spectrum usage charges, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019</b>	
The Company is involved as a party in legal proceedings, including regulatory and other governmental proceedings. The Company has also deposited substantial amounts with regulatory authorities against the demands in dispute, which has been classified as deposit.	Our audit procedures included, amongst others, testing the effectiveness of the Company's internal controls around the identification and evaluation of claims/provisions, proceedings and investigations at different levels in the Company, and the recording and continuous re-assessment of the related (contingent) liabilities and provisions and disclosures.
This area is significant to our audit, since the accounting and disclosure for (contingent) legal liabilities is complex and judgmental (due to the	We inquired with both internal legal staff including Resolution Professional (RP) as well as with the Company's financial staff in respect of ongoing



Key Audit Matter	How our audit addressed the Key Audit Matter
difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts Involved are, or can be, material to the financial statements as a whole. Further reference is made to Note no. 2.23 Contingent liabilities and note no. 2.25 on provision of Licence fees and Spectrum Usage Charges.	<p>investigations or claims, proceedings and investigations, inspected relevant correspondence, inspected the minutes of the meetings of the Audit Committee and requested a confirmation from the group's in-house responsible officials and RP. Also the Company has obtained legal opinions in past against these disputes. For claims settled during the year, we vouched the payments, as appropriate, and read the related orders to verify whether the settlements were properly accounted for.</p> <p>We also assessed the adequacy of the Company's disclosure around legal claims, litigations, regulatory matters and contingencies as included in Note no. 2.23 Contingent liabilities.</p> <p>We consider management's conclusion on the predicted outcome and estimation of potential impact reasonable and we assessed that the disclosures in Note no. 2.23, Contingent liabilities are reasonable.</p>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The financial Statements, which is the responsibility of the Company's Management is relied upon by the Resolution Professional based on the assistance provided by the Directors and taken on record by the Resolution Professional as fully described in Note 2.41 of financial Statements.

The Company's Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.



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

In preparing the financial statements, management/Resolution Professional is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management/Resolution Professional either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management/Resolution Professional is also responsible for overseeing the Company's financial reporting process read together with Note no. 2.40 of the financial statements.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Board of Directors and Resolution Professional use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### Other Matters

Pursuant to 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 Telecom Limited ("the Company"), vide its orders dated May 15, 2018. The NCLT had appointed the interim resolution professional of the Company vide its orders dated May 18, 2018. Thereafter, the committee of creditors ("CoC") of the Company, 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 Professional with the Resolution Professional ("RP") for the Company, 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).

The financial statements of the Company should be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it should be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the financial statements. As mentioned in Note No 2.40 of the financial statements, in view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statements on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) Except for the matters stated in Basis for qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the possible effects of the matters described in the Basis of Qualified opinion paragraph above and matter stated in paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, and the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 as amended, except requirements of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations", Ind AS 23 "Borrowing Cost", Ind AS 21 "Effects of Changes in foreign exchange rates", Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Ind AS 116 "Leases", with regard to matters described in the Basis of Qualified Opinion paragraph above.
  - (e) The matters described under the basis for qualified opinion paragraph above and Qualified Opinion paragraph of "Annexure B" to this report in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in financial statements of the Company;
  - (f) On the basis of the written representations received from three directors of the Company as on March 31, 2024 taken on record by the Board of Directors, these three directors are not disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act. Further as mentioned in Note 2.39 of the financial statements one of the director of the Company has resigned from the position of director, however his resignation has not been accepted for the reason stated in the said note and Company has not received declaration from this director in this regard, accordingly we are unable to comment whether this director is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and paragraph 2(b) on reporting under section 143(3)(b) of the Act above and paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).



- (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid/ provided by the Company to its directors during the year.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There are no amounts, which are required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, as stated in note no. 2.40, no audit trail has been enabled at the database level for any direct changes in database in accounting software SAP for the year ended March 31, 2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

*Jigarth*

Jigar T. Shah  
Partner  
Membership No.161851  
UDIN: 24161851BKBH3725



Date: May 29, 2024  
Place: Mumbai

**Reliance Telecom Limited**

**'Annexure A' to the Independent Auditor's Report**

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report in the Independent Auditors Reports of even date to the members of Reliance Telecom Limited on the financial statements for the year ended March 31, 2024**

- (i) (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment including Asset Held for Sale.
- (b) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Company has transferred its Property, Plant and Equipment (PPE) (Except Building) to Assets Held for Sale (AHS) and has fully provided for Property, Plant and Equipment except to the extent of scrap value. The Management has physically verified some of its PPE during the year and no material discrepancies were identified on such physical verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2.01 of the financial statements, are held in the name of the Company.
- (d) Based on the records examined by us and information and explanation given to us by the Management, the Company during the year has not revalued its Property, Plant and Equipment or intangible assets. Hence, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanation and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- (b) As per the information and explanations given to us and books of accounts and records examined by us, no working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets has been taken by the Company. Therefore, the reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) As per information and explanation provided to us and on the basis of verification of records of the Company, the Company has not granted any loans or advance in nature of loans, secured or unsecured, provided any guarantees or given securities or any investment made, to companies, firms, Limited liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, provisions of clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable.
- (iv) As per the information and explanation given to us and on the basis of verification of records of the Company, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties covered under section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanation given to us, since the turnover of the Company is below threshold limit, maintenance of cost records under sub-section 1 of Section 148 of the Act, in respect of telecommunication activities is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we observed that there are delays in amounts deposited with appropriate authorities for amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and services tax, service tax, , duty of customs, sales tax, value added tax, entry tax, employees' state insurance, cess and other material statutory dues. As explained to us, the Company did not have any dues on account of duty of excise. According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, goods and services tax, sales tax, value added tax, employees' state insurance and other material statutory dues which were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
The Orissa Value Added Tax Act, 2004	VAT Payable	87,567	2016-17	Various Dates	Unpaid
Jharkhand Value Added Tax Act, 2005	VAT Payable	1,18,370	2017-18	Various Dates	Unpaid
Jharkhand Central Sales Tax Act, 1956	Sales Tax Payable	7,003	2017-18	Various Dates	Unpaid
The Himachal Pradesh value added Tax Act, 2005	WCT payable	8,633	2017-18	Various Dates	Unpaid
The Maharashtra Value Added Tax Act, 2002	WCT Payable	1,97,680	2016-17 & 2017-18	Various Dates	Unpaid
Jharkhand Value Added Tax Act, 2005	WCT Payable	6,378	2017-18	Various Dates	Unpaid
Madhya Pradesh Value Added Tax Act, 2002	WCT Payable	45,202	2017-18	Various Dates	Unpaid
Chhattisgarh Value Added Tax Act, 2005	WCT Payable	18,288	2017-18	Various Dates	Unpaid
The West Bengal Value added Tax Act, 2003	WCT payable	40,765	2017-18	Various Dates	Unpaid
The West Bengal Value added Tax Act, 2003	WCT payable	18,752	2016-17	Various Dates	Unpaid
Professional Tax Act, 1957 – Various States	Professional Tax payable	24,815	2017-18 onwards	Various Dates	Unpaid
Income Tax Act, 1961	Tax Deducted at Source	4,58,972	2017-18	Various Dates	Unpaid



Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source	20,00,000	2019-20	07-11-2019	Unpaid
Income Tax Act, 1961	Tax Deducted at Source	816	2018-19	Various Dates	Unpaid
Labour Welfare Fund	Labour Welfare Fund	488	2018-19 Onwards	Various Dates	Unpaid

(b) According to the information and explanations given to us and the records of the Company examined by us, details of statutory dues referred to in clause vii (a) above, which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount* (Rs. in Crore)	Period	Forum where the dispute is pending
Local Sales Tax Act, Value Added Tax and Central Sales Tax Act	Sales Tax, VAT and CST	7.42	1997-1998 to 2016-2017	Appellate Authority upto Commissioner's Level
		6.49	1997-1998 to 2007-08, 2010-2011	Tribunal
Entry Tax Act, 1976	Entry Tax	1.22	2005-2006 to 2009-2010, 2011-2012 to 2013-2014, 2015-2016	Appellate Authority upto Commissioner's Level
		7.26	2006-2007 to 2010-2011	Tribunal
		1.40	1998-1999, 1999-2005, 2010-2011 to 2016-2017	High Court
The Finance Act, 1994	Service Tax	1.14	2005-2006, 2006-2007	Appellate Authority upto Commissioner's Level
		34.16	2005-2006 to 2008-2009	Tribunal
		11.81	2012-13 to June 2017	CGST & Central Excise Commissionerate Belapur
The Finance Act, 1994	Service Tax	278.49	October 2012 to June 2017	CGST & Central Excise Commissionerate Belapur



Name of the Statute	Nature of dues	Amount* (Rs. in Crore)	Period	Forum where the dispute is pending
		229.43	April 2016 to June 2017	CGST & Central Excise Commissionerate Belapur
Madhya Pradesh Luxury, Entertainment, Merriment, Advertising Act, 2011	Entertainment Tax	40.77	2011-2012 to 2015-16	High Court
Meghalaya (Mobile phone connection cess) Act, 2002	Cess	0.59	2002-2003	High Court

\*Net of amounts paid under protest.

- (viii) According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings and interest thereon from banks & financial institutions, which were not paid as at Balance Sheet date. The lender wise details of principal and interest are as under:

Sr. No.	Lenders' Name	Amount (Rs in Crore) Borrowings	Amount (Rs in Crore) Interest	Period (Maximum Days) Borrowings	Period (Maximum Days) Interest
1	Bank of India	46.00	0.61	2,558	2,557
2	Canara Bank	50.40	-	2,467	-
3	Central Bank of India	18.40	0.22	2,558	2,558
4	Corporation Bank (merged with Union Bank of India)	13.80	0.16	2,558	2,557
5	China Development Bank	863.67	26.70	2,394	2,580
6	Export Import Bank of China	215.92	6.67	2,394	2,580
7	IDBI Bank	276.00	3.78	2,558	2,557
8	IDBI Bank	54.92	-	2,571	-
9	Indian Overseas Bank	18.40	0.22	2,558	2,557
10	Oriental Bank of Commerce (merged with Punjab National Bank)	13.93	0.22	2,375	2,557
11	Punjab National Bank	187.60	-	2,583	-



12	State Bank of India	115.00	1.76	2,558	2,557
13	Syndicate Bank (merged with Canara Bank)	36.80	0.44	2,558	2,557
14	Union Bank of India	21.96	0.24	2,558	2,557
15	HSBC-France	261.47	4.46	2,502	2,502
16	Vishvakarma Equipment Finance Limited	118.00	-	1,582	-
	<b>Total</b>	<b>2,312.27</b>	<b>45.48</b>		

(Refer Note No. 2.10.03 of the financial statements)

Apart from above outstanding of interest mentioned above, the Company has not provided interest of Rs. 20,709 lakh and Rs. 1,37,927 lakh for the year ended and up to March 31, 2024 respectively and therefore it has not been disclosed above. Further, the Company has not provided premium payable on maturity of preference shares of Rs. 40,500 lakh as at March 31, 2024 and Rs. 40,500 lakh as at March 31, 2023.

Installments amounting to Rs. 148,585 lakh payable to Department of Telecommunications (DOT) as on March 31, 2024 for spectrum acquired on deferred payment basis, has not been paid. (Refer note 2.06.01 of the financial statements).

- (b) According to the information and explanations given to us and on the basis of the audit procedures and representation received from management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. However, the Company has received a show cause notice from the banks as to why the Company should not be declared willful defaulter. Further, SBI's willfull identification committee has passed an order for inclusion of the Company name and its director/guarantors in credit information companies list of willful defaulters (refer note 2.23).
- (c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the Company has not raised term loans from any lender during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes.
- (e) In our opinion, and according to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under clause 3(ix)(e) and (f) of the Order is not applicable.
- (x) (a) In our opinion, and according to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence the provision of clause 3(x)a) of the order is not applicable to the Company.



- (b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year. Also refer Note no. 2.23 of the financial statements.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) On the basis of examination of records and according to the information and explanation given to us by the Management, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence the reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.



- (xvii) Based on the examination of records, the Company has incurred cash losses of Rs. 1,82,999 lakh in the financial year 2023-24 and Rs. 1,75,917 lakh in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Based on the examination of records of the Company and information and explanations given to us, due to losses incurred, the conditions and requirements of section 135 of the act is not applicable to the Company. Hence, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm's Registration No. 107783W/W100593

*J. Shah*

**Jigar T. Shah**

Partner

Membership No. 161851

UDIN: 24161851BKBH3725



Date: May 29, 2024

Place: Mumbai

**Reliance Telecom Limited**

**'Annexure B' to the Independent Auditor's Report on the financial statements of Reliance Telecom Limited for the year ended March 31, 2024**

**Report on the Internal Financial Controls with respect to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in paragraph 2(h) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Reliance Telecom Limited for the year ended March 31, 2024)

We have audited the internal financial controls with reference to financial statements of **Reliance Telecom Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system with reference to financial statements.



### Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2024:

- i. The Company's internal process with regard to confirmation and reconciliation of Balances of trade receivable, trade payables & other liabilities and loan & advances resulting the Company not providing for adjustments, which are required to be made to the carrying values of such assets and liabilities. (Read with Note no. 2.21).
- ii. In respect of delays in payment of certain statutory dues and filing of certain statutory returns during the year with the respective authorities.
- iii. The Company's internal financial control with regard to the compliance with the applicable Indian Accounting Standards and evaluation of carrying values of assets and liabilities and other matters, as fully explained in basis for qualified opinion paragraph of our main report, resulting in the Company not providing for adjustments, which are required to be made, to the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis.



**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects / possible effects of the material weaknesses described above under Basis of Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2024 and these material weaknesses has affected our opinion on the said financial statements of the Company for the year ended March 31, 2024 (our audit report dated May 29, 2024) which we have expressed a qualified opinion on these financial statements of the Company.

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

*Jigar T. Shah*

**Jigar T. Shah**  
Partner  
Membership No. 161851  
UDIN: 24161851BKBHNNH3725



Date: May 29, 2024  
Place: Mumbai

**Reliance Telecom Limited**

**Balance Sheet as at March 31, 2024**

( ₹ in lakh)

Particulars	Notes	As at March 31, 2024		As at March 31, 2023	
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	2.01	2		2	
(b) Income Tax Assets (net)	2.02	845	847	846	848
<b>Current Assets</b>					
(a) Financial Assets					
(i) Trade Receivables	2.03	4,470		4,470	
(ii) Cash and Cash Equivalents	2.04	298		1,625	
(b) Other Current Assets	2.05	34,308		34,110	
(c) Assets Held for Sale	2.06	340,268	379,344	340,277	380,482
<b>Total Assets</b>			<b>380,191</b>		<b>381,330</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	2.07	8,500		8,500	
(b) Other Equity	2.08	(1,399,824)	(1,391,324)	(1,280,315)	(1,271,815)
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
(a) Provisions	2.09		2		1
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	2.10	726,085		726,085	
(ii) Trade Payables	2.11				
Micro and Small Enterprises		1,347		1,347	
Creditors other than Micro and Small Enterprises		55,442		55,416	
(iii) Other Financial Liabilities	2.12	584,425		502,491	
(b) Other Current Liabilities	2.13	3,784		3,778	
(c) Provisions	2.14	1		-	
(d) Liabilities directly related to Assets Held for Sale	2.06	400,429	1,771,513	364,027	1,653,144
<b>Total Equity and Liabilities</b>			<b>380,191</b>		<b>381,330</b>
<b>Material Accounting Policies</b>	1				
<b>Notes on Accounts</b>	2				



**Reliance Telecom Limited**

**Balance Sheet as at March 31, 2024**

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

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

Firm Regn No. 107783W/W100593

Chartered Accountants

*J. Shah*

**Jigar T. Shah**

Partner

Membership No. 161851



**For Reliance Telecom Limited**

*Anish Niranjana Nanavaty*

**Anish Niranjana Nanavaty**

Resolution Professional

*Payal H Shah*

**Payal H Shah**

Director

DIN 09284328

*Mahesh Mungekar*

**Mahesh Mungekar**

Director

DIN 00778339

*Sanjay K Agarwal*

**Sanjay K Agarwal**

Chief Financial Officer

*Jigar Joshi*

**Jigar Joshi**

Company Secretary & Manager

A57632



Place : Mumbai

Dated : May 29, 2024

**Reliance Telecom Limited**

**Statement of Profit and Loss for the year ended March 31, 2024**

( ₹ in lakh)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I INCOME</b>			
(a) Revenue from Operations		-	-
(b) Other Income	2.15	11	19
(c) <b>Total Income ((a) +(b))</b>		<b>11</b>	<b>19</b>
<b>II EXPENSES</b>			
(a) Access Charges, License Fees and Network Expenses	2.16	599	611
(b) Employee Benefits Expenses	2.17	58	76
(c) Finance Costs	2.18	37,641	34,299
(d) Depreciation and Amortisation ₹ 7,657 ( Previous year ₹ 7,657)	2.01	-	-
(e) General Administration Expenses	2.19	908	1,861
(f) <b>Total Expenses ((a) to (e))</b>		<b>39,206</b>	<b>36,847</b>
<b>III Profit /(Loss) before Exceptional items and Tax (I(c)- II(f))</b>		<b>(39,195)</b>	<b>(36,828)</b>
<b>IV Exceptional Items</b>			
Provision for Liability on account of License and Spectrum Fees	2.25	80,314	63,294
<b>V Profit / Loss before Tax (III- IV)</b>		<b>(119,509)</b>	<b>(100,122)</b>
<b>VI Tax Expense:</b>			
(a) - Current Tax		-	-
(b) - Deferred Tax Charge/ (Credit)		-	-
<b>VII Profit /Loss after Tax (V- VI)</b>		<b>(119,509)</b>	<b>(100,122)</b>
<b>VIII Other Comprehensive Income</b>			
Remeasurement Gain/ (Loss) of the net defined employee benefit (Net of Tax) ₹ (1,453 )		-	(3)
<b>IX Total Comprehensive Income / (Loss) for the year (VII + VIII)</b>		<b>(119,509)</b>	<b>(100,125)</b>
<b>X Earnings per Share of ₹ 10 each fully paid up</b>	2.28		
- Before exceptional items (Basic and Diluted) (₹)		(46.11)	(43.33)
- After exceptional items (Basic and Diluted) (₹)		(140.60)	(117.79)
<b>Material Accounting Policies</b>	1		
<b>Notes on Accounts</b>	2		



**Reliance Telecom Limited**

**Statement of Profit and Loss for the year ended March 31, 2024**

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

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

Firm Regn No. 107783W/W100593

Chartered Accountants

*J T Shah*

**Jigar T. Shah**

Partner

Membership No. 161851



**For Reliance Telecom Limited**

*Anish Niranjana Nahanavaty*

**Anish Niranjana Nahanavaty**

Resolution Professional

*Payal H Shah*

**Payal H Shah**

Director

DIN 09284328

*Mahesh Mungekar*

**Mahesh Mungekar**

Director

DIN 00778339

*Sanjay K Agarwal*

**Sanjay K Agarwal**

Chief Financial Officer

*Jigar Joshi*

**Jigar Joshi**

Company Secretary & Manager

A57632

Place : Mumbai

Dated : May 29, 2024



**Reliance Telecom Limited**

**Statements of Change in Equity as at March 31, 2024**

**(a) Equity Share Capital (Refer Note 2.07)**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	8,500	8,500
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	8,500	8,500
Change in Equity Share Capital during the year	-	-
Balance at the end of the year	8,500	8,500

**(b) Other Equity (Refer Note 2.08)**

(₹ in lakh)

Particulars	Reserves and Surplus			Total
	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at April 1, 2023	20,000	(1,300,300)	(15)	(1,280,315)
Surplus/ (Deficit) of Statement of Profit and Loss	-	(119,509)	-	(119,509)
Other Comprehensive Income ₹ (1,453)	-	-	-	-
Balance as at March 31, 2024	20,000	(1,419,809)	(15)	(1,399,824)
Balance as at April 1, 2022	20,000	(1,200,178)	(12)	(1,180,190)
Surplus/ (Deficit) of Statement of Profit and Loss	-	(100,122)	-	(100,122)
Other Comprehensive Income	-	-	(3)	(3)
Balance as at March 31, 2023	20,000	(1,300,300)	(15)	(1,280,315)

**Material Accounting Policies**

1

**Notes on Accounts**

2

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

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

Firm Regn No. 107783W/W100593

Chartered Accountants

*J. Shah*

**Jigar T. Shah**

Partner

Membership No. 161851



**For Reliance Telecom Limited**

*Anish Niranjan Nanavaty*

**Anish Niranjan Nanavaty**  
Resolution Professional

*Payal H Shah*

**Payal H Shah**

Director

DIN 09284328

*Mahesh Mungekar*

**Mahesh Mungekar**

Director

DIN 00778339

*Sanjay K Agarwal*

**Sanjay K Agarwal**

Chief Financial Officer

*Jigar Joshi*

**Jigar Joshi**

Company Secretary & Manager

A57632



Place : Mumbai

Dated : May 29, 2024

**Reliance Telecom Limited**
**Statement of Cash Flows for the year ended March 31, 2024**

( ₹ in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax as per Statement of Profit and Loss	(119,509)	(100,122)
Adjusted for:		
Depreciation and Amortisation	-	-
₹ 7,657 ( Previous year ₹ 7,657)	-	-
Effect of change in Foreign Exchange Rate (net)	260	1,362
Finance Costs	37,641	34,299
Interest Income	(11)	(15)
	<u>37,890</u>	<u>35,646</u>
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(81,619)</b>	<b>(64,476)</b>
Adjusted for:		
Receivables and Other Advances	(187)	(142)
Trade Payables and Other Liabilities	80,619	63,636
	<u>80,432</u>	<u>63,494</u>
<b>Cash Generated from Operations</b>	<b>(1,187)</b>	<b>(982)</b>
Tax Refund	2	-
Tax Paid	(1)	(2)
	<u>(1,186)</u>	<u>(984)</u>
<b>Net Cash from Operating Activities</b>	<b>(1,186)</b>	<b>(984)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deletion of Property, Plant and Equipments, Capital Work in Progress and Assets held for Sale	9	-
<b>Net Cash from/ (Used in) Investing Activities</b>	<b>9</b>	<b>-</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from / (Repayment of) Short term Borrowings	-	-
Proceeds from Non-Current Borrowings	-	-
Repayment of Non-Current Borrowings	-	-
Finance Costs	(150)	-
<b>Net Cash from/ (Used in) Financing Activities</b>	<b>(150)</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(1,327)</b>	<b>(984)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>(22,627)</b>	<b>(21,643)</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>(23,954)</b>	<b>(22,627)</b>

**Note:**

(1) Figures in brackets indicate cash outgo.

(2) Cash and Cash Equivalents includes cheques on hand, remittances-in-transit and bank balance.

(3) Cash Flow Statement has been prepared under the Indirect Method set out in Indian Accounting Standard (Ind AS) 7. "Statement of Cash Flow".

**(4) Breakup of Cash and Cash Equivalents:**

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Cash and cash equivalent	298	1,625
(ii) Less: Bank overdraft	(24,252)	(24,252)
<b>(iii) Cash and cash equivalent (net) as per Ind AS 7</b>	<b>(23,954)</b>	<b>(22,627)</b>



**Reliance Telecom Limited**

**Statement of Cash Flows for the year ended March 31, 2024**

<b>Material Accounting Policies</b>	<b>1</b>
<b>Notes on Accounts</b>	<b>2</b>

Notes referred to above form an integral part of the Financial Statements.  
As per our report of even date.

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

*J T Shah*

**Jigar T. Shah**  
Partner  
Membership No. 161851



**For Reliance Telecom Limited**

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

*Payal H Shah*  
**Payal H Shah**  
Director  
DIN 09284328

*Mahesh Mungekar*  
**Mahesh Mungekar**  
Director  
DIN 00778339

*Sanjay K Agarwal*  
**Sanjay K Agarwal**  
Chief Financial Officer

*Jigar Joshi*  
**Jigar Joshi**  
Company Secretary & Manager  
A57632

Place : Mumbai  
Dated : May 29, 2024



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Note: 1

#### General Information and Material Accounting Policies

##### 1.1 General Information

Reliance Telecom Limited ("RTL" or "the Company" or "Corporate Debtor"), a subsidiary of Reliance Communications Limited ("RCOM" or "the Holding Company"). The Company is registered under the Companies Act, 1956, having Registered Office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710. RTL was providing Telecommunication services in eight telecom service areas namely: Assam, Bihar, Himachal Pradesh, Kolkata, Madhya Pradesh, North East, Orissa and West Bengal through GSM Technology. The Company, during the earlier year, had discontinued Wireless business.

Corporate Insolvency Resolution Process ("CIRP") has been initiated in case of the Company under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stands vested with the Resolution Professional ("RP") appointed by the Hon'ble National Company Law Tribunal (NCLT).

##### 1.01 Basis of Preparation of Financial Statements

The Financial Statements are prepared under historical cost convention except for assets, specified hereunder, which are measured at fair value, in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) specified under Section 133 the Companies Act, 2013 ("the Act") except matters specified in Note 2.06, 2.18.01, 2.21, 2.25 and 2.26 read with relevant rules of the Companies (Indian Accounting Standards) Rules 2015, the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act to the extent notified and applicable, as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the services and their realization in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

##### 1.02 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees ("Rupees" or "₹") which is also the functional currency of the Company. All amounts are rounded off to the lakh, unless stated otherwise.

##### 1.03 Property, Plant and Equipment

- (i) Property, Plant and Equipment (PPE) are stated at cost net of Input credits/ Modvat/ Cenvat less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- (ii) Cost of an item of PPE comprises its purchase price, including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

- (iii) As per Para 46A of Accounting Standard 11, 'The Effects of Changes in Foreign Exchange Rates', related to acquisition of depreciable assets pursuant to the notifications dated December 29, 2011 and August 9, 2012 issued by Ministry of Corporate Affairs (MCA), under the Companies (Accounting Standard) (Second Amendment) Rules 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets is capitalised and subsequently on adoption of Indian Accounting Standard also the same is allowed for the transactions recorded upto March 31, 2016.
- (iv) Depreciation is provided on Straight Line Method based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013 except in case of the following assets where useful life is different than those that are prescribed in Schedule II, considered based on technical evaluation.
  - (a) Telecom Electronic Equipments - 20 years
  - (b) Furniture, Fixtures and Office Equipments - 5, 10 years
  - (c) Vehicles - 5 years
  - (d) Leasehold improvements - Shorter of the remaining lease term or useful life.
- (v) Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.
- (vi) Depreciation method, useful lives and residual values are reviewed periodically at each reporting date.
- (vii) Depreciation on all the assets capitalised pursuant to para 46A of AS 11 is provided over the remaining useful life of the depreciable capital asset.
- (viii) Depreciation on additions is calculated pro rata from the following month of addition.
- (ix) Expenses incurred relating to project, prior to commencement of commercial operations, are considered as project development expenditure and shown under Capital Work in Progress.

#### 1.04 Intangible Assets

- (i) Intangible Assets are stated at cost as applicable less accumulated amortisation/ impairment, if any.
- (ii) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.
- (iii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- (iv) Intangible assets, namely Telecom Licenses are amortised, over the period of Licenses on Straight Line Method (SLM). Software assets are amortized from the date of acquisition or commencement of commercial services, whichever is later.
- (v) There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets are as follows:
  - (a) Telecom Licenses - 20 years
  - (b) Software - 5 years
- (vi) Amortisation method, useful lives and residual values are reviewed periodically at each reporting date.



## **Reliance Telecom Limited**

### **Notes on Accounts to Financial Statements as at March 31, 2024**

#### **1.05 Non-current Assets Held for Sale**

Non-current assets are classified as the Assets Held for Sale when their carrying amount is to be recovered principally through a sale transaction. Non-current assets classified as held for sale are measured at the lower of their carrying amount and/ or fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets and sale is expected to be concluded within twelve months from the date of such classification.

Assets and liabilities classified as held for sale are presented separately in the balance sheet. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Loss is recognised for any initial or subsequent write down of such non current assets to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell an asset but not in excess of any cumulative loss previously recognised.

If the criteria for assets held for sale are no longer met, it ceases to be classified as held for sale and are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation or any amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when such assets ceases to be classified as held for sale.

#### **1.06 Impairment of Non Financial Assets**

Intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased / reversed where there has been change in the estimate of recoverable value. The recoverable value is higher of the assets net selling price and value in use.

#### **1.07 Inventories of Stores, Spares and Communication Devices**

Inventories of stores, spares and communication devices are accounted for at costs and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

#### **1.08 Employee Benefits**

##### **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the year.

##### **Long-term employee benefits**

##### **(i) Defined contribution plan**

The Company's contribution towards Employees' Superannuation Plan is recognised as an expense during the period in which it accrues.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### (ii) Defined benefit plans Provident Fund

The Company's contribution towards provident fund is recognised as an expense during the period in which it accrues.

#### Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, mortality rate and the fair value of any plan assets is deducted. Mortality rate is based on publicly available mortality table in India.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the Balance Sheet date.

Remeasurements which comprise actuarial gain and losses, the return of plan assets (excluding interest) and the effect of assets ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

#### (iii) Other Long term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government Securities as at the balance sheet date.

Remeasurements gain and losses is recognised in the Statement of Profit and Loss in the period in which they arise.

### 1.09 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

### 1.10 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- (iii) Non monetary foreign currency items are carried at cost. (i.e. translated using the exchange rates at the time of initial transactions).
- (iv) Exchange difference on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for;
  - (a) Exchange difference on foreign currency borrowings relating to depreciable capital asset are included in cost of assets which are regarded as an adjustment to interest cost.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

- (b) Exchange difference on foreign currency transactions, on which receipt and/ or payments are not planned, initially recognised in other comprehensive income and reclassified from equity to profit and loss on repayment of the monetary items.
- (v) Accounting of transactions that include the receipt or payment of advance consideration in a foreign currency the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.
- (vi) Any Gain/ Loss arising out of marking a class of derivative contracts to market price is recognised in the Statement of Profit and Loss.

#### 1.11 Revenue Recognition and Receivables

- (i) Revenue is recognised when control over goods or services is transferred to a customer, which under current GAAP is based on the transfer of risks and rewards. A customer obtains control when he has the ability to direct the use of and obtain the benefits from the good or service, there is transfer of title, supplier has right to payment etc. with the transfer of risk and rewards now being one of the many factors to be considered within the overall concept of control.
- (ii) The Company determines whether revenue should be recognised 'over time' or 'at a point in time'. As a result, it is required to determine whether control is transferred over time. If not, only then revenue be recognised at a point in time, or else over time. The Company also determines if there are multiple distinct promises in a contract or a single performance obligation (PO). These promises may be explicit, implicit or based on past customary business practices. The consideration gets allocated to multiple POs and revenue recognised when control over those distinct goods or services is transferred.  
The entities may agree to provide goods or services for consideration that varies upon certain future events which may or may not occur. This is variable consideration, a wide term and includes all types of negative and positive adjustments to the revenue. This could result in earlier recognition of revenue compared to current practice – especially impacting industries where revenue is presently not recorded until all contingencies are resolved. Further, the entities will have to adjust the transaction price for the time value of money. Where the collections from customers are deferred the revenue will be lower than the contract price, and in case of advance collections, the effect will be opposite resulting in revenue exceeding the contract price with the difference accounted as a finance expense.
- (iii) Interest income is recognised on time proportion basis.

#### 1.12 Taxes on Income and Deferred Tax

Income Tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Provision for income tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable / recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in computation of taxable income. Deferred Tax Liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that is probable and that taxable profit will be available against which such deductible temporary differences can be utilised. MAT credit is recognised as an asset only if there is convincing evidence that the Company will pay normal income tax during the specified period.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### 1.13 Asset Retirement Obligation (ARO), Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined by discounting expected future cash flows at the pre tax rate that reflects current market assumptions of time value of money and risk specific to the liability. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Asset Retirement Obligation (ARO) relates to the removal of equipments when they will be retired from its active use. Provision is recognised based on the best estimate, of the management, of the eventual costs (net of recovery), using discounted cash flow, that relates to such obligation and is adjusted to the cost of such assets. Estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent Assets are neither recognised nor disclosed in the financial statements of the Company.

#### 1.14 Earnings per Share

In determining Earnings per Share, the Company considers the net profit or loss after tax and includes the post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Dilutive earnings per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti-dilutive. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

#### 1.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

##### Financial Assets

##### (i) Initial recognition and measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial asset. In the case of financial assets recorded at fair value through Profit and Loss, the transaction cost is recognised in the Statement of Profit and Loss.

##### (ii) Subsequent measurement

Subsequent measurement of the Financial Assets depends on the Company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Financial Assets measured at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling financial assets, and
- b) The contractual cash flows of the asset represent SPPI: Debt instrument is included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Financial Assets measured at fair value through profit or loss (FVTPL):

A 'debt instrument', which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### Equity investments :

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Also, Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition".



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### Derecognition of Financial Assets

A financial asset is primarily derecognised when: (I) The rights to receive cash flows from the asset have expired, or (II) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of Financial Assets

The Company assesses on a forward looking basis the Expected Credit Loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

#### Financial Liabilities

##### (i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

**Financial liabilities at Fair Value through Profit or Loss:** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in profit or loss.

**Financial liabilities measured at amortised cost:** After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

#### 1.16 Use of Estimates

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known/ materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

#### Critical estimates and judgements

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgements pertains to useful life of property, plant and equipment (Note 2.01), current tax expense and payable, recognition of deferred tax assets for carried forward tax losses, impairment of trade receivables, other current assets (Note 2.02, 2.03 and 2.05), Assets Held for Sale ( Note 2.06) and measurement of defined benefit obligation (Note 2.31). Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- (i) Useful life of Property, Plant and Equipment including intangible asset: The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

- (ii) Taxes : The Company provides for tax considering the applicable tax regulations and based on probable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

- (iii) Fair value measurement and valuation process: The Company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

- (iv) Trade receivables and Other financial assets: The Company follows a 'simplified approach' (i.e. based on lifetime Expected Credit Loss ("ECL")) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.



## Reliance Telecom Limited

### Notes on Accounts to Financial Statements as at March 31, 2024

- (v) Defined benefit plans (gratuity benefits) : The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- (vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
- (vii) Determination of net realisable value of Assets Held for Sale and related liabilities.
- (viii) Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ix) The Company has provided liability against License & Spectrum Fee dues along with interest and penalty, for the demands raised by DoT considering Non-Telecom income till FY 2014-15 and for the balance years, for which demand have not been raised by DoT, the company has computed estimated liability on Non-Telecom revenue from FY 2015-16 onwards along with interest and penalty thereof.

#### 1.17 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**Reliance Telecom Limited****Notes on Accounts to the Financial Statements as at March 31, 2024****Note: 2.01****Property, Plant and Equipment****( ₹ in lakh)**

<b>Particulars</b>	<b>Buildings</b>
<b>Gross carrying value</b>	
As at April 1, 2022	4
Additions	-
Deductions	-
As at March 31, 2023	4
Additions	-
Deductions	-
<b>As at March 31, 2024</b>	<b>4</b>
<b>Accumulated Depreciation</b>	
As at April 1, 2022	2
Depreciation for the year ₹ 7,657	-
Deductions	-
As at March 31, 2023	2
Depreciation for the year ₹ 7,657	-
Deductions	-
<b>As at March 31, 2024</b>	<b>2</b>
<b>Net Carrying Value</b>	
As at March 31, 2023	2
<b>As at March 31, 2024</b>	<b>2</b>

**Notes:**

2.01.01 Building includes cost of shares in Co-operative Society ₹ 250 (Previous year ₹ 250).



**Reliance Telecom Limited**

**Notes on Accounts to the Financial Statements as at March 31, 2024**

**Note: 2.02**

**(a) Income Tax Assets (net) (Refer Note 2.21)**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax and Tax Deducted at source (net of provision for tax)	845	846
	<b>845</b>	<b>846</b>

**(b) Deferred Tax Assets (Net)**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	2023
<b>(a) Amount recognised in Financial Statement</b>				
<b>(i) Deferred Tax Assets</b>				
Relating to Carried forward losses and unabsorbed depreciation	247,092	224,871	22,221	21,026
Disallowances under Income Tax Act, 1961	7,578	7,477	101	96
Relating to temporary difference on depreciation/ amortisation and Impairment of Assets	(13,475)	(25,990)	12,515	(29,369)
	<b>241,195</b>	<b>206,358</b>	<b>34,837</b>	<b>(8,247)</b>
<b>(ii) Deferred Tax Liabilities</b>				
<b>Net Deferred Tax Assets (i) - (ii)</b>	<b>241,195</b>	<b>206,358</b>	<b>34,837</b>	<b>(8,247)</b>
<b>Deferred Tax Assets recognised/ restricted</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Significant management judgement is considered in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

The Company has unabsorbed business losses/depreciation, which according to the management will be used to setoff taxable profit arising in subsequent years from operation and/or sale of assets of the Company. However, Deferred Tax Assets have been restricted to ₹ Nil ( Previous year ₹ Nil) due to non existence of reasonable certainty. Year wise expiry of total Losses are as under:



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

Sr.	Year of Expiry	Amount of Loss (₹ in lakh)
i.	Financial Year 2024-25	68,856
ii.	Financial Year 2025-26	68,406
iii.	Financial Year 2026-27	54,268
iv.	Financial Year 2027-28	53,256
v.	Financial Year 2028-29	51,911
vi.	Financial Year 2029-30	55,271
vii.	Financial Year 2030-31	58,568
viii.	Financial Year 2031-32	62,229
viii.	Unabsorbed Depreciation for unlimited period	319,199
<b>(b) Amounts recognised in profit and loss</b>		<b>(₹ in lakh)</b>

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax	-	-
Deferred income tax liability / (asset), net	-	-
<b>Tax expense for the year</b>	<b>-</b>	<b>-</b>
<b>(c) Amounts recognised in Other Comprehensive Income</b>	<b>Nil</b>	<b>Nil</b>
<b>(d) Reconciliation of Tax Expenses</b>		
Profit/ (Loss) before Tax	(119,509)	(100,122)
Applicable Tax Rate	31.20%	31.20%
<b>Computed Tax Expenses (I)</b>	<b>(37,287)</b>	<b>(31,238)</b>
<b>Add/ (Less):</b>		
DTA not recognised on account of		
Temporary differences	12,229	11,490
Provision for Impairment disallowed/ Others not allowed under Income Tax Act, 1961	25,058	19,748
<b>Subtotal (II)</b>	<b>37,287</b>	<b>31,238</b>
<b>Income Tax Expenses charge/ (credit) to Statement of Profit and Loss (I+II)</b>	<b>-</b>	<b>-</b>



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

### Note: 2.03

#### Trade Receivables ( Refer Note 2.21 and 2.27.2)

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured</b>		
Considered good	-	-
Which have significant increase in credit risk	4,470	4,470
Credit impaired	19,965	19,965
Less: Allowance for credit impaired	19,965	19,965
	<b>4,470</b>	<b>4,470</b>

### 2.03.01

#### Ageing Trade Receivables from the due date of payment as at March 31, 2024 and March 31, 2023

( ₹ in lakh)

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade	-	-	-	-	4,470	<b>4,470</b>
Receivables-Which have significant increase in credit risk	(-)	(-)	(-)	(-)	(4,470)	(4,470)
Undisputed Trade	-	-	-	-	19,965	<b>19,965</b>
Receivables-Credit impaired	(-)	(-)	(-)	(-)	(19,965)	(19,965)
<b>Total-A</b>	(-)	(-)	(-)	(-)	24,435	<b>24,435</b>
	(-)	(-)	(-)	(-)	(24,435)	(24,435)
<b>Less: Allowance for credit impaired - B</b>	-	-	-	-	19,965	<b>19,965</b>
	(-)	(-)	(-)	(-)	(19,965)	(19,965)
<b>Total (A-B)</b>	(-)	(-)	(-)	(-)	4,470	<b>4,470</b>
	(-)	(-)	(-)	(-)	(4,470)	(4,470)

### Note: 2.04

#### Cash and Cash Equivalents

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Banks	298	1,625
	<b>298</b>	<b>1,625</b>

### Note: 2.05

#### Other Current Assets (Unsecured)\*

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Advances and Receivables</b>		
Considered good		
Related Parties ( Refer Note 2. 30 )	870	860
Others	17,394	17,392
	<b>18,264</b>	<b>18,252</b>
<b>b) Others</b>		
Deposits	3,603	3,594
Balance with GST Authorities etc.	12,272	12,095
Prepaid Expenses	169	169
	<b>34,308</b>	<b>34,110</b>

\* Refer Note 2.21



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

### Note: 2.06

#### Assets Held for Sale

( ₹ in lakh)

Particulars	Net Block Reclassified from PPE and Intangible Assets		Deletion		Assets Held for Sale	
	For the year ended March 31,		For the year ended March 31,		As at March, 31	
	2024	2023	2024	2023	2024	2023
<b>Tangible</b>						
Plant and Machinery	-	-	9	-	728	737
Capital Work in Progress	-	-	-	-	14	14
<b>Subtotal</b>	-	-	9	-	742	751
<b>Intangible</b>						
Telecom Licences	-	-	-	-	254,212	254,212
Intangible Assets under Development- Telecom Licences	-	-	-	-	85,314	85,314
<b>Subtotal</b>	-	-	-	-	339,526	339,526
<b>Total</b>	-	-	9	-	340,268	340,277

#### Liabilities directly related to Assets Held for Sale

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Payment Liabilities relating to Telecom Licences	192,148	192,148
Interest accrued on Spectrum	208,281	171,879
	<b>400,429</b>	<b>364,027</b>

**2.06.01** The assets pertaining to Wireless Business continued to be classified as assets held for sale at the value ascertained as at March 31, 2018, along with liabilities and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current. During the year, ₹ Nil (Previous year ₹ Nil) have been impaired and represented as exceptional items. On finalisation and implementation of debt resolution process through Hon'ble NCLT, the Company will carry out a comprehensive impairment review of its tangible, intangible assets and Assets held for sale. Refer Note 2.21.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

During the earlier years, Reliance Communications Limited (RCOM), being the Holding Company, successfully bid under auction conducted for spectrum, by The Department of Telecommunications (DoT), for and on behalf of the Company and won spectrum in 5 service areas at a total cost of ₹ 258,457 lakh. RCOM has made upfront payment of ₹ 66,309 lakh on behalf of the Company, under the deferred payment option on April 8, 2015 and balance ₹ 475,472 lakh (including interest), was payable in 16 annual installment starting from Financial year 2018-19. The Installments of ₹ 29,717 lakh each aggregating to ₹ 148,585 lakh, due on April 9, 2019, April 9, 2020, April 9, 2021, April 9, 2022 and April 9, 2023 are yet to be paid and balance installments not due as at March 31, 2024 is aggregating to ₹ 297,170 lakh including interest @10% per annum. Further, an installment of ₹ 29,717 lakh due on April 9, 2024 is yet to be paid. Spectrum won in 3 service areas are yet to be put to use and was reflected as Intangible assets under development.

In this regard it is pertinent to note that the dues pertaining to the spectrum (including entire deferred payments) have been claimed by DoT vide letter dated May 20, 2020 and the same have been admitted by the RP, and accordingly, the dues shall be dealt with in accordance with provisions of the Code. In accordance with the aforesaid and admission of deferred spectrum installments as claims, the Company has not paid the installments.

**2.06.02** Refer note 2.10.01 for security in favour of lenders. Reliance Communications Limited (RCOM), the Holding Company had, during the earlier years, allotted, 1,500, 11.25% Secured Redeemable, Non Convertible Debentures (NCDs) of the face value of ₹ 10,000,000 each, aggregating to ₹ 150,000 lakh (current outstanding ₹ 75,000 lakh), and 3,000, 11.20% Secured Redeemable, Non Convertible Debentures (NCDs) of the face value of ₹ 10,000,000 each, aggregating to ₹ 300,000 lakh. The NCD's, alongwith 6.5% Senior Secured Notes (SCN's), Foreign Currency Loans and Rupee Term Loans of ₹ 2,542,400 lakh availed by Reliance Communications Limited (RCOM), the Holding Company and Foreign Currency Loans of ₹ 162,300 lakh availed by Reliance Infratel Limited ( RITL) were secured by a first pari passu charge on the whole of the movable plant and machinery of the Company including (without limitations) tower assets and optic fibre cables, if any (whether attached or otherwise), capital work-in-progress (pertaining to movable fixed assets) both present and future including all the rights, title, interest, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group; comprising of the Company, RCOM, the Holding Company and its fellow subsidiaries namely RITL (Ceased to be fellow subsidiary and part of Borrower Group since December 22, 2022 upon implementation of approved resolution plan under CIRP) and Reliance Communications Infrastructure Limited (RCIL) in favour of the Security Trustee for the benefit of the NCD Holders and the Lenders of the said secured loans. Further, Rupee Term Loan of ₹ 235,900 lakh availed by RCOM and ₹ 110,900 lakh availed by RITL have also been secured by second pari passu charge on the said assets. Rupee loans availed by RCOM also includes ₹ 546,300 lakh secured by current assets, movable and immovable assets including intangible, both present and future of the Borrower Group. Further, non fund based outstanding of ₹ 24,600 lakh availed by the Company, ₹ 136,100 lakh availed by RCOM and ₹ 400 lakh availed by RCIL have been secured by second pari passu charge on movable fixed assets of the Borrower Group.

**2.06.03** The Company, during the year ending March 31, 2018, had discontinued Wireless business accordingly, Plant and Machinery, Capital Work-in-Progress and Intangible Assets under Development- Telecom Licences were classified as "Assets held for Sale" hence cost comparison and delay in project to original plan w.r.t. Capital Work-in-Progress and Intangible Assets under Development- Telecom Licences are not relevant.



**Reliance Telecom Limited**

**Notes on Accounts to the Financial Statements as at March 31, 2024**

**Note: 2.07**

**Equity Share Capital**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
40 00 00 000 Equity Shares of ₹ 10 each (40 00 00 000)	40,000	40,000
10 00 00 000 Preference Shares of ₹ 10 each (10 00 00 000)	10,000	10,000
	<u>50,000</u>	<u>50,000</u>
<b>Issued, Subscribed and Paid up</b>		
8 50 00 000 Equity Shares of ₹ 10 each fully paid up (8 50 00 000)	8,500	8,500
	<u>8,500</u>	<u>8,500</u>

**2.07.01 Equity Shares**

**(a) Equity Shares held by Promoters**

Particulars	No of Shares	% of Total Shares	% Change during the year
Reliance Communications Limited, Holding Company and its nominees	6 69 80 100 (6 69 80 100)	78.80% (78.80%)	Nil (Nil)

**(b) Equity Shares held by Holding Company and its subsidiaries**

Particulars	No of Shares	No of Shares
Reliance Communications Limited, Holding Company and its nominees	6 69 80 100	6 69 80 100
Reliance Realty Limited , a fellow subsidiary	1 80 19 900	1 80 19 900

**(c) Details of Shareholders holding more than 5% shares in the Company**

Particulars	No of Shares	%	No of Shares	%
Reliance Communications Limited and its nominees	6 69 80 100	78.80%	6 69 80 100	78.80%
Reliance Realty Limited	1 80 19 900	21.20%	1 80 19 900	21.20%

- (d) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after the distribution of all the preferential amounts, in proportion to their shareholding.



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

(e) Reconciliation of Shares outstanding at beginning and at the end of the reporting period.

Particulars	March 31, 2024		March 31, 2023	
	No of Shares	(₹ in lakh)	No of Shares	(₹ in lakh)
<b>Equity Shares</b>				
At the beginning of the year	8 50 00 000	8,500	8 50 00 000	8,500
Add: Shares issued during the year	-	-	-	-
At the end of the year	<b>8 50 00 000</b>	<b>8,500</b>	<b>8 50 00 000</b>	<b>8,500</b>

**Note: 2.08**

### Other Equity

(₹ in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
<b>Preference Share Redemption Reserve</b>				
(i) Opening Balance	20,000		20,000	
(ii) Additions during the year	-	20,000	-	20,000
<b>Surplus /(Deficit) in retained earnings</b>				
(i) Opening Balance	(1,300,300)		(1,200,178)	
(ii) Add: Profit /( Loss) for the year	(119,509)	(1,419,809)	(100,122)	(1,300,300)
<b>Other Comprehensive Income</b>				
<b>Remeasurement of defined employee benefit Plans</b>				
(i) Opening Balance	(15)		(12)	
(ii) Additions / Deletion during the year (net)	-	(15)	(3)	(15)
		<b>(1,399,824)</b>		<b>(1,280,315)</b>

### Nature and Purpose of Reserve

#### Preference Share Redemption Reserve

Preference Share Redemption Reserve was created out of profits as required under the Act then applicable which shall be utilised for the purpose of redemption of Preference Shares issued by the Company.

**Note: 2.09**

### Provisions

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Retirement Benefit (Refer Note 2.22 & 2.31)	2	1
	<b>2</b>	<b>1</b>



**Reliance Telecom Limited****Notes on Accounts to the Financial Statements as at March 31, 2024****Note: 2.10****Borrowings- Current**

( ₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
From Banks (Refer Note 2.10.01)		
Foreign Currency Loans	134,106	134,106
Rupee Term Loan	3,680	3,680
<b>Current Maturities of Long Term Debts</b>		
<b>Secured</b>		
From Banks (Refer Note 2.10.01)		
Rupee Term Loan	57,389	57,389
<b>Unsecured</b>		
From Others		
Rupee Loans	11,800	11,800
<b>Unsecured</b>		
From Banks		
Rupee Loans	24,252	24,252
From Others (Refer Note 2.30)	120,000	120,000
From Related Parties (Refer Note 2.30)		
Borrowings	235,588	235,588
Preference Shares (Refer Note 2.10.06 & 2.10.07)	139,270	139,270
	<b>726,085</b>	<b>726,085</b>

**2.10.01 Secured Loans**

The Company, during earlier years, had availed Rupee Term Loan (Outstanding as on March 31, 2024 was ₹ 61,069 lakh) under consortium banking arrangement and Foreign Currency Loan (Secured Loans) (Outstanding as on March 31, 2024 was ₹ 134,106 lakh), which have been secured by way of first pari passu charge on movable plant and machinery, including (without limitations) tower assets and optic fibre cables, if any (whether attached or otherwise), capital work-in-progress (pertaining to movable fixed assets), both present and future, including all rights, title, interest, benefits, claims and demands in respect of all insurance contracts relating thereto of the Borrower Group; comprising of the Company, Reliance Communications Limited (RCOM), the Holding Company and its fellow subsidiaries namely Reliance Infratel Limited (RITL, ceased to be fellow subsidiary and part of Borrower Group since December 22, 2022 upon implementation of approved resolution plan under CIRP) and Reliance Communications Infrastructure Limited (RCIL) (Borrower Group) in favour of the Security Trustee for the benefit of the Lenders. The said Secured Loans apart from the above security, are also secured by pledge of equity shares of RCIL held by RCOM and of the Company held by RCOM and Reliance Realty Limited (RRL) by execution of the Share Pledge Agreement with the Share Pledge Security Trustee.

The Company, in favour of the Lenders of the Foreign Currency Loans, has also assigned eight Unified Access Services (UAS) Licences, by execution of Tripartite Agreements with Department of Telecommunications (DoT) and IDBI Bank, being the agent acting on behalf of the Lenders. The Company, during the earlier year, migrated to Unified licence in 7 telecom circles. Assignment of Telecom Licenses of the Company for the Rupee Term Loans is pending to be executed. The said Foreign Currency Loans are also guaranteed by Holding Company.

Rupee Term loans are also secured by pledge of equity shares of RITL (cancelled upon implementation of RITL's approved resolution plan under CIRP on December 22, 2022) held by RCIL, current assets, movable and immovable assets including intangible, both present and future of the Borrower Group and Corporate Guarantee of the Borrower Group. During the earlier year, charge over the three immovable assets of the Borrower Group was created. However, charge over balance immovable assets of the Borrower Group and Reliance Globalcom BV (RGBV) the security for Rupee Loan is pending to be created.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

During the earlier year, lenders have invoked guarantees provided by Borrower group for outstanding Rupee loan of ₹ 61,069 lakh availed by the Company, ₹ 595,000 lakh availed by RCOM and ₹ 48,500 lakh availed by RITL. Further, the Company created first ranking exclusive charge (pari passu inter se the Lenders) over Designated Account with future rights, title and interest therein, including all of its rights in respect of any amount standing to the credit of the Designated Account and the debt represented by it, in favour of State Bank of India, the Convenor (for the benefit of the Lenders) as continuing security.

**2.10.02** Long term loans of ₹ 137,786 lakh has classified as Short term as the Company is under CIRP.

### 2.10.03 Delay/ Default in Repayment of Borrowings, interest and maturity premium

The Company has delayed/ defaulted in payment of dues to banks and other lenders. The lenderwise details are as under:

Sr	Name of lenders	Borrowings		Interest/ Maturity Premium		Borrowings		Interest/ Maturity Premium	
		Default as at March 31, 2024		Default as at March 31, 2024		Default as at March 31, 2023		Default as at March 31, 2023	
		Amount [₹ in lakh]	Period [Maximum days]	Amount [₹ in lakh]	Period [Maximum days]	Amount [₹ in lakh]	Period [Maximum days]	Amount [₹ in lakh]	Period [Maximum days]
1	Central Bank of India	1,840	2,558	22	2,558	1,840	2,192	22	2,192
2	Bank of India	4,600	2,558	61	2,557	4,600	2,192	61	2,191
3	Canara Bank	5,040	2,467	-	-	5,040	2,101	-	-
4	Indian Overseas Bank	1,840	2,558	22	2,557	1,840	2,192	22	2,191
5	Oriental Bank of Commerce (merged with Punjab National Bank)	1,393	2,375	22	2,557	1,393	2,009	22	2,191
6	State Bank of India	11,500	2,558	176	2,557	11,500	2,192	176	2,191
7	IDBI Bank Ltd	27,600	2,558	378	2,557	27,600	2,192	378	2,191
8	Union Bank of India	2,196	2,558	24	2,557	2,196	2,192	24	2,191
9	Corporation Bank (merged with Union Bank of India)	1,380	2,558	16	2,557	1,380	2,192	16	2,191
10	Syndicate Bank (merged with Canara Bank)*	3,680	2,558	44	2,557	3,680	2,192	44	2,191
11	Punjab National Bank	18,760	2,583	-	-	18,760	2,217	-	-
12	IDBI Bank Ltd	5,492	2,571	-	-	5,492	2,205	-	-
13	Vishvakarma Equipment Finance Ltd.	11,800	1,582	-	-	11,800	1,216	-	-
14	HSBC- France	26,147	2,502	446	2,502	26,147	2,136	446	2,136
15	China Development Bank*	86,367	2,394	2,670	2,580	86,367	2,028	2,670	2,214
16	Export Import Bank of China*	21,592	2,394	667	2,580	21,592	2,028	667	2,214
17	Reliance Communications Ltd (Preference Shares)	4,500	395	40,500	395	4,500	29	40,500	29
18	<b>Total</b>	<b>235,727</b>		<b>45,048</b>		<b>235,727</b>		<b>45,048</b>	

\* Facilities recalled



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

**2.10.04** Since the Company is under CIRP and claims have been filed by lenders, the overall obligations and liabilities including obligation for interest on loans shall be determined during the CIRP. Hence due to non availability of revised repayment schedule of borrowings, the total loan amount has been disclosed in delay/default however, the figures of delay/default are based on original terms of facility and from the date of recall, where loans have been recalled.

**2.10.05** Apart from above outstanding of Interest, the Company has not provided Interest Expenses of ₹ 137,927 lakh upto March 31, 2024 ( Previous year upto March 31, 2023 ₹ 117,218 lakh) calculated based on basic rate of interest as per terms of loan as at March 31, 2024 and therefore it has not been disclosed.

### 2.10.06 Preference Shares

#### (a) 1% Non Convertible, Non Cumulative, Redeemable Preference Shares

##### (i) Preference Shares held by Promoters and Holding Company

Particulars	No of shares	% of Total Shares	% Change during the year
Reliance Communications Limited, Holding Company	4 50 00 000 (4 50 00 000)	100 (100%)	Nil ( Nil)

(ii) Preference Shares are redeemable at any time after expiry of 6 months from the date of allotment (i.e. March 3, 2003 ) and before expiry of 20 years from the date of allotment, at a face value of ₹ 10/- each by one month notice from the Preference Shareholders; or on expiry of 20 years from the date of allotment at a price of ₹ 100/- per share (including ₹ 90/- premium per share), in case above option is not exercised.

The said Preference Shares were matured on March 2, 2023, however the same were not redeemed since the Company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC).

#### (b) 1% Redeemable, Non Cumulative, Non Convertible Preference Shares

##### (i) Preference Shares held by Fellow subsidiary

Particulars	No of shares	% of Total Shares	% Change during the year
Reliance Communications Tamilnadu Limited (RCTL)	1 34 77 000 (1 34 77 000)	100% (100%)	Nil ( Nil)

(ii) Preference Shares are redeemable at any time after the date of allotment (i.e. December 11, 2013) and before expiry of 20 years from the date of allotment, at 1% yield per annum less dividend paid, if any, at the time of redemption on issue price (Face value plus premium paid at the time of application) by giving three months notice to the Preference Shareholders; or on expiry of 20 years from the date of allotment at a price of ₹ 1000/- per share (including ₹ 990/- premium per share), in case above option is not exercised.

### 2.10.07 Details of Authorised Capital (Refer Note 2.07)



**Reliance Telecom Limited****Notes on Accounts to the Financial Statements as at March 31, 2024****Note: 2.11****Trade Payables (Refer Note 2.21 & 2.29)**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Due to Micro and Small Enterprises	1,347	1,347
Due to Creditors other than Micro and Small Enterprises		
Related Parties (Refer Note 2.30)	2	2
Others	55,440	55,414
	<u>56,789</u>	<u>56,763</u>

**Note: 2.12****Other Financial Liabilities**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued and due on borrowings	4,548	4,548
Capital Creditors	18,500	18,255
Other Liabilities*		
-From Related Parties* (Refer Note 2.30)	6,785	6,785
-Others** (Refer Note 2.21 & 2.25)	554,592	472,903
	<u>584,425</u>	<u>502,491</u>

\* The amount was received from Reliance Realty Limited during financial year 2018-19. Pending finalisation of terms, interest has not been charged and the same has been shown as "Other Financial Liabilities".

\*\*Includes amounts due towards Provision for accrual of expenses, salary payable and other.

**Note: 2.13****Other Current Liabilities (Refer Note 2.21)**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	1,325	1,325
Other Liabilities*	2,459	2,453
	<u>3,784</u>	<u>3,778</u>

\* Includes amounts due towards security deposit, advance from customers and statutory dues.

**Note: 2.14****Provisions**

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits (Refer Note 2.22 & 2.31) (Previous year ₹ 21,449)	1	-
	<u>1</u>	<u>-</u>



**Reliance Telecom Limited****Notes on Accounts to the Financial Statements as at March 31, 2024****Note: 2.15**

( ₹ in lakh)		
<b>Other Income</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Interest Income	11	19
Miscellaneous Income / Liabilities written back	-	-
	<u>11</u>	<u>19</u>

**Note: 2.16**

( ₹ in lakh)		
<b>Access Charges, License Fees and Network Expenses</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
License Fees	599	599
Power, Fuel and Utilities	-	12
	<u>599</u>	<u>611</u>

**Note: 2.17**

( ₹ in lakh)		
<b>Employee Benefits Expenses*</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Salaries and Wages	56	73
Contribution to Provident and Other Funds (Refer Note 2.31)	1	2
Employee Welfare and Other Amenities	1	1
	<u>58</u>	<u>76</u>

\*Including Managerial Remuneration (Refer Note 2.30)



**Note: 2.18****Finance Costs**

( ₹ in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Financial Liabilities	36,403	33,094
Other Financial Cost	1,238	1,205
	<b>37,641</b>	<b>34,299</b>

**2.18.01 Non Provision of Interest , maturity premium and Foreign Exchange Variation**

Considering various factors including admission of the Company to debt resolution process under the IBC with effect from May 15, 2018 and pursuant to the commencement of Corporate Insolvency Resolution Process (CIRP) of the Company under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The Overall obligation and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact/ disclosure, if any, will be given on completion of CIRP. Further, prior to May 15, 2018, the Company was under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Company has not provided Interest of ₹ 20,709 lakh calculated based on basic rate of interest as per terms of loan and foreign exchange variation loss of ₹ 2,541 lakh for the year ended March 31, 2024. Had the Company provided Interest and foreign exchange variation, the Loss would have been higher by ₹ 23,250 lakh for the year ended March 31, 2024. The Net worth as on March 31, 2024 and as on March 31, 2023 would have been lower by ₹ 2,15,937 lakh and ₹ 1,92,687 lakh respectively. During the previous years, Interest of ₹ 117,218 lakh, maturity premium on Preference shares of ₹ 40,500 and foreign exchange variation loss of ₹ 34,969 lakh was not provided during the financial year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 and March 31, 2023. Consistent with the practice followed in earlier years, interest has not been charged on loans availed from Holding Company & Fellow Subsidiary.

**Note: 2.19****General Administration Expenses**

( ₹ in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Professional Fees	32	6
CIRP Cost	184	180
Net loss on Foreign currency transactions and translation	260	1,362
Other General and Administration Expenses	428	309
	<b>904</b>	<b>1,857</b>
Payment to Auditors		
- Audit Fees	3	3
- Certification Fees	1	1
	<b>4</b>	<b>4</b>
	<b>908</b>	<b>1,861</b>



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

#### Note : 2.20

##### Previous Year

Figures of the previous year have been regrouped and reclassified, wherever required. Amount in financial statements are presented in Rupees in lakh, except as otherwise stated.

#### Note: 2.21

##### Going Concern

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

On the basis of the Hon'ble NCLAT's order dated April 30, 2019, the CIRP in respect of the Company has been re-commenced and interim resolution professional has been appointed. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Company 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.

An application (IA No. 749 of 2023) has been filed by a resolution applicant before NCLT for substitution of resolution applicant in the resolution plan submitted. NCLT vide order dated August 22, 2023 had directed the resolution professional of the Company to place on record necessary declaration(s) in relation to compliance with the provisions of Section 29A, after getting the confirmation of CoC of the Company in relation thereto. The RP is in the process of filing an affidavit.

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



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

On completion of the CIRP, the Company will carry out a comprehensive review of all the assets including balances lying in Goods and Service Tax and liabilities and accordingly provide for impairment of assets and write back of liabilities, if any. Receivable and Payable balances are subject to confirmation from the respective parties.

The Company had filed an application with the Department of Telecommunication (DoT) for migration of Telecom License for Kolkata Circle from Unified Access Service License (UASL) to the Unified License regime (UL) on July 16, 2021 (which was supposed to expire on September 26, 2021). On August 9, 2021, the DoT has issued a letter to the Corporate Debtor requiring payments of various categories of certain amounts such as 10% of the Adjusted Gross Revenue (AGR) dues, deferred spectrum installments falling due within the CIRP period, etc. against the telecom licenses, stating such dues to be in the nature of "current dues" and prescribing such payment as a pre-condition to the consideration/processing of the migration applications ("DoT Letter"). On August 18, 2021, the Company 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 Company.

In light of the urgency of the matter, the RP had filed an application before the Hon'ble 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 Company.

The issue under consideration by the Hon'ble NCLT relates to whether the dues being claimed by DoT in its letter of August 9, 2021 for the purposes of processing the license renewal/ migration applications of the Company 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 its Kolkata Circle telecom license, 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.

Similarly, Reliance Communications Limited (RCOM), the holding company, had filed applications with DoT for migration of its various telecom licenses to UL wherein the DoT has sought for payment of certain dues as "current dues" (being dues that pertain to the period prior to May 7, 2019 and are not payable at present) as a pre-condition for consideration of the application. The RP has filed an application in the Hon'ble NCLT and a petition before the Hon'ble TDSAT in this regard (The Company matter's are also heard together with RCOM license migration matters). On September 23, 2021, the Hon'ble TDSAT has directed that "Since the matters are similar in nature, in the interest of justice and uniformity the interim order of status quo as operating in TP No. 31 of 2021 shall operate in this matter also till the next date. It will be in the interest of petitioner to expedite the proceeding pending before the Hon'ble NCLT and try its best to produce the orders passed by that Tribunal by the next date. On March 15, 2022, the DOT has been granted six weeks' time by Hon'ble TDSAT to file the reply, rejoinder is to be filed before the next date of hearing. The Hon'ble TDSAT granted time for filing rejoinder and continued the interim order dated September 23, 2021. The matter is currently sub judice. The matter was last listed on April 28, 2023 and next listed on August 28, 2023. On August 28, 2023 and April 10, 2024, the counsels apprised the TDSAT that matter is still pending in NCLT and therefore the matter has been adjourned to July 29, 2024.

Considering these developments including, in particular, the RP having taken over the management and control of the Company inter alia with the objective of running them as going concern, the financial statements continue to be prepared on going concern basis. However, since the Company continues to incur losses, current liabilities exceed current assets and the Company has defaulted in repayment of borrowings, payment of regulatory and statutory dues and pending application of renewal of a Telecom License, these events indicate that material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern.



**Reliance Telecom Limited**

**Notes on Accounts to the Financial Statements as at March 31, 2024**

**Note: 2.22**

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

(₹ in lakh)

Particulars	Current		Non Current	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Provision for Retirement Benefits (Refer Note 2.31)</b>				
Balances at the beginning of the year	-	2	1	3
Additional Provision/(Reduction)	1	(2)	1	(2)
Balances at the close of the year	1	-	2	1

**Note: 2.23**

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

(₹ in lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(i) Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	Nil	Nil
(ii) Claims against the Company not acknowledged as debts*	186,543	171,900

\* These includes demands received from Sales Tax/ Service Tax/ Entry Tax/ Goods and Service Tax authorities in various States/ Department of Telecommunications, which are pending before the Appellate Authorities/ Tribunal/ High Court/ TDSAT and the stay orders are granted against the said demands. The Company is confident that the aforesaid claims will be successfully contested.

The Company has deposited ₹ 3,156 lakh ( Previous year ₹ 3,156 lakh) under protest with the Sales tax/ Service tax/ Entry tax authorities/ Income tax/ Department of Telecommunications against the demand, which are included in Income Tax Assets, Deposits and Advances and Receivables-Others (Refer Note 2.02 " Income Tax Assets and 2.05 "Other Current Assets").

DoT has filed an application in NCLT for condonation of delay in filing claim of ₹ 71,662 lakh towards license service areas [Customer application form (CAF) and Electromagnetic field penalties (EMF)] which was listed on April 17, 2024, where RP Counsel briefly made submissions and the NCLT enquired if the said claim is reflecting in the books of accounts of the Corporate Debtor and / or has already been included as part of DOT claims. RP counsel took time to take instructions in this regard. The NCLT accordingly adjourned the DOT application to May 08, 2024 and thereafter due to paucity of time to July 03, 2024. The said claim is included in above mentioned "Claim against the Company not acknowledged as debts" since the same is subjudice.

(iii) Guarantees given including on behalf of other companies for business purpose	8	8
--	---	---

**(iv) Spectrum Charges**

Department of Telecommunication (DoT) had, during the earlier year, issued demand on the Company for ₹ 470 lakh towards levy of one time Spectrum Charges, being the prospective charges for holding GSM Spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012 and prospective charge of ₹ 16,877 lakh for GSM spectrum held beyond 4.4 MHz for the period from January 1, 2013 till the expiry of the initial terms of the respective Licenses. Based on a petition filed by the Company (T.P. No. 220 of 2018), the Hon'ble TDSAT, vide its order dated February 4, 2019, set aside the impugned orders and demands for OTSC except for Bihar circle. The said order passed by Hon'ble TDSAT has been stayed by Hon'ble Supreme Court vide its order dated August 19, 2019 and the matter remains sub-judice .



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

(v) Considering various factors including admission of the Company to debt resolution process under the Code with effect from May 15, 2018 and pursuant to the commencement of Corporate Insolvency Resolution Process (CIRP) of the Company 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.

(vi) Consequent to the investigations by an investigative agency (CBI) in relation to the entire telecom sector in India, certain preliminary charges were framed by a Trial Court in October, 2011 against a Director and the Company. The Special CBI Judge vide judgement dated December 21, 2017 has acquitted the persons so named. CBI has filed an appeal before the Hon'ble Delhi High Court challenging the said Trial Court order. These proceedings have no impact on the business, operations, and/ or licenses of the Company and, even more so, are not connected in any manner to any other group companies.

(vii) The Company has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Company, its holding company and its fellow subsidiary 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 Communications Limited ("RCOM") and Reliance Infratel Limited ("RITL") being fraudulent in terms of the Circular.

On May 12, 2023, the Hon'ble Delhi High Court in light of the judgement dated March 27, 2023 in SBI vs. Rajesh Agarwal [2023 SCC Online SC 342] has disposed of the said petitions filed by Mr. Punit Garg, setting aside the actions taken against the petitioners under the Circular. The Supreme Court has held that since the Circular does not expressly provide an opportunity of hearing to the borrowers before classifying their account as fraud, audi alteram partem has to be read into the provisions of the directions to save them from the vice of arbitrariness.

It has further been made clear vide the Delhi High Court order, that if any FIR has been lodged, proceedings proceeded thereto will remain unaffected by the said order and that it will be open to concerned banks to proceed in accordance with law in light of the judgement of the Supreme Court. Further, Mr. Punit Garg has filed another writ petition in Delhi High Court challenging the order of IFCI declaring the account as fraud under the Circular, and the matter is next listed on July 24, 2024.

(viii) During the earlier years and in the current year, certain banks had issued show cause notices to the Company, Holding Company and certain directors seeking reasons as to why the Company and Holding Company should not be classified as willful defaulter. Also, during the earlier year and in the current year, certain banks have served notice seeking explanation as to why the account of the Company and the Holding Company should not be declared as fraud in terms of applicable RBI regulations. Further, the Company had received intimation of order passed by willful defaulter identification committee of one of the banks for inclusion of name of the Company and its directors / guarantors etc in credit information companies (CiCs) list of willful defaulters and seeking representation against the said order. The Company and Holding Company have been responding to said show cause notices and intimations, from time to time. The Company in its response has highlighted that the proceedings and the classification of the Company as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and protection is available in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Company for classification as fraud and requested the banks to withdraw the notices. Further, certain banks had issued notices seeking personal hearing by the authorized representative of the Company and Holding Company. Hearings were attended to and necessary submissions made in accordance with the submissions made earlier in the responses to the show cause notices.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

Further, the Company and Holding Company has received a letter dated August 7, 2023 from one of the banks, vide which the bank has indicated, inter alia, that it has received a forensic audit report dated October 15, 2020 of M/s BDO India LLP wherein certain 'irregularities / anomalies / commissions / omissions' have been pointed out by the forensic auditor. The said letter and report were accordingly tabled at the meeting of the Directors on August 12, 2023. In respect of the same, the bank has sought the views, inter alia, of the erstwhile management of the Company on the said report. The management had expressed that management views had not been sought prior to the issuance of the report. Further to receipt of a copy of the filings made before the Hon'ble Delhi High Court in the aforesaid matter, the Company and Holding Company had provided information to the forensic auditor during the period from March 2021 to November 2021 and it is not yet ascertained if the report incorporates and has considered such information. RP however has maintained that the Company and Holding Company is undergoing corporate insolvency resolution process in terms of the Code and the forensic audit report prima facie appears to pertain to the period prior to the corporate insolvency resolution process, the Company and Holding Company has already responded to the letter that the proceedings and the classification of the Company and Holding Company as a fraud is barred during the prevailing moratorium under Section 14 of the Code and protection is available in terms of Section 32A of the Code and accordingly, no action should lie against the Company and Holding Company for classification as fraud and notice against the Company and Holding Company should be withdrawn and the RP, Company and Holding Company shall have a limited responsibility to only share any information sought from it. No further response has been received from the banks since then.

#### Note: 2.24

##### Corporate Social Responsibility

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since there is no average profit in the last 3 years calculated as per the provisions of the Act.

#### Note: 2.25

##### License Fees and Spectrum Fee demands on account of Special Audit and Comptroller and Audit General (CAG)

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, Hon'ble Supreme Court pronounced the judgement 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 Hon'ble NCLT by a reasoned order within 2 months, and that it has not gone into the merits in this decision.

The RP of the Company 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 regards with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgement. The RP has filed appeals in respect of the Company and RCOM against the judgement of the NCLAT before the Supreme Court. On August 2, 2021, the appeals were listed when the bench issued notice in the matter and tagged the same with Civil Appeal No 1810 of 2021 (being the appeal filed by the COC of Aircel companies) and also allowed the application seeking permission to file the civil appeal. On February 22, 2022, the Hon'ble Supreme Court has granted a period of six weeks to the DoT to file counter affidavit. The matter was listed on May 2, 2022 wherein the SC directed the matter to be tentatively listed in the third week of July 2022. The matter was mentioned on August 5, 2022, for early listing for arguments, but the Supreme Court directed the matter to be listed after eight weeks. The matter was thereafter listed on October 11, 2022, on which date, the Supreme Court directed that the matter be listed after six weeks. Further, the Supreme Court stated that the parties were to file a common compilation post discussion with each other, and file brief written submissions within a period of six weeks.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

The matter was listed on July 18, 2023 before a bench comprising Justice Sanjiv Khanna and Justice Bela M Trivedi, and once again it was not taken up due to paucity of time. The matter was mentioned on August 4, 2023 for listing on the shortest possible date and the Bench directed listing on any Tuesday, but no specific date was allotted. The appeals were thereafter listed on September 12, 2023 but could not be heard due to paucity of time. Aircel Monitoring Committee has filed an application seeking sale of right to use spectrum subject to proceeds being kept in escrow account, which shall be subject to outcome of the Supreme Court matter. RP of the Company has also filed applications seeking similar dispensation for RTL as well. Further, DoT was asked to file reply within two weeks to the application filed by Aircel Monitoring Committee (I.A. No. 186218/2023 in Civil Appeal No. 2263/2021) vide order dated September 18, 2023 and the DoT has accordingly filed its reply on October 9, 2023.

No tentative date is available on the SC website for this matter, but the lead matter (CoC appeal being civil no. 1810 of 2021) is tentatively next listed on July 9, 2024. The appeals are currently sub judice.

Further, in the SC judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Company 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 Company has provided for estimated liability aggregating to ₹ 466,766 lakh upto the previous year ended March 31, 2023 and has provided additional charge of ₹ 80,314 lakh during the year ended March 31, 2024 and represented as exceptional items which may undergo revision based on demands from DoT and / or any developments in this matter.

Considering various factors including admission of the Company to resolution process under the Code and the moratorium applicable under the Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings).

#### Note: 2.26

##### Lease

The Assets of the Company are held for sale as per Ind AS 105 and being short term in nature and accordingly lease agreements are considered to be short term in nature hence Ind AS 116 has not been applied.

#### Note: 2.27

##### 2.27.1 Financial Instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Since the Company is under CIRP, fair valuation of financial instruments has not been carried out. The carrying value of financial instruments by categories are as follows:

Particulars	(₹ in lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents (Refer Note 2.04)	298	1,625
Trade receivables (Refer Note 2.03)	4,470	4,470
<b>Total</b>	<b>4,768</b>	<b>6,095</b>
<b>Financial assets at fair value through Profit and Loss:</b>	<b>Nil</b>	<b>Nil</b>
<b>Financial assets at fair value through other Comprehensive Income:</b>		
<b>Financial liabilities at amortised cost:</b>		
Trade payables (Refer note 2.11)	56,789	56,763
Other financial liabilities (Refer Note 2.12)	584,425	502,491
Borrowings (Refer Note 2.10) and Deferred payment liabilities (Refer Note 2.06)	1,126,514	1,090,112
<b>Total</b>	<b>1,767,728</b>	<b>1,649,366</b>



(₹ in lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Financial liabilities at fair value through Profit and Loss:	Nil	Nil
Financial Liabilities at fair value through other Comprehensive Income:	Nil	Nil

**2.27.2 Financial Risk Management Objectives and Policies**

Activities of the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operations and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

Corporate Insolvency Resolution Process ("CIRP") has been initiated in case of the Company under the Provisions of the Insolvency and Bankruptcy Code, 2016 (the Code). Pursuant to the order, the management of affairs of the Company and powers of board of directors of the Company stands vested with the Resolution Professional ("RP") appointed by the Hon'ble NCLT. The framework and the strategies for effective management will be established post implementation of Resolution Plan. Presently, the financial risk management activities are restricted to management of current assets and liabilities of the company and the day to day cash flow.

**Market risk**

The Company also deals internationally and hence, a portion of the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services, purchases from overseas suppliers and borrowings in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect income or value of its holding financial assets/ instruments. The exchange rate between rupee and foreign currencies has changed substantially in recent years and may fluctuate significantly in the future. As a result operations of the Company are affected as rupee appreciates/ depreciates against US Dollar. Since the Company is under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented. As the overall obligation and liabilities shall be determined during CIRP, foreign currency loans are stated at exchange rate as at March 31, 2018.

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

(₹ in lakh)

Particulars	March 31, 2024			March 31, 2023		
	U.S. dollars	Other Currency	Total	U.S. dollars	Other Currency	Total
Trade Receivables	-	-	-	-	-	-
Borrowings	(134,106)	-	(134,106)	(134,106)	-	(134,106)
Trade payables and Other Liabilities	(21,113)	(588)	(21,701)	(20,856)	(586)	(21,442)
<b>Net assets/ (liabilities)</b>	<b>(155,219)</b>	<b>(588)</b>	<b>(155,807)</b>	<b>(154,962)</b>	<b>(586)</b>	<b>(155,548)</b>

**Sensitivity Analysis**

Not relevant till the time resolution plan is finalised.

**Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. Since the Company is under CIRP, it could not meet interest obligation during the year and shall be finalised when resolution plan is implemented.

**Exposure to interest rate risk/ Sensitivity Analysis**

Not relevant till the time resolution plan is finalised.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

#### Derivative financial instruments

The Company does not hold derivative financial instruments.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is carrying value of respective financial assets.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. ECL methodology depends on whether there is any significant increase in credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit default swap quotes, credit ratings from international credit rating agencies and historical experience for the customers. Since the Company is under going CIRP, any impairment relating to Trade receivables will be reviewed and recognised upon completion and implementation of resolution plan.

#### Liquidity risk

The Company is under CIRP. The Company depends upon receipt from Trade receivables and delay in realisation as well as vendor payments can severely impact the current level of operation. Liquidity crises had led to default in repayment of principal and interest to lenders. Since the Company is under CIRP, it is not required to meet any loan or interest obligation till the resolution plan is implemented.

Liquidity risk is the financial risk that is encountered due to uncertainty resulting in difficulty in meeting its obligations. An entity is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity for any reason; extraneous or intrinsic to its business operations, affecting its credit rating or unexpected cash outflows. A position can be hedged against market risk but still entail liquidity risk. Prudence requires liquidity risk to be managed in addition to market, credit and other risks as it has tendency to compound other risks. It entails management of asset, liabilities focused on a medium to long-term perspective and future net cash flows on a day-by-day basis in order to assess liquidity risk.

Liquidity Periodic budget and rolling forecasts shall be determined during CIRP.

#### Note: 2.28

##### Earnings per Share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Basic and Diluted EPS ( before Exceptional Items)</b>		
(a) Profit/ (Loss) attributable to Equity Shareholders (₹ in lakh) (used as numerator for calculating Basic and Diluted EPS)	(39,195)	(36,828)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic and Diluted EPS)	85,000,000	85,000,000
(c) Basic and Diluted Earnings per Share of ₹ 10 each (₹)	(46.11)	(43.33)
<b>Basic and Diluted EPS ( after Exceptional Items)</b>		
(a) Profit attributable to Equity Shareholders (₹ in lakh) (used as numerator for calculating Basic and Diluted EPS)	(119,509)	(100,122)
(b) Weighted average number of Equity Shares (used as denominator for calculating basic and Diluted EPS)	85,000,000	85,000,000
(c) Basic and Diluted Earnings per Share of ₹ 10 each (₹)	(140.60)	(117.79)



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

#### Note: 2.29

##### 2.29.01 Disclosure under Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro, Small and Medium Enterprises.

Particulars	(₹ in lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Principal amount due to any supplier as at the year end	1,459	1,459
(ii) Interest due to suppliers and remaining unpaid as at year end	1,782	1,486
(iii) Amount of Interest paid by the Company in terms of Section 16 of the MSMED, alongwith the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iv) Payment made to the enterprises beyond appointed date under Section 16 of MSMED	-	1
(v) Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year but without adding the interest specified under MSMED ₹ Nil ( Previous year ₹ 14, 570)	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of each accounting year	1,782	1,486
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of	1,372	1,115

##### 2.29.02 Trade Payables Ageing Schedule

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	1,396	1,396
	(-)	(-)	(-)	(-)	(1,396)	(1,396)
(ii) Others	-	13	-	5	55,375	55,393
	(-)	(2)	(5)	(4)	(55,356)	(55,367)
(iii) Disputed dues – MSME	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(iv) Disputed dues - Others	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	-	13	-	5	56,771	56,789
	(-)	(2)	(5)	(4)	(56,752)	(56,763)



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

#### Note: 2.30

#### Related Parties

As per the Indian Accounting Standard ("Ind AS") 24 of "Related Party Disclosures", the disclosure of transactions with the related parties as defined therein are given below. All transactions entered into by the Company with related parties, were in ordinary course of business and on arm's length basis.

#### A List of related parties

1	Reliance Innoventures Private Limited	Ultimate Holding Company (upto February 6, 2019)
2	Reliance Communications Limited (RCOM)	Holding Company
3	Reliance Communications Infrastructure Limited (RCIL)	Fellow subsidiary
4	Reliance Webstore Limited (RWSL)	
5	Reliance Realty Limited (RRL)	
6	Reliance Communications Tamilnadu Limited (RCTL)	
7	Reliance Tech Services Limited (RTSL)	
		Ceased to be Fellow subsidiary w.e.f. March 3, 2023
8	Globalcom IDC Limited (GIDC)	Ceased to be Fellow subsidiary w.e.f. December 12, 2022
9	Reliance Infratel Limited (RITL)	Ceased to be Fellow subsidiary w.e.f. December 22, 2022
10	Reliance Capital Limited	Enterprises over which Promoter of Holding Company having control
11	Reliance General Insurance Company Limited	
12	Reliance Telecom Ltd. Employees Group Gratuity Assurance Scheme	Employee Benefits Trust
13	Reliance Telecom Ltd. Employees Superannuation Scheme	
14	Shri Vinay Soni - Company Secretary and Manager (upto December 21, 2022)	Key Managerial Person (KMP)
15	Shri Jigar Joshi - Company Secretary and Manager (from February 16, 2023)	

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

(Figures relating to current year are reflected in Bold, relating to previous year are reflected in brackets and italic.)

						(₹ in lakh)
Particulars	Holding Company	Fellow Subsidiaries	Enterprises over which Promoter of Holding Company having control	Employee Benefits Trust	KMP	Total
(i) <b>Advances/ Other Receivables</b>	<b>32</b>	<b>806</b>	-	<b>32</b>	-	<b>870</b>
	(24)	(806)	-	(30)	-	(860)
(ii) <b>Trade Payable</b>	-	<b>2</b>	-	-	-	<b>2</b>
	-	(2)	-	-	-	(2)
(iii) <b>Other Financial Liabilities</b>	-	<b>6,785</b>	-	-	-	<b>6,785</b>
	-	(6,785)	-	-	-	(6,785)



Reliance Telecom Limited

Notes on Accounts to the Financial Statements as at March 31, 2024

(₹ in lakh)

Particulars	Holding Company	Fellow Subsidiaries	Enterprises over which Promoter of Holding Company having control	Employee Benefits Trust	KMP	Total
(iv) <b>Loans Taken</b>						
Opening Balance as on April 1, 2023	235,588	-	-	-	-	235,588
	(235,588)	(120,000)	-	-	-	(355,588)
Add: Taken/Adjusted during the year	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Repayment/ Adjusted during the year	-	-	-	-	-	-
	-	(120,000)	-	-	-	(120,000)
Balance as on March 31, 2024	235,588	-	-	-	-	235,588
	(235,588)	-	-	-	-	(235,588)
(v) <b>Preference Shares Including Share Premium</b>	4,500	134,770	-	-	-	139,270
	(4,500)	(134,770)	-	-	-	(139,270)
(vi) <b>Corporate Guarantee on behalf of the Company</b>	209,887	-	-	-	-	209,887
	(207,346)	-	-	-	-	(207,346)
(vii) <b>Managerial Remuneration</b>						
Shri Vinay Soni	-	-	-	-	-	-
	-	-	-	-	(6)	(6)
Shri Jigar Joshi	-	-	-	-	9	9
	-	-	-	-	(1)	(1)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and other benefits	9	7
Contributions to defined benefit plans ₹ 38,931 ( Previous year ₹ 26,229)	-	-
Contributions to defined contribution plans ₹ 15,606 ( Previous year ₹ 10,512)	-	-
<b>Total</b>	<b>7</b>	<b>5</b>



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

### Note: 2.31

#### Employee Benefits

##### 2.31.01 Gratuity:

In accordance with the applicable Indian laws, the Company provides for the gratuity, a defined benefit retirement plan (Gratuity Plan) for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary and for the years of employment with the Company.

The gratuity plan is governed by the Payment of Gratuity Act, 1972 (Gratuity Act). The Company is bound to pay the statutory minimum gratuity as prescribed under Gratuity Act. There are no minimum funding requirements for a gratuity plan in India. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan vis-à-vis settlements. The management is responsible for the overall governance of the plan. The management have outsourced the investment management of the fund to insurance company which in turn manage these funds as per the mandate provided to them by the trustees and applicable insurance and other regulations.

The Company operates its gratuity and superannuation plans through separate trusts which is administered and managed by the Trustees. As on March 31, 2024 and March 31, 2023, the contributions towards the plans have been invested in Insurer Managed Funds.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any significant change in salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future.

The define benefit plan exposed the Company at actuarial risk such as logevity risk, interest risk and market (Investment) risk.

The following table set out the status of the Gratuity Plan as required under Indian Accounting Standard ("Ind AS")-19 "Employee Benefits".

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) <b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>		
Obligation at beginning of the year	3	14
Service cost Previous year ₹ (20,553)	1	-
Interest cost ₹ 23,675	-	1
Actuarial (Gain)/ Loss ₹ 20,701	-	1
Benefits paid	(2)	(13)
Obligation at year end	2	3
*Defined benefit obligation liability as at the balance sheet is wholly funded by the Company		
(ii) <b>Change in plan assets</b>		
Plan assets at beginning of the year, at fair value	33	46
Expected return on plan assets	2	2
Actuarial Gain/ (Loss) ₹ 22,154	-	(2)
Contributions	-	-
Benefits	(2)	(13)
Plan assets at year end, at fair value	33	33



**Reliance Telecom Limited**
**Notes on Accounts to the Financial Statements as at March 31, 2024**

(₹ in lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(iii) <b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the year	33	33
Present value of the defined benefit obligations at the end of the year	2	3
Liability/ (Advance) recognised in the Balance Sheet	(31)	(30)
(iv) <b>Expense Recognised in Profit or Loss</b>		
Service Cost	1	-
Interest Cost	(2)	(1)
<b>Total</b>	(1)	(1)
(v) <b>Amount Recognised in Other Comprehensive Income</b>		
Actuarial (Gain)/Loss on Obligation ₹ 20,701	-	1
Actuarial (Gain)/ Loss on Plan Assets ₹ (22,154)	-	2
<b>Total ₹ (1,453)</b>	-	3
(vi) <b>Investment details of plan assets</b> - 100% of the plan assets are invested in balanced Fund Instruments		
(vii) <b>Actual return on plan assets</b>	2	-
(viii) <b>Assumptions</b>		
Interest rate	7.06%	7.16%
Estimated return on plan assets	7.06%	7.16%
Salary Growth rate	0.00%	0.00%

\*The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(ix) <b>Particulars of the amounts for the year and previous years</b>	<b>As at March 31,</b>				
<b>Particulars</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Present Value of benefit obligation	2	3	14	13	13
Fair value of plan assets	33	33	46	44	42
Excess of (obligation over plan assets) / plan assets over obligation	31	30	32	31	29

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2024.

**(x) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.



# Reliance Telecom Limited

## Notes on Accounts to the Financial Statements as at March 31, 2024

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (+1% movement) { ₹ (3,804) (Previous year ₹ (2,136)) }	-	-
Discount rate (-1% movement) { ₹ 3,942 (Previous year ₹ 2,182) }	-	-
Employee Turnover (+1% movement) { ₹ (17) (Previous year ₹ (19)) }	-	-
Employee Turnover (-1% movement) { ₹ 26 (Previous year ₹ 23) }	-	-
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.		
(xi) <b>Maturity analysis of defined benefit plan (fund)</b>		(₹ )
Project benefit payable in future from the date of reporting		
1st following year	81,906	259,852
2nd following year	50,684	23,800
3rd following year	62,222	15,830
4th following year	12,592	10,521
5th following year	8,358	6,985
Sum of 6 years and above	16,361	13,674

### 2.31.02 Defined contribution plan: -Provident Fund :

Provident Fund contribution of ₹ 2 lakh (Previous year ₹ 2 lakh) is recognised as an expense and included in "Employee Benefit Expenses" (Refer Note 2.17) to Statement of Profit and Loss.

#### Note: 2.32

##### Segment Information

The Company is having one reportable segment accordingly Indian Accounting Standard ("Ind AS" )108 - 'Operating Segment' does not apply to the Company .

#### Note: 2.33

##### Capital Management

Capital of the Company, for the purpose of capital management , include issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objective when managing the capital is to safeguard the Company's ability to continue as a going concern and the Company under going CIRP and thereby operating as a going concern.

The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(₹ in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Equity	(1,391,324)	(1,271,815)
(b) Debt	726,085	726,085
(c) Equity+ Debt (a+b)	(665,239)	(545,730)
(d) Capital Gearing Ratio (b/c)	-109%	-133%

Capital gearing ratio reflects reduction in equity on account of net losses incurred during the year.



## Reliance Telecom Limited

### Notes on Accounts to the Financial Statements as at March 31, 2024

#### Note: 2.34

##### Accounting Ratios

Sr.	Name of the Ratio	Numerator	Denominator	2023-24	2022-23	% Variance #
1.	Current Ratio (in times)	Current Assets	Current Liabilities	0.21	0.23	-8.70%
2.	Debt-Equity Ratio (in times)	Total Debt	Equity	(0.52)	(0.57)	-8.77%

3. The Company is under going CIRP and does not have any Turnover, Inventory, Purchases and positive Net worth during the year and previous year accordingly other ratio i.e. Debt Service coverage, Return on equity, Inventory turnover, Trade receivable turnover, Trade payable turnover, Net capital turnover, Net profit, Return on capital employed and Return on investment are not applicable.

# There is no significant change (i.e. more than 25%) in the above mentioned ratios during the year in comparison to Previous year.

#### Note: 2.35

During the year, the Company has not surrendered or disclosed any income, previously unrecorded transaction in the books of account as income, in the tax assessments under the Income Tax Act, 1961.

#### Note: 2.36

During the year, the Company has not received as well as given advances (excluding transactions in the normal course of business) or loans or invested funds or provided any guarantee, security or the like from/ to any other person(s) or entity(ies), directly or indirectly, including any foreign entity(ies).

#### Note: 2.37

##### Transaction with Struck off Companies

The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

#### Note: 2.38

##### Post Reporting Events

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

#### Note: 2.39

##### Director's disqualification

During an earlier year, one of the directors has resigned from the position of the Director, however his resignation has not been accepted by the Committee of Creditors (CoC) under the Code and the Company has not received declaration under section 164 (2) of the Companies Act, 2013.

#### Note: 2.40

##### Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts. The Companies shall use only such accounting software, which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP for maintaining books of accounts. During the year ended March 31, 2024, the Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software SAP, (to log any direct data changes on account of recommendation in the accounting software administration guide) since enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.



**Reliance Telecom Limited**

**Notes on Accounts to the Financial Statements as at March 31, 2024**

**Note: 2.41**

**Authorisation of Financial Statements**

Upon application by the CoC in terms of Section 22(3) of the Code, the Hon'ble 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. With respect to the financial statements for the year ended March 31, 2024, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
- (iii) The RP, in review of the financial statements and while signing this financial statements, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial statements. The financial statements of the Corporate Debtor for the year ended March 31, 2024 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial statements and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.
- (iv) In terms of the provisions of the Code, the RP is required to undertake a review to determine avoidance transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority, which are currently sub-judice."

After review, the Directors of the Corporate Debtor have approved the financial statements at their meeting held on May 29, 2024 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.

As per our report of even date.

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

*J T Shah*

**Jigar T. Shah**  
Partner  
Membership No. 161851



Place : Mumbai  
Dated : May 29, 2024

**For Reliance Telecom Limited**

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

*Payal H Shah*  
**Payal H Shah**  
Director  
DIN 09284328

*Mahesh Mungekar*  
**Mahesh Mungekar**  
Director  
DIN 00778339

*Sanjay K Agarwal*  
**Sanjay K Agarwal**  
Chief Financial Officer

*Jigar Joshi*  
**Jigar Joshi**  
Company Secretary  
A57632

