



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

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

February 14, 2023

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

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

Dear Sir/Madam,

**Sub: Statement of Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine month ended on December 31, 2022 and limited review reports thereon.**

In furtherance of the letter dated February 07, 2023 and pursuant to Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Statement of Unaudited Standalone and Consolidated Financial Results for the quarter and nine month ended on December 31, 2022, along with Limited Review Reports submitted by the Statutory Auditors of Reliance Communications Limited ("Company").

The above financial results were approved by the Directors of the Company at a meeting held on February 14, 2023. Given that the Company is under corporate insolvency resolution process pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016, and with effect from June 28, 2019, its affairs, business and assets are being managed by, and the powers of the board of directors are vested in, the resolution professional, Mr. Anish Niranjana Nanavaty ("RP"), the aforesaid meeting of the Directors was chaired by the RP of the Company who, relying on the certifications, representations and statements of the Directors and management of the Company and the consequent recommendation of the Directors, took on record the Unaudited Standalone and Consolidated Financial Results for the quarter and nine month ended on December 31, 2022.

The above mentioned meeting of the Directors of the Company commenced at 6.30 P.M. and concluded at 08.10 P.M.

This is for your information and records.

Yours faithfully,  
**For Reliance Communications Limited**

RAKESH Digitally signed by  
GUPTA RAKESH GUPTA  
Date: 2023.02.14  
20:12:24 +05'30'

**Rakesh Gupta**  
**Company Secretary**

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

**Registered Office:**

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

**Limited Review Report on Standalone Unaudited Financial Results of Reliance Communications Limited for the quarter and nine months ended December 31, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

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

1. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational creditor against Reliance Communications Limited ("the Company") and appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. We have reviewed the accompanying statement of standalone unaudited financial results of the Company for the quarter and nine months ended December 31, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").
3. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company and taken on record by the RP in their meeting held on February 14, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. We draw attention to Note no. 4 & 6 of the Statement, "Assets Held for Sale (AHS)" including Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) along with liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non payment of spectrum installments due to Department of Telecommunication (DOT). Non determination of fair value of Asset Held for Sale as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter and nine months ended December 31, 2022.
6. We draw attention to Note no. 5 of the Statement regarding admission of the Company and its four subsidiaries into Corporate Insolvency Resolution Process ("CIRP"), and pending determination of obligations and liabilities with regard to various claims submitted by the Operational/financial/other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact there of pending reconciliation and determination of final obligation. The Company accordingly has not provided interest on borrowings amounting to Rs. 1,123 crore and Rs. 3,493 crore for the quarter and nine months ended December 31, 2022 respectively and Rs. 19,581 crore up to the previous financial year calculated based on basic rate of interest as per terms of loan. The Company



further has not provided for foreign exchange (gain) / loss amounting to Rs. 278 crore and Rs. 1,398 crore for the quarter and nine months ended December 31, 2022 respectively and Rs. 2,142 crore of foreign exchange loss up to the previous financial year. Had such interest and foreign exchange variation (gain)/ loss as mentioned above been provided, the reported loss for the quarter and nine months ended December 31, 2022 would have been higher by Rs. 1,401 crore and Rs. 4,891 crore respectively and Networth of the Company as on December 31, 2022 and March 31, 2022 would have been lower by Rs. 26,614 crore and Rs. 21,723 crore respectively. Non provision of interest and non-recognition of foreign exchange variation (gain)/ loss is not in compliance with Ind AS 23 "Borrowing Costs" and Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" respectively.

7. We draw attention to Note no. 4 of the Statement, regarding pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying under Goods and Service Tax) & liabilities and non-provision for impairment of carrying value of the assets and write back of liabilities if any, pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all the assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and nine months ended December 31, 2022. Non determination of fair value of financial assets & liabilities and impairment of carrying amount for other assets and liabilities are not in compliance with Ind AS 109 "Financial Instruments", Ind AS 36 "Impairment of Assets" and Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets".
8. We draw attention to Note no. 10 of the Statement, regarding non adoption of Ind AS 116 "Leases" effective from April 01, 2019 and the consequent impact thereof. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.
9. We draw attention to Note no. 4 of the Statement, 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 Telecom License. These situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. We however are unable to obtain sufficient and appropriate audit evidence regarding management's use of the going concern basis of accounting in the preparation of the standalone financial results, in view of ongoing CIRP and matters pending before regulatory authorities, the outcome of which cannot be presently ascertained.
10. Based on our review conducted as above, except for the matters described in paragraphs 5 to 9 above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results prepared in accordance with applicable Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.
11. We draw attention to Note no. 7 of the Statement, regarding provision of license fee and spectrum usage charges based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter. Our conclusion on the Statement is not modified in respect of this matter.



12. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench (“NCLT”) in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder (“Code”), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process (“CIRP”) of Reliance Communication Limited (“the Company”) and two of its subsidiaries namely Reliance Infratel Limited (RITL, ceased w.e.f December 22, 2022) and Reliance Telecom Limited (RTL) (collectively, the “Corporate Debtors”) vide its orders dated May 15, 2018. The committee of creditors (“CoC”) of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the Resolution Professional (“RP”) for the Corporate Debtors, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).
13. As per Regulation 33 of the Listing Regulations, the standalone unaudited financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone unaudited financial results. As mentioned in Note No 1 of the Statement, in view of the ongoing CIRP, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

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

*JTshah*

**Jigar T. Shah**  
Partner  
Membership No.: 161851  
UDIN No. : 23161851BGSWOF5672



Date: February 14, 2023  
Place: Mumbai



## Notes:

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

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

With respect to the standalone financial results for the quarter and nine months ended December 31, 2022, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
- (iii) The RP, in review of the standalone financial results and while signing this standalone financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these standalone financial results. The standalone financial results of the Corporate Debtor for the quarter and nine months ended December

### Registered Office:

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

31, 2022 have been taken on record by the RP solely on the basis of and relying on the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the standalone financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the standalone financial results.

- (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.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) had been recommenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries was confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

Further, during the year ended March 31, 2020, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019. In the meeting held on August 05, 2021, the CoC with requisite majority approved the resolution plan submitted by Reliance Projects & Property Management Services Limited, and in accordance with the Sec 30(6) of the Insolvency and Bankruptcy Code, 2016, on August 31, 2021, the plan was submitted to Hon'ble NCLT for its due consideration and approval. The matter is currently sub-judice.

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

An application bearing number 1960 of 2019 had been filed by Doha Bank and other banks before the NCLT, Mumbai Bench challenging the constitution of the CoC of RITL basis certain corporate guarantees issued by RITL in respect of facilities availed by the Corporate Debtor, allegedly without consent of the applicant lenders. The NCLT vide order dated March 2, 2021 has partly allowed the appeal and directed "R2 to R7 are not recognised as Financial Creditors of the Corporate Debtor. R1 (RP) is directed to re-constitute the CoC..." An appeal was filed by certain lenders against the order of the NCLT before NCLAT in *State Bank of India v. Doha Bank Q.P.S.C. & Ors*, Company Appeal (AT)(Ins) No. 304 of 2021. On April 12, 2021, the NCLAT stayed the operation of the impugned order until next date. The Hon'ble NCLAT has vide its order dated October 14, 2022 dismissed the said appeal, and upheld the order passed by the NCLT, *inter alia*, stating as follows:

**Registered Office:**

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

# RELIANCE

*"17. For all the afore noted reasons, this Appeal fails and is accordingly dismissed. No Order as to costs."*

Certain creditors (who are parties to IA No.1960 of 2019) filed an appeal bearing Civil Appeal No. 8527/2022 before the Hon'ble Supreme Court assailing the order dated October 14, 2022 ("**SBI SC Appeal**"). The SBI SC Appeal was listed last on November 30, 2022, where the Hon'ble Supreme Court was pleased to issue notice in the SBI SC Appeal. The matter has now been tentatively listed in March 2023.

An application had also been filed by Doha Bank before the NCLT, Mumbai Bench bearing number IA 3055 of 2019 challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of a deed of hypothecation. The NCLT had, vide order dated March 2, 2021, dismissed the application. An appeal was filed by Doha Bank against the order of the NCLT before the NCLAT in *Doha Bank and Ors. v. Anish Nanavaty & Ors.*, Company Appeal (AT)(Insolvency) No. 414 of 2021. On June 22, 2021 the NCLAT granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The NCLAT vide its order dated September 9, 2022 set aside the order passed by the NCLT and derecognized the creditors of RITL whose claims were admitted basis the deed of hypothecation ("**Derecognized DoH Creditors**"), as financial creditors. Further, the NCLAT remanded the matter back to the NCLT to take all actions consequential to such derecognition. The relevant portion of the order passed by the Hon'ble NCLAT is as below:

*"12. In view of the above stated position of law and fact we are not in a position to sustain the order of the Adjudicating Authority and we are constrained to set aside the impugned order of the Adjudicating Authority and remanding back to the Adjudicating Authority for taking all consequential actions resulting from de-recognizing R-2 to R-5 as 'Financial Creditors'. No order as to costs."*

Basis the directions issued by the NCLAT, the erstwhile resolution professional of RITL had preferred an application bearing number IA 2820 of 2022 before the NCLT seeking directions for taking consequential actions pursuant to the order dated 9 September 2022.

Meanwhile, the Derecognized DoH Creditors have filed various appeals (including Civil Appeal No. 7407 of 2022, Civil Appeal No. 7298 of 2022, Civil Appeal No. 7615, and Civil Appeal No. 7328) against the order passed by the NCLAT before the Hon'ble Supreme Court of India ("**Secured Creditors Appeals**"). The Hon'ble Supreme Court of India has vide its order dated October 21, 2022 issued notice in such appeals (barring the appeal filed by Industrial and Commercial Bank of China which was taken up later by the Bench on December 14, 2022 owing to pending rectification of defects). Vide the order dated October 21, 2022, the Hon'ble Supreme Court has stayed the operation of the order passed by the NCLAT. The relevant portion for the order passed by the Hon'ble Supreme Court of India states as follows:

*"Issue notice. Until further orders, there shall be stay of the operation of the impugned Order(s)."*

Further, when the Hon'ble Supreme Court of India took up the appeal filed by Industrial and Commercial Bank of China on December 14, 2022, it was pleased to tag all the Secured Creditors Appeals and the SBI SC Appeal together, and such appeals are now next listed in March 2023 (tentatively).

Considering the facts stated above, Reliance Projects and Property Management Services Limited preferred an application before the NCLT seeking necessary directions to allow the implementation of the resolution plan approved in respect of RITL, by way of deposit of the plan amount in an escrow account, with the inter se distribution of the amounts among financial creditors being subject to the final outcome of the aforesaid legal proceedings concerning the status of financial creditors. The financial creditors of RITL did not have any objection to the aforesaid, provided that the distribution of these amounts amongst the financial creditors will be subject to the outcome of the SBI SC Appeal and Secured Creditors Civil Appeal (collectively referred to as the "**Pending SC**").

#### Registered Office:

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



**Appeals**). The Hon'ble NCLT vide order dated November 21, 2022 ("**Nov 21 Order**") permitted the Resolution Applicant to proceed with implementation of the resolution plan and depositing the total value of the resolution plan, in an escrow account to be opened with State Bank of India. The relevant excerpts of the Nov 21 Order are set out below:

*"Accordingly, this Bench is of the view that an Escrow Account should be permitted to be opened in the State Bank of India, and the total value of the Resolution Plan should be deposited in that account. Further, the distribution of the amount so deposited in the Escrow account shall be in terms of the order passed by the Hon'ble Apex Court and after obtaining permission/orders from this Bench."*

This position was also reiterated by the Hon'ble Supreme Court in its order dated November 30, 2022, when the SBI SC Appeals were listed before it and it *inter alia* directed that the amounts payable in terms of the resolution plan be deposited in an escrow account to be opened with State Bank of India (i.e., the account bank herein) in terms of the Nov 21 Order with no distributions from the said account till the next date of hearing. The relevant excerpts in relation to the order dated November 30, 2022, are set out below:

*"In the meanwhile, we direct that the proponent will deposit the amount/money payable in an escrow account to be opened in the State Bank of India in terms of the order dated 21.11.2022 passed by the National Company Law Appellate Tribunal Court-I, Mumbai Bench, Maharashtra"*

Pursuant to the above, RPPMSL issued a closing action notice dated December 21, 2022 committing to implement the resolution plan on or before December 23, 2022.

Accordingly, in pursuance of the above and in compliance with the Nov 21 Order, the Escrow Agreement dated December 22, 2022 ("**Escrow Agreement**") has been executed between RITL, representative of financial creditors State Bank of India and China Development Bank, RPPMSL, Mr. Anish Nanavaty (as authorised signatory) and State Bank of India (as account bank) for purposes of recording the terms governing the escrow account set up in accordance with the Nov 21 Order.

RPPMSL has transferred an amount of INR 3720,00,00,000 (Rupees Three Thousand Seven Hundred and Twenty Crores Only) in the escrow account(s) opened in pursuance of the Escrow Agreement, in lieu of which 372,00,00,000 Zero Coupon Optionally Fully Convertible Debentures ("**OFCD**") have been allotted to RPPMSL. Further, as part of the implementation, RPPMSL has infused an amount of INR 5,00,00,000 (Rupees Five Crores Only) in the share subscription account of the Company with State Bank of India, in lieu of which, 50,00,000 (Fifty Lakhs) equity shares of RITL have been allotted to RPPMSL (along with its nominees).

Simultaneously, the entire existing issued, subscribed and paid-up share capital of the Company, being (a) 2,79,31,41,868 equity shares of INR 10 each, aggregating to INR 27,93,14,18,680; and (b) 4,00,00,000 0.1% Redeemable, Non-Cumulative, Non-Convertible preference shares of INR 10 each, aggregating to INR 40,00,00,000 (except the paid-up equity share capital to the extent of the upfront equity infusion amounting to INR 5,00,00,000 (Rupees Five Crore Only) allotted to RPPMSL (along with its nominees) in terms of the resolution plan), has been cancelled/reduced.

The amounts deposited in the escrow account(s) in pursuance of the Escrow Agreement shall be distributed to the relevant creditors and other stakeholders basis further directions from the relevant judicial authorities.

With the completion of the aforesaid actions, the resolution plan for RITL stands implemented on December 22, 2022 in terms of the order of the NCLT dated December 03, 2020 read together with the order dated November 21, 2022 and the Monitoring Committee of RITL has stood dissolved and RPPMSL has acquired the ownership and control of RITL in terms of the approved resolution plan.

Accordingly, RITL has ceased to be a subsidiary of Reliance Communications Limited with effect from December 22, 2022. Loss on De-Subsidiarisation is Rs 4,208 crore and is represented as

**Registered Office:**

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

# RELIANCE

Exceptional Items. Hence the figures for the quarter and nine months ended December 31, 2022 are not comparable with the previous corresponding period.

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

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, liabilities and accordingly provide for impairment of assets and write back of liabilities, if any. The Auditors have drawn qualification in this regard in their Limited Review Report for the quarter and nine months ended December 31, 2022.

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

In light of the urgency of the matter, the RP had filed an application before the NCLT praying that the DoT *inter alia* be restrained from taking any action which may interfere with the continued holding of the telecom spectrum of the Corporate Debtor. The NCLT had adjourned the matter following which the RP had thereafter filed a writ petition in the Delhi High Court seeking issuance of an appropriate writ, order or direction in the nature of mandamus directing the DoT to migrate the telecom licenses to UL without the insistence on the payment of the dues set out in DoT Letter. The High Court, on July 19, 2021, passed an interim order that "*till the next date, the respondent is directed to not take any coercive action against the petitioner for withdrawal of the telecom spectrum granted to the petitioner in respect of 18 service areas, as also to permit the petitioner to continue providing telecom services in the 18 service areas which are subject matters of the present petition.*" On July 20, 2021, the writ petition hearing concluded and order was passed by the High Court permitting the withdrawal of the writ petition with direction that the issue

**Registered Office:**

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



on "current dues" should be decided by the NCLT and extending the protection under the July 19, 2021 order by further 10 days.

In view of the aforesaid, the NCLT was apprised of the order of the High Court and the NCLT has, as an interim measure, extended the ad interim protection granted by the Delhi High Court until next date of hearing. Further, on August 12, 2021, the NCLT has directed that the interim orders shall continue until the next date of hearing. The issue under consideration by the NCLT relates to whether the dues being claimed by DoT in its letter of June 15, 2021 for the purposes of processing the license renewal/ migration applications of the Corporate Debtor are in the nature of "current dues" (within the meaning of the Explanation to Section 14(1) of the Code) and therefore, payable during the CIRP period. The matter before NCLT is next listed on March 16, 2023.

Simultaneously, a petition has been filed before the TDSAT seeking directions for migration of the telecom licenses, in view of the Guidelines for Grant of Unified License dated March 28, 2016 issued by the DoT, not prescribing pre-condition for any payment to be made prior to the migration of the telecom licenses. The TDSAT, on September 23, 2021, has directed that "*The interim arrangement shall be considered further after receipt of the order of NCLT. However, till then let the status quo be maintained in terms of initial order of Delhi High Court passed on 19.7.2021 which has continued thereafter by further order of the High Court followed by orders of NCLT.*" On March 15, 2022, the TDSAT granted time for filing rejoinder and continued the interim order dated September 23, 2021. The matter was last listed on October 17, 2022 and is next listed on March 7, 2023.

Similarly, in the case of RTL, in one of the circles where the UASL license was due to expire on September 26, 2021, an application had been filed with DoT on July 16, 2021 for migration of UASL to UL wherein the DoT has sought for payment of certain dues as "current dues" (being dues that pertain to the period prior to May 7, 2019 and are not payable at present) as a pre-condition for consideration of the application. The RP has filed an application in the NCLT and a petition before the TDSAT in this regard (which matters are heard together with the RCOM license migration matters). On September 23, 2021, the TDSAT has directed that "*Since the matters are similar in nature, in the interest of justice and uniformity the interim order of status quo as operating in TP No. 31 of 2021 shall operate in this matter also till the next date. It will be in the interest of petitioner to expedite the proceeding pending before the NCLT and try its best to produce the orders passed by that Tribunal by the next date.*" On March 15, 2022, the DOT has been granted 6 weeks' time by TDSAT to file the reply, rejoinder is to be filed before the next date of hearing. The TDSAT further directed that the interim order passed by the TDSAT vide order dated September 23, 2021 shall stand continuing to be operative during the pendency of the petitions. The matter was last listed on October 17, 2022 and is next listed on March 7, 2023.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the standalone financial results continue to be prepared on going concern basis. Since the Group continues to incur loss, current liabilities exceed current assets and Group has defaulted in repayment of borrowings, payment of

**Registered Office:**

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

# RELIANCE

regulatory and statutory dues and pending renewal of telecom licenses, these events indicate that material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. The Auditors have drawn qualification in their Limited Review Report for the quarter and nine months ended December 31, 2022.

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

Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan were being worked out. The Corporate Debtor has not provided Interest of Rs. 1,123 crore and Rs.3,493 crore calculated based on basic rate of interest as per terms of loan for the quarter and nine months ended December 31, 2022 respectively and foreign exchange (gain)/loss aggregating to Rs. 278 crore and Rs. 1,398 crore respectively for the quarter and nine months ended December 31, 2022 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 1,401 crore and Rs. 4,891 crore for the quarter and nine months ended December 31, 2022 respectively and Net Worth of the Company as on December 31, 2022 and March 31, 2022 would have been lower by Rs.26,614 crore and Rs. 21,723 crore respectively. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter and nine months ended December 31, 2022. During the previous years, Interest of Rs. 19,581 crore and foreign exchange loss (net) aggregating to Rs. 2,142 crore were not provided and the Auditors had drawn qualification in their audit reports for the financial years ended March 31, 2018, March 31, 2019, March 31,2020 March 31,2021, and March 31, 2022.

6. Assets held for sale including Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) continue to be classified as held for sale at the value ascertained at the end of March 31, 2018, along with liabilities, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

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

The financial result of discontinued operations is as under:

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	1	1	1	3	3	4

#### Registered Office:

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

(Rs in crore)

# RELIANCE

Total Expenses	134	134	117	399	348	465
Profit/ (Loss) before Exceptional Item tax	(133)	(133)	(116)	(396)	(345)	(461)
Exceptional Item	(5,645)	(1,385)	(1,245)	(8,367)	(3,604)	(4,894)
Tax	-	-	-	-	-	-
Profit/ (Loss) after tax	(5,778)	(1,518)	(1,361)	(8,763)	(3,949)	(5,355)

7. The Hon'ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license

On September 01, 2020, the Supreme Court pronounced the judgment in the AGR matter ("**SC Judgement**"). It has framed various questions in respect of companies under insolvency and in respect of such questions, the Court has held that the same should be decided first by the NCLT by a reasoned order within 2 months, and that it has not gone into the merits in this decision. The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgment. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court. On August 2, 2021, the appeals were listed when the bench issued notice in the matter and tagged the same with Civil Appeal No 1810 of 2021 (being the appeal filed by the COC of Aircel companies) and also allowed the application seeking permission to file the civil appeal. On February 22, 2022, the Supreme Court 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. Next date of hearing in the matter is February 21, 2023 (tentative). The appeals are currently *sub judice*.

Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor has not received any such demand in this regard till date. The DoT had during the pendency of the various proceedings simultaneously directed Special Audit in relation to the computation of License fee, Spectrum fee, applicable interest and penalties thereon, which is under progress for the financial year 2015-16 onwards. In this regard, the Corporate Debtor had provided for estimated liability aggregating to Rs. 36,956 crore up to the previous year ended March 31, 2022 and has provided additional charge of Rs. 1,437 crore and Rs. 4,159 crore during the quarter and nine months ended December 31, 2022 respectively and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings). This matter has been referred to by the Auditors in their Limited Review report for the quarter and nine months ended December 31, 2022.

#### Registered Office:

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

# RELIANCE

8. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on December 31, 2022 are secured by way of first pari-passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). RITL's implementation of resolution plan has been completed and RITL has ceased to be a subsidiary of the Company. Out of the above, in case of NCDs of Rs. 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
9. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Debt Equity ratio	-	-	-	-	-	-
Debt Service Coverage Ratio	-	-	-	-	-	-
Interest Service Coverage Ratio	-	-	-	-	-	-
Current Ratio	0.13	0.18	0.19	.13	0.19	0.18
Long term debt to working capital	-	-	-	-	-	-
Bad debts to Accounts receivable ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Liability ratio	0.94	0.94	0.94	0.94	0.94	0.94
Total Debts to Total Assets	0.99	0.90	0.89	0.99	0.89	0.90
Debtors turnover (Days)	91	80	113	92	86	116
Networth	(53,783)	(47,968)	(43,370)	(53,783)	(43,370)	(44,847)
Operating margin (%) (Continuing operations)	(48.19)	(77.75)	(61.41)	(71.66)	(73.73)	(77.10)
Net Profit margin (%) (Continuing operations)	(45.78)	(76.56)	(61.41)	(70.04)	(72.22)	(75.97)

Note wherever the ratios are negative, the same is shown as Nil (-)

**Registered Office:**

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

Formula used for computation of Ratios:

- (i) Debt Equity Ratio = Debt / Equity;
  - (ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax/ (Interest + Principal repayment);
  - (iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax/ (Interest expense).
  - (iv) Current Ratio = Current Assets / Current Liabilities
  - (v) Long term debt to working capital = Non Current Borrowings (including Current Maturities of Non-Current Borrowings) / Current Assets less Current Liabilities (excluding Current Maturities of Non Current Borrowings)
  - (vi) Bad debts to Accounts receivable ratio = Bad debts / Average trade receivables
  - (vii) Current Liability ratio = Total Current Liabilities / Total Liabilities
  - (viii) Total Debts to Total Assets = Total Debts / Total Assets
  - (ix) Debtors turnover = Average Trade receivables / (Value of Sales and Services / no of days for the period)
  - (x) Net Worth includes Rs. 5,538 crore created pursuant to the Scheme of Amalgamation approved by Hon'ble High courts which shall for all regulatory purposes be considered to be part of owned funds of the Company but excludes Capital Reserve. The above net worth is without considering the impact of the above qualification given by the auditors in their limited review report. (Refer note 5 above).
  - (xi) Operating margin (%) (Continuing operations) = EBIT - Other Income / Value of Sale and Services
  - (xii) Net Profit margin (%) (Continuing operations) = Profit / (Loss) after tax / Value of Sales and Service.
10. The Corporate Debtor and some of its subsidiaries where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Limited Review Report for the quarter and nine months ended December 31, 2022.
  11. Disclosure as per Ind AS 108 "Operating Segments" is reported in Consolidated financial results of the Company. Therefore the same has not been separately disclosed in line with the provision of Ind AS.
  12. During earlier year ended March 31, 2021, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the previous year, the resolution professional of RTSL had filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial results of RTSL and the consequential impact in the standalone financial results will be given basis the decision of the NCLT on the application.
  13. During the quarter, the Company received a notice from Axis Trustee Services Limited ("Axis Trustee" / "Security Trustee") on November 9, 2022 regarding invocation cum sale of pledged shares Globalcom IDC Limited ("GIDC"). Thereafter, the Company received a notice of invocation of pledge over such shares from Axis Trustee on December 14, 2022.

**Registered Office:**

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

# RELIANCE

As a matter of background, it may be noted that RWSL is a wholly owned subsidiary of RCOM, holding 100% of equity shares in GIDC. Accordingly, GIDC was a wholly owned step-down subsidiary of RCOM. *Vide* facilities agreement dated August 29, 2016, RCOM and RITL had availed a loan facility of Rs. 565 Crore and Rs. 635 Crore respectively from State Bank of India ("Lender"). *Vide* share pledge agreement dated September 23, 2016, RWSL had pledged 100% of its shareholding in GIDC comprising 20,99,994 equity shares to Axis Trustee (in its capacity as a security trustee for the Lender) for above loan facility.

Owing to defaults in the repayment of the facilities availed by RCOM and RITL, Axis Trustee first proceeded to issue a notice for the invocation cum sale of pledged shares on November 9, 2022, and thereafter, invoked the pledge on December 12, 2022.

14. Provision for Income Tax for the quarter and nine months ended December 31, 2022 is based on the estimate for the full financial year.
15. The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016 ("Circular") and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited ("RITL") and Reliance Telecom Limited ("RTL") being fraudulent in terms of the Circular. RITL's implementation of resolution plan has been completed and RITL has ceased to be a subsidiary of the Company.

The Corporate Debtor, RITL and RTL have been represented through their advocates and accepted notice in the petitions. The respective respondent-banks have been directed, on various dates of hearing, to maintain status quo until the next date of hearing by the High Court. The said petitions have been listed on various dates where counsels of various parties have made arguments and are presently sub judice before the Hon'ble High Court of Delhi. On September 26, 2022, when the matter was listed, Mr. Ramesh Babu, the learned standing counsel of RBI apprised the Hon'ble High Court that the question of constitutional validity of the Master Direction on Frauds is pending consideration before the Hon'ble Supreme Court of India in SLP (C) No. 3931 of 2021 and connected matters. He further informed that the aforesaid SLPs arise out of the Telangana High Court's judgment dated 10 December 2020 in WP No. 19102 of 2019 and the orders passed by the Telangana High Court and other High Courts and that the hearing in the said appeals has commenced and are listed on September 27, 2022 before the Apex Court as continuing part-heard matters.

Noting the aforesaid circumstances, the Hon'ble High Court adjourned the matter and all the connected batch matters to November 21, 2022. On November 21, 2022, the Hon'ble High Court was apprised that the Supreme Court has reserved judgment in SLP (C) No. 3931 of 2021 and connected matters dealing with the question of constitutional validity of the 'Master Direction on Frauds' issued by the RBI. Noting the aforesaid circumstances, the Hon'ble High Court decided to wait for the said judgment and accordingly, the captioned matter and all the connected batch matters have been adjourned to May 12, 2023.

16. During the earlier year ended March 31, 2021, and during the previous year ended March 31, 2022, certain banks had issued show cause notices to the Corporate Debtor, certain subsidiaries and certain directors and further during the quarter ended June 30, 2022, a bank has sent show cause notice to a subsidiary of the Corporate Debtor seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. Also, during the previous year ended March 31, 2022, a bank has served notice seeking explanation as to why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and its subsidiaries have responded to the

**Registered Office:**

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

# RELIANCE

show cause notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor for classification as fraud and requested the banks to withdraw the notices. Further, certain banks had issued notices seeking personal hearing by the authorized representative of the Corporate Debtor and its subsidiaries in respect of the aforesaid matter. Hearings were attended to and necessary submissions were made in accordance with the submissions made earlier in the responses to the show cause notices. No further response has been received from the banks since then. Currently, there is no impact of such notices issued from banks, in the standalone financial results.

17. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on February 14, 2023 which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors. The Statutory Auditors have done Limited Review of the Standalone Financial Results for the quarter and nine months ended December 31, 2022

**For Reliance Communications Limited**

  
**Anish Niranjana Nanavaty**  
**(Resolution Professional)**

  
**Vishwanath Devaraja Rao**

**(Executive Director and Chief Financial Officer)**

Place: Mumbai

Date: February 14, 2023



**Registered Office:**

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

**Limited Review Report on Consolidated Unaudited Financial Results of Reliance Communications Limited for the quarter and nine months ended December 31, 2022 pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

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

1. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by an operational / financial creditor against Reliance Communications Limited and its four subsidiaries appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Reliance Communications Limited ('the Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), and its share of net profit / (loss) after tax and total comprehensive income/ (loss) of its associates for the quarter and nine months ended December 31, 2022 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").
3. This Statement which is the responsibility of the Parent Company's Management and approved by the Parent's Board of Directors and taken on record by RP in their meeting held on February 14, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

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



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

**A. Subsidiaries (Including step-down subsidiaries)**

Sr. No.	Name of the Company
1.	Reliance WiMax Limited
2.	Reliance Bhutan Limited (ceased w.e.f December 22, 2022, Refer Note no. 3)
3.	Reliance Webstore Limited
4.	Campion Properties Limited
5.	Reliance Tech Services Limited
6.	Reliance Telecom Limited
7.	Reliance Communications Infrastructure Limited
8.	Globalcom IDC Limited (ceased w.e.f December 12, 2022, Refer Note no. 17)
9.	Reliance Infratel Limited (ceased w.e.f December 22, 2022, Refer Note no. 3)
10.	Globalcom Mobile Commerce Limited
11.	Reliance BPO Private Limited
12.	Reliance Realty Limited
13.	Reliance Globalcom B.V.
14.	Reliance Communications (UK) Limited
15.	Reliance Communications (Hong Kong) Limited
16.	Reliance Communications (Singapore) Pte. Limited
17.	Reliance Communications (New Zealand) Pte. Limited
18.	Reliance Communications (Australia) Pty Limited
19.	Anupam Global Soft (U) Limited
20.	Gateway Net Trading Pte Limited
21.	Reliance FLAG Pacific Holdings Limited
22.	Reliance Infocom Inc
23.	Reliance Communications Inc.
24.	Reliance Communications International Inc.
25.	Reliance Communications Canada Inc.
26.	Bonn Investment Inc.
27.	Reliance Communications Tamilnadu Limited
28.	Globalcom Realty Limited
29.	Worldtel Tamilnadu Private Limited
30.	Realsoft Cyber Systems Private Limited
31.	Internet Exchangenext.com Limited
32.	Largewood Investments Limited
33.	Reliance Telecom Infrastructure (Cyprus) Holding Limited
34.	Aircom Holdco B.V.
35.	Towercom Infrastructure Private Limited
36.	Reliance Infra Projects Limited

**B. Associates**

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



6. We draw attention to Note no. 4 & 6 of the Statement regarding “Assets Held for Sale (AHS)” including Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) alongwith liabilities continues to be classified as held for sale at the value ascertained at the end of March 31, 2018, for the reasons referred to in the aforesaid note and impact of the non payment of spectrum instalments due to Department of Telecommunication (DOT). Non determination of fair value as on the reporting date is not in compliance with Ind AS 105 "Non Current Assets Held for Sale and Discontinued Operations". Accordingly, we are unable to comment on the consequential impact, if any, on the carrying amount of Assets Held for Sale and on the reported losses for the quarter and nine months ended December 31, 2022.
7. We draw attention to Note no. 5 of the Statement regarding admission of the Parent Company and its three subsidiaries into Corporate Insolvency Resolution Process (“CIRP”) and pending determination of obligations and liabilities including various claims submitted by the Operational / financial / other creditors and employees including interest payable on loans during CIRP. We are unable to comment the accounting impact thereof pending reconciliation and determination of final obligation.

The Parent Company and some of it’s subsidiaries have not provided interest on borrowings amounting to Rs. 1,185 crore and Rs. 3,692 crore for the quarter and nine months ended December 31, 2022 respectively and Rs. 22,103 crore up to the previous financial year based on the basic rate of interest as per the terms of the borrowings. The Parent Company and some of its subsidiaries further has not provided for foreign exchange variance (gain)/ loss amounting to Rs. 307 crore and Rs. 1,541 crore for the quarter and nine months ended December 31, 2022 respectively and Rs. 2,626 crore foreign exchange losses up to the previous financial year. Had such interest and foreign exchange variation (gain) / loss as mentioned above been provided, the reported loss for the quarter and nine months ended December 31, 2022 would have been higher by Rs. 1,492 crore and Rs. 5,233 crore respectively and Networth of the Group as on December 31, 2022 and March 31, 2022 would have been lower by Rs. 28,276 crore and Rs. 24,729 crore respectively. Non provision of interest and non recognition of foreign exchange variation (gain)/loss is not in compliance with Ind AS 23 “Borrowing Costs” and Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” respectively.

8. We draw attention to Note no. 4 of the Statement, regarding the pending comprehensive review of carrying amount of all assets (including investments, receivables and balances lying in Goods and Service Tax) & liabilities, impairment of goodwill on consolidation and non provision for impairment of carrying value of assets and write back of liabilities if any, has not been made in the books of account by the Group pending completion of the CIRP. In the absence of comprehensive review as mentioned above for the carrying value of all other assets and liabilities, we are unable to comment that whether any adjustment is required in the carrying amount of such assets and liabilities and consequential impact, if any, on the reported losses for the quarter and nine months ended December 31, 2022. Non determination of fair value of financial assets & liabilities and impairment in carrying amount of other assets & liabilities are not in compliance with Ind AS 109 “Financial Instruments”, Ind AS 36 "Impairment of Assets” and Ind AS 37 “Provisions, Contingent Liabilities & Contingent Assets”.
9. We draw attention to Note no. 11 of the Statement, regarding non adoption of Ind AS 116 “Leases” effective from April 01, 2019 and the impact thereof. The Parent Company and some of it's subsidiaries have not applied Ind AS 116. The aforesaid accounting treatment is not in accordance with the relevant Indian Accounting Standard Ind AS 116.



10. We draw attention to Note no. 4, 7 & 16 of the Statement, regarding termination of definitive binding agreement for monetization of assets of the Parent Company and two of its subsidiaries namely RTL & RITL (RITL, ceased w.e.f. December 22, 2022) and the ongoing CIRP, the outcome of which cannot be presently ascertained. Further the Parent Company's subsidiary namely Reliance Communication Infrastructure Limited (RCIL) and Reliance Tech Services Limited (RTSL) has also been admitted under Code with effect from September 25, 2019 and August 04, 2020 respectively. The group has continued to incur losses, its current liabilities exceed current assets and defaulted in repayment of its borrowings and payment of statutory dues and pending application of renewal of Telecom License. Further, auditors of material subsidiaries of the Parent Company have qualified their reports with respect to Going Concern of the Company's on account of reasons mentioned above.

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

11. We draw attention to Note no. 15 of the Statement regarding non receipt of balance confirmation from balance with Industrial and Commercial Bank of China in Fixed Deposit (FD) account amounting to Rs. 32.79 crore as at December 31, 2022 in respect of one of the subsidiary. Pending receipt of balance confirmation as on reporting date, we are unable to comment on the consequential impact if any, on the unaudited consolidated financial results.

12. Based on our review conducted and procedures as stated in paragraph 4 above and based on the consideration of the review reports of other auditors referred to in paragraph 15 below, except for the possible effects of the matters stated in paragraphs 6 to 11 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

13. We draw attention to Note no. 8 of the Statement, regarding provision of license fee and spectrum usage charges by the Parent Company and one of its subsidiary, based on management estimates pending special audit from Department of Telecommunications, pursuant to the judgment of Hon'ble Supreme Court of India, vide its order dated October 24, 2019 and status of payment thereof which may undergo revision based on any development in the said matter. Our conclusion is not modified in respect of this matter.

14. We draw attention to Note no. 17 of the Statement wherein one of the lenders of the Parent Company has invoked shares of Globalcom IDC Limited (GIDC) a step down subsidiary of the Parent Company and accordingly with effect from December 12, 2022 GIDC has been de-subsidary from the consolidated financial results. The impact on deconsolidation has been shown as



exceptional item in the consolidated financial results. Our conclusion is not modified in respect of this matter.

15. We did not review the financial information of 6 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 10 crore and Rs. 27 crore, total net profit / (loss) after tax of Rs. (2) crore and Rs. (7) crore and total comprehensive income / (loss) of Rs. (2) crore and Rs. (7) crore for the quarter and nine months ended December 31, 2022 respectively, as considered in the consolidated unaudited financial results whose financial information has not been reviewed by us. The consolidated unaudited financial results also include the Group's share of net profit / (loss) after tax of Rs. Nil and Rs. 2 crore and total comprehensive income / (loss) of Rs. Nil and Rs. 2 crore for the quarter and nine months ended December 31, 2022 respectively as considered in the consolidated unaudited financial results, in respect of 2 associates, whose financial information have not been reviewed by us. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far it relates to amounts and disclosures included in respect of these subsidiaries and associates, is solely based on the reports of the other auditors and the procedures performed by us as stated in paragraph 4 above. Our conclusion on the Statement is not modified in respect of this matter.
16. We did not review the financial information of 27 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 49 crore and Rs. 170 crore, total net profit / (loss) after tax of Rs. (416) crore and Rs. (414) crore and total comprehensive income / (loss) of Rs. (416) crore and Rs. (414) crore for the quarter and nine months ended December 31, 2022 respectively, as considered in the consolidated unaudited financial results whose financial information has not been reviewed by their auditors. These unaudited financial statements / financial information have been furnished to us by the Directors and our opinion on the consolidated unaudited financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Directors, these financial statements / financial information are not material to the Group.
17. Pursuant to applications filed by Ericsson India Pvt. Ltd. before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of Corporate Insolvency Resolution Process ("CIRP") of Reliance Communication Limited ("the Company") and two of its subsidiaries namely Reliance Infratel Limited (RITL, ceased w.e.f. December 22, 2022) and Reliance Telecom Limited (RTL) (collectively, the "Corporate Debtors") vide its orders dated May 15, 2018. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on May 30, 2019, in terms of Section 22 (2) of the Code, resolved with the requisite voting share, to replace the Interim Resolution Professionals with the Resolution Professional ("RP") for the Corporate Debtors, which has been confirmed by the NCLT in its orders dated June 21, 2019 (published on the website of the NCLT on June 28, 2019).

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



# Pathak H.D. & Associates LLP

Chartered Accountants

Order who has been confirmed as the Resolution Professional of the Company ("RP") by the committee of creditors.

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

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

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

Chartered Accountants

Firm's Registration No:107783W/W100593

**Jigar T. Shah**

Partner

Membership No. : 161851

UDIN No. : 23161851BGSWOG3568



Date: February 14, 2023

Place: Mumbai



Segment wise Revenue, Results , Segment Assets and Segment Liabilities							(Rs. in Crore )
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Segment Revenue</b>						
	(a) India Operation	118	127	146	371	438	563
	(b) Global Operation	9	8	8	25	23	35
	<b>(c) Total [ (a) + (b) ]</b>	<b>127</b>	<b>135</b>	<b>154</b>	<b>396</b>	<b>461</b>	<b>598</b>
	(d) Less: Inter segment revenue	(5)	(4)	(5)	(14)	(10)	(14)
	<b>(e) Income from Operations [ (c) - (d) ]</b>	<b>122</b>	<b>131</b>	<b>149</b>	<b>382</b>	<b>451</b>	<b>584</b>
<b>2</b>	<b>Segment Results</b>						
	Profit / (Loss) before Tax and Finance Cost from each segment						
	(a) India Operation	(27)	(53)	(31)	(136)	(127)	(190)
	(b) Global Operation	(1)	(2)	2	(4)	2	5
	<b>(c) Total [ (a) + (b) ]</b>	<b>(28)</b>	<b>(55)</b>	<b>(29)</b>	<b>(140)</b>	<b>(125)</b>	<b>(185)</b>
	(d) Less : Finance Costs (net)	12	12	12	36	36	47
	(e) Add : Exceptional Items	-	-	-	-	-	-
	<b>Total Profit/ (Loss) before Tax and share in Profit / (Loss) of Associates</b>	<b>(40)</b>	<b>(67)</b>	<b>(41)</b>	<b>(176)</b>	<b>(161)</b>	<b>(232)</b>
	<b>Total Profit/ (Loss) before Tax from Discontinued Operations</b>	<b>(9,165)</b>	<b>(1,773)</b>	<b>(1,687)</b>	<b>(12,622)</b>	<b>(4,901)</b>	<b>(6,540)</b>
<b>3</b>	<b>Segment Assets</b>						
	(a) India Operation	37,388	47,287	47,568	37,388	47,568	47,313
	(b) Global Operation	928	941	866	928	866	890
	(c) Others/ Unallocable	579	1,444	1,284	579	1,284	1,393
	(d) Inter segment Eliminations	(2,002)	(1,993)	(1,993)	(2,002)	(1,993)	(2,039)
	<b>(e) Total [ (a) to (d) ]</b>	<b>36,893</b>	<b>47,679</b>	<b>47,725</b>	<b>36,893</b>	<b>47,725</b>	<b>47,557</b>
<b>4</b>	<b>Segment Liabilities</b>						
	(a) India Operation	109,829	110,567	105,359	109,829	105,359	106,947
	(b) Global Operation	1,512	1,488	1,557	1,512	1,557	1,573
	(c) Others/ Unallocable	230	1,070	1,062	230	1,062	1,060
	(d) Inter segment Eliminations	(1,665)	(1,661)	(1,690)	(1,665)	(1,690)	(1,728)
	<b>(e) Total [ (a) to (d) ]</b>	<b>109,906</b>	<b>111,464</b>	<b>106,288</b>	<b>109,906</b>	<b>106,288</b>	<b>107,852</b>

## Notes:

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

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

With respect to the consolidated financial results for the quarter and nine months ended December 31, 2022, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

- (i) The RP has furnished and signed the report in good faith and accordingly, no suit, prosecution or other legal proceeding shall lie against the RP in terms of Section 233 of the Code;
- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
- (iii) The RP, in review of the consolidated financial results and while signing this consolidated financial results, has relied upon the assistance provided by the directors of the Corporate

### Registered Office:

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



Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these consolidated financial results. The consolidated financial results of the Corporate Debtor for the quarter and nine months ended December 31, 2022 have been taken on record by the RP solely on the basis of and relying on the aforesaid certifications, representations and statements of the aforesaid directors and the erstwhile management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the consolidated financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the consolidated financial results.

- (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.
2. Figures of the previous period / year have been regrouped and reclassified, wherever required.
  3. During the quarter ended June 30, 2019, the CIRP in respect of the Corporate Debtor and its subsidiaries; Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL) had been recommenced, and interim resolution professionals had been appointed in respect of the aforesaid companies. Subsequently, appointment of Mr. Anish Niranjana Nanavaty as the Resolution Professional (RP) of the Corporate Debtor and its subsidiaries was confirmed by the NCLT vide its order dated June 21, 2019 which was published on June 28, 2019 on the NCLT's website.

Further, during the year ended March 31, 2020, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had also been admitted by NCLT for resolution process under the Code and Mr. Anish Niranjana Nanavaty was appointed as the Resolution Professional of RCIL vide its order dated September 25, 2019. In the meeting held on August 05, 2021, the CoC with requisite majority approved the resolution plan submitted by Reliance Projects & Property Management Services Limited, and in accordance with the Sec 30(6) of the Insolvency and Bankruptcy Code, 2016, on August 31, 2021, the plan was submitted to Hon'ble NCLT for its due consideration and approval. The matter is currently sub-judice.

In the meantime, the NCLT, Mumbai Bench, vide order dated December 3, 2020, approved the resolution plan submitted by Reliance Projects and Property Management Services Limited ("**RPPMSL**"), in respect of RITL, a step-down subsidiary of the Corporate Debtor. Upon approval of the resolution plan of RITL, Mr. Anish Niranjana Nanavaty ceased to be the resolution professional of RITL, and RITL was placed under the supervision of a Monitoring Committee constituted under the provisions of the approved resolution plan comprising of two nominees/representatives of approving financial creditors, two nominees of the Resolution Applicant (RA) and Mr. Anish Niranjana Nanavaty (as the Insolvency Professional). An application bearing number 1960 of 2019 had been filed by Doha Bank and other banks before the NCLT, Mumbai Bench challenging the constitution of the CoC of RITL basis certain corporate guarantees issued by RITL in respect of facilities availed by the Corporate Debtor, allegedly without consent of the applicant lenders. The NCLT vide order dated March 2, 2021 has partly allowed the appeal and directed "*R2 to R7 are not recognised as Financial Creditors of the Corporate Debtor. R1 (RP) is directed to re-constitute the CoC...*" An appeal was filed by certain lenders against the order of the NCLT before NCLAT in *State Bank of India v. Doha Bank Q.P.S.C. & Ors*, Company Appeal (AT)(Ins) No. 304 of 2021. On April 12, 2021, the NCLAT stayed the operation of the impugned order until next date. The Hon'ble NCLAT has vide its order dated October 14, 2022 dismissed the said appeal, and upheld the order passed by the NCLT, *inter alia*, stating as follows:

**Registered Office:**

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



*"17. For all the aforementioned reasons, this Appeal fails and is accordingly dismissed. No Order as to costs."*

Certain creditors (who are parties to IA No.1960 of 2019) filed an appeal bearing Civil Appeal No. 8527/2022 before the Hon'ble Supreme Court assailing the order dated October 14, 2022 ("**SBI SC Appeal**"). The SBI SC Appeal was listed last on November 30, 2022, where the Hon'ble Supreme Court was pleased to issue notice in the SBI SC Appeal. The matter has now been tentatively listed in March 2023.

An application had also been filed by Doha Bank before the NCLT, Mumbai Bench bearing number IA 3055 of 2019 challenging the decision of the RP of RITL of admission of claims of certain indirect lenders in the CIRP of RITL, on the basis of a deed of hypothecation. The NCLT had, vide order dated March 2, 2021, dismissed the application. An appeal was filed by Doha Bank against the order of the NCLT before the NCLAT in *Doha Bank and Ors. v. Anish Nanavaty & Ors.*, Company Appeal (AT)(Insolvency) No. 414 of 2021. On June 22, 2021 the NCLAT granted stay on distribution of proceeds under the plan among financial creditors as interim relief. The NCLAT vide its order dated September 9, 2022 set aside the order passed by the NCLT and derecognized the creditors of RITL whose claims were admitted basis the deed of hypothecation ("**Derecognized DoH Creditors**"), as financial creditors. Further, the NCLAT remanded the matter back to the NCLT to take all actions consequential to such derecognition. The relevant portion of the order passed by the Hon'ble NCLAT is as below:

*"12. In view of the above stated position of law and fact we are not in a position to sustain the order of the Adjudicating Authority and we are constrained to set aside the impugned order of the Adjudicating Authority and remanding back to the Adjudicating Authority for taking all consequential actions resulting from de-recognizing R-2 to R-5 as 'Financial Creditors'. No order as to costs."*

Basis the directions issued by the NCLAT, the erstwhile resolution professional of RITL had preferred an application bearing number IA 2820 of 2022 before the NCLT seeking directions for taking consequential actions pursuant to the order dated 9 September 2022.

Meanwhile, the Derecognized DoH Creditors have filed various appeals (including Civil Appeal No. 7407 of 2022, Civil Appeal No. 7298 of 2022, Civil Appeal No. 7615, and Civil Appeal No. 7328) against the order passed by the NCLAT before the Hon'ble Supreme Court of India ("**Secured Creditors Appeals**"). The Hon'ble Supreme Court of India has vide its order dated October 21, 2022 issued notice in such appeals (barring the appeal filed by Industrial and Commercial Bank of China which was taken up later by the Bench on December 14, 2022 owing to pending rectification of defects). Vide the order dated October 21, 2022, the Hon'ble Supreme Court has stayed the operation of the order passed by the NCLAT. The relevant portion for the order passed by the Hon'ble Supreme Court of India states as follows:

*"Issue notice. Until further orders, there shall be stay of the operation of the impugned Order(s)."*

Further, when the Hon'ble Supreme Court of India took up the appeal filed by Industrial and Commercial Bank of China on December 14, 2022, it was pleased to tag all the Secured Creditors Appeals and the SBI SC Appeal together, and such appeals are now next listed in March 2023 (*tentatively*). Considering the facts stated above, Reliance Projects and Property Management Services Limited preferred an application before the NCLT seeking necessary directions to allow the implementation of the resolution plan approved in respect of RITL, by way of deposit of the plan amount in an escrow account, with the inter se distribution of the amounts among financial creditors being subject to the final outcome of the aforesaid legal proceedings concerning the status of financial creditors. The financial creditors of RITL did not have any objection to the aforesaid, provided that the distribution of these amounts amongst the financial creditors will be subject to the outcome of the SBI SC Appeal and Secured Creditors Civil Appeal (collectively referred to as the "**Pending SC Appeals**"). The Hon'ble NCLT vide order dated November 21, 2022 ("**Nov 21 Order**") permitted the Resolution Applicant to proceed with implementation of the

**Registered Office:**

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



resolution plan and depositing the total value of the resolution plan, in an escrow account to be opened with State Bank of India. The relevant excerpts of the Nov 21 Order are set out below:

*"Accordingly, this Bench is of the view that an Escrow Account should be permitted to be opened in the State Bank of India, and the total value of the Resolution Plan should be deposited in that account. Further, the distribution of the amount so deposited in the Escrow account shall be in terms of the order passed by the Hon'ble Apex Court and after obtaining permission/orders from this Bench."*

This position was also reiterated by the Hon'ble Supreme Court in its order dated November 30, 2022, when the SBI SC Appeals were listed before it and it *inter alia* directed that the amounts payable in terms of the resolution plan be deposited in an escrow account to be opened with State Bank of India (i.e., the account bank herein) in terms of the Nov 21 Order with no distributions from the said account till the next date of hearing. The relevant excerpts in relation to the order dated November 30, 2022, are set out below:

*"In the meanwhile, we direct that the proponent will deposit the amount/money payable in an escrow account to be opened in the State Bank of India in terms of the order dated 21.11.2022 passed by the National Company Law Appellate Tribunal Court-I, Mumbai Bench, Maharashtra"*

Pursuant to the above, RPPMSL issued a closing action notice dated December 21, 2022 committing to implement the resolution plan on or before December 23, 2022.

Accordingly, in pursuance of the above and in compliance with the Nov 21 Order, the Escrow Agreement dated December 22, 2022 ("**Escrow Agreement**") has been executed between RITL, representative of financial creditors State Bank of India and China Development Bank, RPPMSL, Mr. Anish Nanavaty (as authorised signatory) and State Bank of India (as account bank) for purposes of recording the terms governing the escrow account set up in accordance with the Nov 21 Order.

RPPMSL has transferred an amount of INR 3720,00,00,000 (Rupees Three Thousand Seven Hundred and Twenty Crores Only) in the escrow account(s) opened in pursuance of the Escrow Agreement, in lieu of which 372,00,00,000 Zero Coupon Optionally Fully Convertible Debentures ("**OFCD**") have been allotted to RPPMSL. Further, as part of the implementation, RPPMSL has infused an amount of INR 5,00,00,000 (Rupees Five Crores Only) in the share subscription account of the Company with State Bank of India, in lieu of which, 50,00,000 (Fifty Lakhs) equity shares of RITL have been allotted to RPPMSL (along with its nominees).

Simultaneously, the entire existing issued, subscribed and paid-up share capital of the Company, being (a) 2,79,31,41,868 equity shares of INR 10 each, aggregating to INR 27,93,14,18,680; and (b) 4,00,00,000 0.1% Redeemable, Non-Cumulative, Non-Convertible preference shares of INR 10 each, aggregating to INR 40,00,00,000 (except the paid-up equity share capital to the extent of the upfront equity infusion amounting to INR 5,00,00,000 (Rupees Five Crore Only) allotted to RPPMSL (along with its nominees) in terms of the resolution plan), has been cancelled/reduced.

The amounts deposited in the escrow account(s) in pursuance of the Escrow Agreement shall be distributed to the relevant creditors and other stakeholders basis further directions from the relevant judicial authorities.

With the completion of the aforesaid actions, the resolution plan for RITL stands implemented on December 22, 2022 in terms of the order of the NCLT dated December 03, 2020 read together with the order dated November 21, 2022 and the Monitoring Committee of RITL has stood dissolved and RPPMSL has acquired the ownership and control of RITL in terms of the approved resolution plan.

Accordingly, RITL has ceased to be a subsidiary of Reliance Communications Limited with effect from December 22, 2022. RITL along with its wholly owned subsidiary, Reliance Bhutan Limited, has been de-subsidiarised with effect from December 22, 2022 for the purpose of and as per requirement of IndAS 110 "Consolidated Financial Statement". Loss on de-subsidiarisation is Rs

**Registered Office:**

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



7,361 Crore and is represented as Exceptional Items. Hence the figures for the quarter and nine months ended December 31, 2022 are not comparable with the previous corresponding period.

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

On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investments, balances lying in Goods and Service Tax, liabilities and impairment of goodwill on consolidation and accordingly provide for impairment of assets and write back of liabilities, if any. The Auditors have drawn qualification in this regard in their Limited Review Report for the quarter and nine months ended December 31, 2022.

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

In light of the urgency of the matter, the RP had filed an application before the NCLT praying that the DoT *inter alia* be restrained from taking any action which may interfere with the continued holding of the telecom spectrum of the Corporate Debtor. The NCLT had adjourned the matter following which the RP had thereafter filed a writ petition in the Delhi High Court seeking issuance of an appropriate writ, order or direction in the nature of mandamus directing the DoT to migrate the telecom licenses to UL without the insistence on the payment of the dues set out in DoT Letter. The High Court, on July 19, 2021, passed an interim order that *"till the next date, the respondent is directed to not take any coercive action against the petitioner for withdrawal of the telecom spectrum granted to the petitioner in respect of 18 service areas, as also to permit the petitioner to continue providing telecom services in the 18 service areas which are subject matters of the present petition."* On July 20, 2021, the writ petition hearing concluded and order was

**Registered Office:**

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



passed by the High Court permitting the withdrawal of the writ petition with direction that the issue on "current dues" should be decided by the NCLT and extending the protection under the July 19, 2021 order by further 10 days.

In view of the aforesaid, the NCLT was apprised of the order of the High Court and the NCLT has, as an interim measure, extended the ad interim protection granted by the Delhi High Court until next date of hearing. Further, on August 12, 2021, the NCLT has directed that the interim orders shall continue until the next date of hearing. The issue under consideration by the NCLT relates to whether the dues being claimed by DoT in its letter of June 15, 2021 for the purposes of processing the license renewal/ migration applications of the Corporate Debtor are in the nature of "current dues" (within the meaning of the Explanation to Section 14(1) of the Code) and therefore, payable during the CIRP period. The matter before NCLT is next listed on March 16, 2023.

Simultaneously, a petition has been filed before the TDSAT seeking directions for migration of the telecom licenses, in view of the Guidelines for Grant of Unified License dated March 28, 2016 issued by the DoT, not prescribing pre-condition for any payment to be made prior to the migration of the telecom licenses. The TDSAT, on September 23, 2021, has directed that "*The interim arrangement shall be considered further after receipt of the order of NCLT. However, till then let the status quo be maintained in terms of initial order of Delhi High Court passed on 19.7.2021 which has continued thereafter by further order of the High Court followed by orders of NCLT.*" On March 15, 2022, the TDSAT granted time for filing rejoinder and continued the interim order dated September 23, 2021. The matter was last listed on October 17, 2022 and is next listed on March 7, 2023.

Similarly, in the case of RTL, in one of the circles where the UASL license was due to expire on September 26, 2021, an application had been filed with DoT on July 16, 2021 for migration of UASL to UL wherein the DoT has sought for payment of certain dues as "current dues" (being dues that pertain to the period prior to May 7, 2019 and are not payable at present) as a pre-condition for consideration of the application. The RP has filed an application in the NCLT and a petition before the TDSAT in this regard (which matters are heard together with the RCOM license migration matters). On September 23, 2021, the TDSAT has directed that "*Since the matters are similar in nature, in the interest of justice and uniformity the interim order of status quo as operating in TP No. 31 of 2021 shall operate in this matter also till the next date. It will be in the interest of petitioner to expedite the proceeding pending before the NCLT and try its best to produce the orders passed by that Tribunal by the next date.*" On March 15, 2022, the DOT has been granted 6 weeks' time by TDSAT to file the reply, rejoinder is to be filed before the next date of hearing. The TDSAT further directed that the interim order passed by the TDSAT vide order dated September 23, 2021 shall stand continuing to be operative during the pendency of the petitions. The matter was last listed on October 17, 2022 and is next listed on March 7, 2023.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the consolidated financial results continue to be prepared on going concern basis. Since the Group continues to incur loss, current liabilities

**Registered Office:**

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

# RELIANCE

exceed current assets and Group has defaulted in repayment of borrowings, payment of regulatory and statutory dues and pending renewal of telecom licenses, these events indicate that material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern. The Auditors have drawn qualification in their Limited Review Report for the quarter and nine months ended December 31, 2022.

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

Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan were being worked out. The Corporate Debtor and some of its subsidiaries have not provided Interest of Rs. 1,185 crore and Rs. 3,692 crore calculated based on basic rate of interest as per terms of loan for the quarter and nine months ended December 31, 2022 respectively and foreign exchange (gain)/loss aggregating to Rs. 307 crore and Rs 1,541 crore respectively for the quarter and nine months ended December 31, 2022 respectively . Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 1,492 crore and Rs 5,233 crore for the quarter and nine months ended December 31, 2022 respectively and Net Worth of the Group as on December 31, 2022 and March 31, 2022 would have been lower by Rs.28,276 crore and Rs. 24,729 crore respectively . The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Limited Review Report for the quarter and nine months ended December 31, 2022. During the previous years, Interest of Rs. 22,103 crore and foreign exchange loss (net) aggregating to Rs. 2,626 crore were not provided and the Auditors had drawn qualification in their audit reports for the financial years ended March 31, 2018, March 31, 2019, March 31,2020 March 31,2021, and March 31, 2022.

6. Assets held for sale including Wireless Spectrum, Towers, Fibre and Media Convergence Nodes (MCNs) continue to be classified as held for sale at the value ascertained at the end of March 31, 2018, along with liabilities, for the reasons referred in Note 3 above and disclosed separately as discontinued operations in line with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

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

The financial result of discontinued operations is as under:

(Rs in crore)

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	63	426	273	906	793	1,160

## Registered Office:

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

# RELIANCE

Total Expenses	269	659	576	1,542	1,688	2,259
Profit/ (Loss) before Exceptional Item tax	(206)	(233)	(303)	(636)	(895)	(1,099)
Exceptional Item	(8,959)	(1,540)	(1,384)	(11,986)	(4,006)	(5,441)
Tax	(11)	-	(37)	-	(133)	(134)
Profit/ (Loss) after tax	(9,154)	(1,773)	(1,650)	(12,622)	(4,768)	(6,406)

- In case of four overseas subsidiaries and one domestic subsidiary, it indicates the existence of material uncertainty due to loss during quarter and nine months ended December 31, 2022, total liabilities exceeding total assets and holding company Reliance Communications Limited is undergoing insolvency proceeding. The above has been qualified by respective Auditors in their Limited Review Reports of these subsidiaries. Further, in case of one other overseas subsidiary, the Auditor has given Qualification for Material Uncertainty on Going Concern in the Limited Review report. The matter has been referred by the auditors in their Limited Review Report.
- The Hon'ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license

On September 01, 2020, the Supreme Court pronounced the judgment in the AGR matter ("**SC Judgement**"). It has framed various questions in respect of companies under insolvency and in respect of such questions, the Court has held that the same should be decided first by the NCLT by a reasoned order within 2 months, and that it has not gone into the merits in this decision.

The RP of the Corporate Debtor and Reliance Telecom Limited (RTL) had filed intervention applications before the NCLAT in the appeal filed by the Department of Telecommunications against the resolution plan approval orders of the Aircel companies (wherein the NCLAT was adjudicating on the questions framed by the Hon'ble Supreme Court in the SC Judgement). The RP had also filed written legal submissions in this regard with the NCLAT. The Hon'ble NCLAT has pronounced its judgement dated April 13, 2021 setting out its findings on the questions framed in the SC Judgment. The RP has filed appeals in respect of the Corporate Debtor and RTL against the judgement of the NCLAT before the Supreme Court. On August 2, 2021, the appeals were listed when the bench issued notice in the matter and tagged the same with Civil Appeal No 1810 of 2021 (being the appeal filed by the COC of Aircel companies) and also allowed the application seeking permission to file the civil appeal. On February 22, 2022, the Supreme Court 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. Next date of hearing in the matter is February 21, 2023 (tentative).

The appeals are currently *sub judice*.

Further, in the SC Judgement, reiterating that AGR dues as per original decision should be paid, the Hon'ble Supreme Court had directed that DoT should complete the assessment in cases where demand had not been raised and raise demand if it has not been raised, to examine the correctness of self-assessment and raise demand, if necessary, after due verification. In case demand notice has not been issued, DoT should raise the demand within six weeks from date of judgement. The Corporate Debtor has not received any such demand in this regard till date.

The DoT had during the pendency of the various proceedings simultaneously directed Special Audit in relation to the computation of License fee, Spectrum fee, applicable interest and penalties thereon, which is under progress for the financial year 2015-16 onwards. In this regard, the Corporate Debtor had provided for estimated liability aggregating to Rs. 40,991 crore up to the previous year ended March 31, 2022 and has provided additional charge of Rs. 1,598 crore and

#### Registered Office:

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

# RELIANCE

Rs 4,625 crore during the quarter and nine months ended December 31, 2022 respectively and represented as exceptional items relating to discontinued operations which may undergo revision based on demands from DoT and/ or any developments in this matter.

Considering various factors including admission of the Corporate Debtor and its subsidiary RTL to resolution process under the Code and the moratorium applicable under Code, discharge of the aforesaid liability will be dealt with in accordance with the Code (subject to orders in the relevant judicial proceedings). This matter has been referred to by the Auditors in their Limited Review report for the quarter and nine months ended December 31, 2022.

9. The listed Redeemable Non-Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs.3,750 crore as on December 31, 2022 are secured by way of first pari-passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). RITL's implementation of resolution plan has been completed and RITL has ceased to be a subsidiary of the Company. Out of the above, in case of NCDs of Rs. 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
10. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Debt Equity ratio	-	-	-	-	-	-
Debt Service Coverage Ratio	-	-	-	-	-	-
Interest Service Coverage Ratio	-	-	-	-	-	-
Current Ratio	0.06	0.07	0.07	0.06	0.07	0.07
Long term debt to working capital	-	-	-	-	-	-
Bad debts to Accounts receivable ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Liability ratio	0.91	0.90	0.91	0.91	0.91	0.91
Total Debts to Total Assets	1.28	0.96	0.96	1.28	0.96	0.96
Debtors turnover (Days)	281	234	242	157	262	244
Networth	(74,322)	(65,308)	(59,997)	(74,322)	(59,997)	(61,705)
Operating margin	(25.00)	(50.41)	(22.60)	(41.30)	(33.87)	(38.31)

#### Registered Office:

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

# RELIANCE

(%)(Continuing operations)						
Net Profit margin (%)(Continuing operations)	(121.67)	(53.66)	(31.51)	(76.09)	(39.21)	(41.55)

Note wherever the ratios are negative, the same is shown as Nil (-)

Formula used for computation of Ratios:

- (i) Debt Equity Ratio = Debt / Equity;
- (ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest and tax/ (Interest + Principal repayment);
- (iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest and tax/ (Interest expense).
- (iv) Current Ratio = Current Assets / Current Liabilities
- (v) Long term debt to working capital = Non Current Borrowings (including Current Maturities of Non-Current Borrowings) / Current Assets less Current Liabilities (excluding Current Maturities of Non Current Borrowings)
- (vi) Bad debts to Accounts receivable ratio = Bad debts / Average trade receivables
- (vii) Current Liability ratio = Total Current Liabilities / Total Liabilities
- (viii) Total Debts to Total Assets = Total Debts / Total Assets
- (ix) Debtors turnover = Average Trade receivables / (Value of Sales and Services / no of days for the period)
- (x) Net Worth excludes Capital Reserve, Treasury Equity and Exchange Fluctuation Reserve amounting to Rs. (1,314) crore. The above Net Worth is without considering the impact of the above qualification given by the auditors in their limited review report. (Refer note 4 above).
- (xi) Operating margin (%) (Continuing operations) = EBIT - Other Income / Value of Sale and Services
- (xii) Net Profit margin (%) (Continuing operations) = Profit / (Loss) after tax / Value of Sales and Service.

11. The Corporate Debtor and some of its subsidiaries where assets are held for sale as per Ind AS 105 accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Limited Review Report for the quarter and nine months ended December 31, 2022.
12. The Corporate Debtor is operating with India Operations, Global Operations and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of Ind AS 108 "Operating Segments".
13. The Corporate Debtor has opted to publish consolidated financial results for the quarter and nine months ended December 31, 2022. Standalone financial results, for the quarter and nine months ended December 31, 2022 can be viewed on the website of the Corporate Debtor, National Stock Exchange of India Limited and BSE Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.

## Registered Office:

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

14. Additional information on standalone basis is as follows:

(Rs.In crore)

Particulars	Quarter ended			Nine months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	85	85	89	251	268	349
Profit/ (Loss) before tax	(38)	(64)	(55)	(173)	(191)	(262)
Profit/ (Loss) before tax from Discontinued Operations	(5,778)	(1,518)	(1,361)	(8,763)	(3,949)	(5,355)
Total Comprehensive Income/(Loss)	(5,816)	(1,582)	(1,416)	(8,936)	(4,140)	(5,617)

15. During an earlier year, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor had written to Industrial and Commercial Bank of China, Mumbai branch ("ICBC") requesting for balance confirmation of Rs.32.79 crore and transfer of the entire amount lying in fixed deposit account including all interest monies accruing thereon up to the date of remittance to the designated TRA account of RCIL. The Auditors and RCIL have not received confirmation from ICBC and hence, the auditors have drawn qualification in this regard in their Limited Review Report for the quarter and nine months ended December 31, 2022. An application bearing IA no. 1943 of 2020 has been filed against ICBC seeking removal of lien marked by it over the fixed deposit of RCIL (being INR 30,84,49,508.30 as on September 30, 2019) and release of amounts held under the FD. Notice has been issued to ICBC, with a direction to file Reply. ICBC has filed reply and RP has filed a rejoinder. Next date of Hearing is February 28, 2023.

16. During earlier year ended March 31, 2021, Reliance Tech Services Limited (RTSL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT on August 04, 2020 for corporate insolvency resolution process under the Code and Mr. Anjan Bhattacharya had been appointed as the Interim Resolution Professional (IRP) and subsequently as the Resolution Professional (RP) by the Hon'ble NCLT. During the previous year, the resolution professional of RTSL had filed an application with NCLT on May 04, 2021 for initiation of liquidation proceedings in respect of RTSL and the matter is currently pending before the Hon'ble NCLT. The necessary effect in the financial results of RTSL and the consequential impact in the consolidated financial results will be given basis the decision of the NCLT on the application.

17. During the quarter, the Company received a notice from Axis Trustee Services Limited ("Axis Trustee" / "Security Trustee") on November 9, 2022 regarding invocation cum sale of pledged

**Registered Office:**

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



shares Globalcom IDC Limited (“GIDC”). Thereafter, the Company received a notice of invocation of pledge over such shares from Axis Trustee on December 14, 2022.

As a matter of background, it may be noted that RWSL is a wholly owned subsidiary of RCOM, holding 100% of equity shares in GIDC. Accordingly, GIDC was a wholly owned step-down subsidiary of RCOM. *Vide* facilities agreement dated August 29, 2016, RCOM and RITL had availed a loan facility of Rs. 565 Crore and Rs. 635 Crore respectively from State Bank of India (“Lender”). *Vide* share pledge agreement dated September 23, 2016, RWSL had pledged 100% of its shareholding in GIDC comprising 20,99,994 equity shares to Axis Trustee (in its capacity as a security trustee for the Lender) for above loan facility.

Owing to defaults in the repayment of the facilities availed by RCOM and RITL, Axis Trustee first proceeded to issue a notice for the invocation cum sale of pledged shares on November 9, 2022, and thereafter, invoked the pledge on December 12, 2022.

On account of said invocation, the Parent Company does not have any control over the GIDC. Accordingly, GIDC has been de-subsidiarised w.e.f. December 12, 2022 and the impact of loss of control (without the value of shares invoked) over GIDC amounting to Rs. 106 Crore has been charged to the Consolidated Statement of Profit and Loss as an exceptional item.

The impact of loss of control given in the books of account is without the value of shares invoked by the lender. The management will give the effect of the value of invocation of shares with the corresponding decrease in the value of liability on the receipt of the said details from the lender. The auditors have drawn an emphasis of matter in their limited review report for the quarter and nine months ended December 31, 2022.

18. Provision for Income Tax for the quarter and nine months ended December 31, 2022 is based on the estimate for the full financial year.
19. The Corporate Debtor has been served with copies of writ petitions filed by Mr. Punit Garg and certain others, being directors of the Corporate Debtor and its subsidiaries before the Hon'ble High Court of Delhi, challenging the provisions of the RBI Master Directions on Frauds- Classification and Reporting by commercial banks and select FIs bearing No. RBI/ DBS/ 2016-17/ 28 DBS. CO. CFMC. BC. No. 1/ 23.04.001/ 2016-17 dated July 1, 2016 (“Circular”) and the declaration by certain banks classifying the loan accounts of the Company, Reliance Infratel Limited (“RITL”) and Reliance Telecom Limited (“RTL”) being fraudulent in terms of the Circular. RITL's implementation of resolution plan has been completed and RITL has ceased to be a subsidiary of the Company.

The Corporate Debtor, RITL and RTL have been represented through their advocates and accepted notice in the petitions. The respective respondent-banks have been directed, on various dates of hearing, to maintain status quo until the next date of hearing by the High Court. The said petitions have been listed on various dates where counsels of various parties have made arguments and are presently sub judice before the Hon'ble High Court of Delhi. On September 26, 2022, when the matter was listed, Mr. Ramesh Babu, the learned standing counsel of RBI apprised the Hon'ble High Court that the question of constitutional validity of the Master Direction on Frauds is pending consideration before the Hon'ble Supreme Court of India in SLP (C) No. 3931 of 2021 and connected matters. He further informed that the aforesaid SLPs arise out of the Telangana High Court's judgment dated 10 December 2020 in WP No. 19102 of 2019 and the orders passed by the Telangana High Court and other High Courts and that the hearing in the said appeals has commenced and are listed on September 27, 2022 before the Apex Court as continuing part-heard matters.

Noting the aforesaid circumstances, the Hon'ble High Court adjourned the matter and all the connected batch matters to November 21, 2022. On November 21, 2022, the Hon'ble High Court was apprised that the Supreme Court has reserved judgment in SLP (C) No. 3931 of 2021 and connected matters dealing with the question of constitutional validity of the 'Master Direction on Frauds' issued by the RBI. Noting the aforesaid circumstances, the Hon'ble High Court decided to

**Registered Office:**

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

# RELIANCE

- wait for the said judgment and accordingly, the captioned matter and all the connected batch matters have been adjourned to May 12, 2023.
20. During the earlier year ended March 31, 2021, and during the previous year ended March 31, 2022, certain banks had issued show cause notices to the Corporate Debtor, certain subsidiaries and certain directors and further during the quarter ended June 30, 2022, a bank has sent show cause notice to a subsidiary of the Corporate Debtor seeking reasons as to why the Corporate Debtor and its subsidiaries should not be classified as willful defaulter. Also, during the previous year ended March 31, 2022, a bank has served notice seeking explanation as to why the account of the Corporate Debtor and a subsidiary company RTL should not be declared as fraud in terms of applicable RBI regulations. The Corporate Debtor and its subsidiaries have responded to the show cause notices. The Corporate Debtor in its response has highlighted that the proceedings and the classification of the Corporate Debtor as a willful defaulter is barred during the prevailing moratorium under section 14 of the Code and the protection in terms of section 32A of the Code and asserting that accordingly, no action can be said to lie against the Corporate Debtor for classification as fraud. and requested the banks to withdraw the notices. Further, certain banks had issued notices seeking personal hearing by the authorized representative of the Corporate Debtor and its subsidiaries in respect of the aforesaid matter. Hearings were attended to and necessary submissions were made in accordance with the submissions made earlier in the responses to the show cause notices. No further response has been received from the banks since then. Currently, there is no impact of such notices issued from banks, in the consolidated financial results.
21. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on February 14, 2023 which was chaired by Mr. Anish Niranjana Nanavaty, Resolution Professional ('RP') of the Corporate Debtor and RP took the same on record basis recommendation from the directors. The Statutory Auditors have done Limited Review of the Consolidated Financial Results for the quarter and nine months ended December 31, 2022.

**For Reliance Communications Limited**

  
Anish Niranjana Nanavaty  
(Resolution Professional)

  
Vishwanath Devaraja Rao  
(Executive Director and Chief Financial Officer)

Place: Mumbai  
Date: February 14, 2023



**Registered Office:**

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