

Reliance Communications Limited

website: www.rcom.co.in

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

CIN - L45309MH2004 PLC147531

Audited Financial Results (Standalone) for the quarter and year ended March 31, 2020

Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Audited	Audited	Audited
		(₹ in Crore)				
1	Income					
	(a) Revenue from Operations	156	201	300	818	1,379
	(b) Other Income	-	-	61	-	86
	(c) Total Income [(a) + (b)]	156	201	361	818	1,465
2	Expenses					
	(a) Access Charges, Licence Fees and Network Expenses	146	178	78	714	901
	(b) Employee Benefits Expenses	2	32	64	105	105
	(c) Finance Costs	-	-	-	-	-
	(d) Depreciation, Amortisation and Provision for Impairment	13	56	111	183	277
	(e) Sales and General Administration Expenses	1,249	61	218	1,428	489
	(f) Total Expenses [(a) to (e)]	1,410	327	471	2,430	1,772
3	Profit/ (Loss) before Exceptional Items and Tax [1 (c) - 2 (f)]	(1,254)	(126)	(110)	(1,612)	(307)
4	Exceptional Items (Refer Note 5 & 7)	-	(12,643)	-	(15,251)	8,964
5	Profit / (Loss) before Tax [3 + 4]	(1,254)	(12,769)	(110)	(16,863)	8,657
6	Tax Expenses					
	(a) Current Tax	-	-	-	-	-
	(b) Short/(Excess) provision of earlier years	-	-	-	-	-
	(c) Deferred Tax Charge/ (Credit)	-	-	1,470	-	3,558
	(d) Tax Expenses (net) [(a) to (c)]	-	-	1,470	-	3,558
7	Profit/ (Loss) after Tax [5 - 6 (d)]	(1,254)	(12,769)	(1,580)	(16,863)	5,099
8	Profit/ (Loss) before Tax and Exceptional Item from Discontinued Operations	(93)	(109)	(235)	(654)	(485)
9	Exceptional Items from Discontinued Operations (Refer Note 8)	-	-	-	-	-
	Provision of liability on account of License & Spectrum fee	(1,182)	(1,051)	-	(27,821)	-
	Provision for Impairment of Assets / Diminution in the value of Investments	-	-	(1,767)	-	(1,767)
10	Profit/ (Loss) before Tax from Discontinued Operations [8-9]	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)
11	Tax Expenses of Discontinued Operations	-	-	-	-	-
12	Profit/ (Loss) after Tax from Discontinued Operations [10-11]	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)
13	Other Comprehensive Income/ (Expense) for the period	5	-	-	5	-
14	Total Comprehensive Income / (loss) for the period [7+ 12 + 13]	(2,524)	(13,929)	(3,582)	(45,333)	2,847
15	Earnings per Share (EPS) Basic and Diluted (Rs.)					
	(before exceptional items)					
	(a) Continuing Operations	(4.57)	(0.46)	(5.76)	(5.87)	(6.48)
	(b) Discontinued Operations	(0.34)	(0.40)	(0.86)	(2.38)	(1.77)
	(c) Continuing Operations and Discontinued Operations	(4.91)	(0.86)	(6.62)	(8.25)	(8.25)
	(after exceptional items)					
	(a) Continuing Operations	(4.57)	(46.53)	(5.76)	(61.45)	18.58
	(b) Discontinued Operations	(4.64)	(4.23)	(7.30)	(103.76)	(8.21)
	(c) Continuing Operations and Discontinued Operations	(9.21)	(50.76)	(13.06)	(165.21)	10.37
16	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	1,383	1,383	1,383	1,383	1,383
17	Debt Equity Ratio (Refer Note 14)				-	3.25
18	Debt Service Coverage Ratio (DSCR) (Refer Note 14)				-	-
19	Interest Service Coverage Ratio (ISCR) (Refer Note 14)				-	-

Standalone Statement of Assets and Liabilities		(in Crore)	
	Particulars	As at	As at
		31-Mar-20	31-Mar-19
		Audited	Audited
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	1,484	1,645
	(b) Capital Work in Progress	97	98
	(c) Intangible Assets	11	24
	(d) Investment in Subsidiaries and Associates	7,450	22,524
	(e) Financial Assets		
	(i) Other Financial Assets	2	2
	(f) Income Tax Asset (net)	261	181
	(g) Deferred Tax Asset (net)	-	-
	(h) Other Non Current Assets	699	932
	Sub-total Non-Current Assets	10,004	25,406
2	Current Assets		
	(a) Inventories	32	61
	(b) Financial Assets		
	(i) Investments	4,046	4,218
	(ii) Trade Receivables	253	1,527
	(iii) Cash and Cash Equivalents	234	185
	(iv) Bank Balances other than (iii) above	40	40
	(v) Loans	6,556	6,528
	(vi) Other Financial Assets	205	311
	(c) Other Current Assets	4,116	4,075
	(d) Assets Held for Sale	19,731	19,731
	Sub-total - Current Assets	35,213	36,676
	Total Assets	45,217	62,082
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	1,383	1,383
	(b) Other Equity	(34,329)	11,003
	Total Equity	(32,946)	12,386
	LIABILITIES		
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(b) Other Non-Current Liabilities	156	83
	(c) Provisions	5	22
	Sub-total Non-Current Liabilities	161	105
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	28,340	28,335
	(ii) Trade Payables		
	Due to Micro Enterprises & Small Enterprises	35	30
	Due to Others	2,979	2,700
	(iii) Other Financial Liabilities	40,711	12,830
	(b) Other Current Liabilities	305	446
	(c) Provisions	1,219	1,217
	(d) Liabilities directly related to Assets held for Sale	4,413	4,033
	Sub-total - Current Liabilities	78,002	49,591
	Total Equity and Liabilities	45,217	62,082

Statement of Cash Flow for the year ended		(in Crore)	
Sr. No	Particulars	For year ended	
		31-Mar-20	31-Mar-19
		Audited	Audited
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before tax from Continuing Operations	(16,858)	8,657
	Profit / (Loss) before tax from Discontinued Operations	(28,475)	(2,252)
	Profit before tax -Continuing and Discontinuing Operation	(45,333)	6,405
	Adjusted for:		
	Provision for Doubtful Debts and Advances	1,131	243
	Write off other non current assets / (Write back) of old Liabilities	233	(86)
	Depreciation and Amortisation Expenses	183	277
	Provision for diminution in the Value/ (profit)on fair Value of Investments	15,251	(8,964)
	Impairment of Assets	-	1,767
	Effect of change in Foreign Exchange Rate (net)	111	(1)
	(Profit) / Loss on Sale of Property, Plant and Equipments and Capital Work in Progress (net)	-	(473)
	Finance Costs (net)	397	831
	Interest Income	(2)	(37)
		17,304	(6,443)
	Operating Profit before Working Capital Changes	(28,029)	(38)
	Adjusted for:		
	Receivables and Other Advances	215	541
	Inventories	29	3
	Trade Payables and Other Liabilities	27,932	(251)
		28,176	293
	Cash Generated from Operations	147	255
	Income Tax Refund	-	106
	Income Tax Paid	(80)	(90)
	Net Cash from Operating Activities	67	270
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Additions of Property, Plant and Equipments, Intangible Assets and Capital Work in Progress/ Intangible Assets under Developments	(8)	(78)
	Proceeds from Sale of Property, Plant and Equipments	-	562
	Refund of Loans given to Subsidiaries	-	120
	Loans given to Subsidiaries	-	(541)
	Investment in Bank deposits (having original maturity for more than 3 months)	-	23
	Interest Income	2	9
	Net Cash from / (Used in) Investing Activities	(6)	95
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Realised Foreign Exchange variation	-	(14)
	Net Proceeds from/ (Repayment) of Borrowings - Current	5	249
	Finance Costs	(17)	(562)
	Net Cash from / (used in) Financing Activities	(12)	(327)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	49	38
	Opening Balance of Cash and Cash Equivalents	185	147
	Effect of Exchange Gain/ (Loss)(net) on Cash and Cash Equivalents	-	-
	Closing Balance of Cash and Cash Equivalents	234	185



Notes:

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

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

With respect to the financial results for the quarter and year ended March 31, 2020, the RP has signed the same solely for the purpose of ensuring compliance by the Corporate Debtor with applicable laws, and subject to the following disclaimers:

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

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- (ii) No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the RP including, his authorized representatives and advisors;
- (iii) The RP, in review of the financial results and while signing this statement of financial results, has relied upon the assistance provided by the directors of the Corporate Debtor, and certifications, representations and statements made by the directors of the Corporate Debtor, in relation to these financial results. The statement of financial results of the Corporate Debtor for the quarter and year ended March 31, 2020 have been taken on record by the RP solely on the basis of and on relying the aforesaid certifications, representations and statements of the aforesaid directors and the management of the Corporate Debtor. For all such information and data, the RP has assumed that such information and data are in the conformity with the Companies Act, 2013 and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Corporate Debtor as of the dates and period indicated therein. Accordingly, the RP is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial results.
- (iv) In terms of the provisions of the Code, the RP is required to undertake a review of certain transactions. Such review has been completed and the RP has filed the necessary applications with the adjudicating authority.

During the earlier quarter, Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of the Corporate Debtor, had been admitted by NCLT for resolution process under the Code.

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

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, Fiber and Media Convergence Nodes (MCNs). During the previous financial year, the said asset sale agreements were terminated by mutual consent on account of various factors and developments including *inter alia* non receipt of consents from lenders and permission/ approvals from Department of Telecommunication.

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On completion of the corporate insolvency resolution process, the Corporate Debtor will carry out a comprehensive review of all the assets including investment in subsidiaries and liabilities and accordingly provide for impairment of assets and write back of liabilities, if any. Further, the Corporate Debtor is in the process of reconciling Goods & Service Tax (GST) and Tax Deducted at source. The Auditors have drawn qualification in this regard in their Audit Report for the quarter and year ended March 31, 2020.

Considering these developments including, in particular, the RP having taken over the management and control of the Corporate Debtor and its three subsidiaries (Group) inter alia with the objective of running them as going concerns, the financial results continue to be prepared on going concern basis. However, since the Group continues to incur loss, current liabilities exceed current assets and Group has defaulted in repayment of borrowings, payment of regulatory and statutory dues, these events indicate that material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2020.

4. Considering various factors including admission of the Corporate Debtor and its three subsidiaries; RTL , RITL, and RCIL to CIRP under the Code, there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities including obligation for interest on loans and the principal rupee amount in respect of loans including foreign currency denominated loans shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP. Further, prior to May 15, 2018, the Corporate Debtor and its said subsidiaries were under Strategic Debt Restructuring (SDR) and asset monetization and debt resolution plan was being worked out. The Corporate Debtor has not provided Interest of Rs.1,148 crore and Rs. 4,212 crore calculated based on basic rate of interest as per terms of loan for the quarter and year ended March 31, 2020 respectively and foreign exchange variation aggregating to Rs. 863 crore loss and Rs. 1,313 crore loss for the quarter and year ended March 31, 2020 respectively. Had the Corporate Debtor provided Interest and foreign exchange variation, the Loss would have been higher by Rs. 2,011 crore and Rs.5, 525 crore for the quarter and year ended March 31, 2020 respectively. The Auditors have drawn qualification for non provision of interest and foreign exchange variations in their Audit Report for the quarter and year ended March 31, 2020. During the previous years, Interest of Rs 6,962 crore and foreign exchange variation loss aggregating to Rs. 803 crore were not provided and the Auditors had drawn qualification in their audit report for the financial year ended March 31, 2018 and March 31, 2019.
5. During the previous year ended March 31, 2019, the Corporate Debtor was in the process of finalising and implementing its asset monetization and debt resolution plan, comprising the Corporate Debtor's real estate development plan and restructuring of Debt. Accordingly as required by the lenders and also to safeguard the development of real estate and the business taken up by RRL, it was felt necessary that control of RRL be conferred on ADA Group. However, in view of the monetization plan having failed and the resumption of the corporate insolvency resolution process, the control of RRL has now been transferred from

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ADA Group to the Corporate Debtor. However RP has highlighted that the Corporate Debtor shall not be responsible for any actions undertaken by ADA Group in control of RRL prior to the vesting of control of RRL with the Corporate Debtor.

During the previous quarter, pursuant to amendment of the Articles of Association in the Extra Ordinary General Meeting of Reliance Realty Limited (RRL), held on December 10, 2019, the control of RRL, a subsidiary of the Corporate Debtor, was conferred on the Corporate Debtor, with effect from December 10, 2019. Consequently RRL Investments previously fair valued was recorded at cost. Impact on profitability for the quarter and year ended March 31, 2020 is Rs Nil and Rs 8,964 crore loss represented as exceptional items as part of continuing operations.

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

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

The financial result of discontinued operations is as under:

(Rs in Crore)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
Total Income	(7)	3	537	2	635
Total Expenses	86	112	772	656	1,120
Profit/ (Loss) before Exceptional items and tax	(93)	(109)	(235)	(654)	(485)
Exceptional items	(1,182)	(1,051)	(1,767)	(27,821)	(1,767)
Profit/ (Loss) after tax	(1,275)	(1,160)	(2,002)	(28,475)	(2,252)

Cash Flow from	31-Mar-20	31-Mar-19
- Operating activities	(24)	200
- Investing Activities	2	147
- Financing Activities	(12)	(327)

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7. During the previous quarter, GCX Limited, an overseas step-down subsidiary of the Corporate Debtor, defaulted in payment to 7% Senior Secondary Notes (Notes) amounting to USD 350 million that had fallen due for repayment on August 01, 2019. An ad hoc group of the Senior Secured Noteholders agreed not to exercise their full rights on default in exchange for placement of an independent director on the GCX board, the retention of a Chief Restructuring Officer for GCX, and the filing of a Chapter 11 plan for GCX and subsidiaries under which the equity interests in GCX would be extinguished and new shares would be issued to the Senior Note holders. More than 75% of Bond holders have committed their support for the said plan. GCX and certain subsidiaries (the “Debtors”) filed their voluntary Chapter 11 petitions on September 15, 2019, and on the same date, they filed a proposed plan of reorganization and disclosure statement. Over Corporate Debtor’s objections, the Plan was confirmed by the bankruptcy court on December 4, 2019. The Plan, as confirmed, provides that the old equity interests in the Debtors would be extinguished and the new ownership would pass to the participating Note holders on the “Effective Date” of the Plan. It provided that certain transactions needed to occur and various regulatory approvals needed to be obtained before the Debtors would file a Notice of Effective Date (i.e., a notice declaring that, as of the stated date, the Plan had become effective). As of the present date, the Debtors have not filed any such Notice of Effective Date, and the Plan has not become “effective.” As a result, although the Debtors and the Noteholders continue to work towards satisfying the various Plan requirements, technically, Corporate Debtor has not yet been divested of its indirect equity interest in GCX and the other Debtors. Impact on profitability is Rs Nil and Rs 6,287 crore for the quarter and year ended March 31, 2020 respectively and has been represented as part of Exceptional Items. Hence the figures for the quarter and year ended March 31, 2020 are not comparable with the previous corresponding period.
8. The Hon'ble Supreme Court of India, vide its order dated October 24, 2019 had dismissed the petition filed by the telecom operators and agreed with the interpretation of the Department of Telecommunications (DoT) to the definition of Adjusted Gross Revenue (AGR) under the license. Vide order dated March 18, 2020, the Supreme Court has directed that self-assessment/re-assessment of AGR dues by telecom companies will not be permitted and the dues are to be paid along with interest and penalty as per the AGR judgment dated October 24, 2019. An application filed by DoT seeking permission from the Supreme Court to *inter alia* recover the AGR dues from the telecom companies in a staggered manner is currently undergoing adjudication and reserved for orders. During the proceedings before the Supreme Court, affidavits have been placed by the Company and its subsidiary Reliance Telecom Limited to put on record the current status of the insolvency resolution process and other details as required to be submitted by the Supreme Court including the audited financials of the last 10 years as well as the Income Tax Returns and the particulars of AGR deposited during the last 10 years.

On July 20, 2020, the Supreme Court *inter alia* has recorded the amounts payable by each telecom operator to the DOT and directed the telecom companies undergoing insolvency proceedings to place on record all documents regarding insolvency and orders passed in the proceeding within 10 days from date of order so that bona fides of initiation of the insolvency proceedings and actions taken may be examined by the Supreme Court and so that it can examine how to ensure that the AGR related dues may be recovered .

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In the aforesaid order of the Hon'ble Supreme Court dated July 20, 2020, an amount of Rs. 221.4 crore on account of AGR dues pertaining to Sistema Shyam Teleservices Limited ("SSTL") has been reflected in the AGR dues of the Corporate Debtor. As per the scheme of arrangement between SSTL and the Corporate Debtor dated October 7, 2016 (approved by the Rajasthan High Court), the aforesaid AGR dues also form a part of the liabilities of identified disputes of the undertaking of SSTL that had been transferred to the Corporate Debtor as on the appointed date of merger i.e., 31st October 2017. Pursuant to the aforesaid, the Corporate Debtor has provided for an amount of Rs. 312.58 Cr (including interest thereof on the principal amount) on account of additional AGR dues in the financial statements for the Quarter and Year ended 31st March 2020.

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 has provided for estimated liability aggregating to Rs 26,639 crore up to the previous quarter ended December 31, 2019 and has provided additional charge of Rs. 1,182 crore (including that of SSTL) during the quarter ended March 31, 2020 thereby aggregating to Rs. 27,821 crore for the year ended March 31, 2020 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. This matter has been referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

9. The listed Redeemable Non Convertible Debentures (NCDs) of the Corporate Debtor aggregating to Rs 3,750 crore as on March 31, 2020 are secured by way of first pari passu charge on the whole of the movable properties, plant and equipment and Capital Work in Progress, both present and future, including all insurance contracts relating thereto of the Borrower Group; comprising of the Corporate Debtor and its subsidiary companies namely; Reliance Telecom Limited (RTL), Reliance Infratel Limited (RITL) and Reliance Communications Infrastructure Limited (RCIL). Out of the above, in case of NCDs of Rs 750 crore, the Corporate Debtor has also assigned Telecom Licenses, by execution of Tripartite Agreement with Department of Telecommunications (DoT). The asset cover in case of these NCDs exceeds 100% of the principal amount of the said NCDs.
10. Additional details as required in relation to Non Convertible Debentures (NCDs):

Nature of Instruments	11.20% NCDs	11.25% NCDs
Amount outstanding (Rs in crore)	3,000	750
Previous due date for Principal Repayment and whether paid	01.03.2019 Unpaid	07.02.2019 unpaid
Previous due date for payment of Interest	02.03.2019	07.03.2019
Whether Interest was paid on the due date	No	No
Next due date for payment of interest	Not Applicable	Not Applicable
Credit Rating and change in credit rating, if any	ICRA D earlier ICRA BB	CARE D earlier CARE BB

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Due Date for Principal Repayment	Rs3,000 crore on 01.03.2019 (Unpaid)	Rs 375 crore each on 07.02.2018 and 07.02.2019 (Unpaid)
Interest Unpaid up to March 31, 2020 (Rs in crore)	1,007	252

11. Debenture Redemption Reserve (DRR) : Rs 590 crore as on March 31, 2020
12. Net worth : Rs, (-) 34,344 Crore, as on March 31, 2020.
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 consolidated to be part owned funds of the Company and excludes Capital Reserve Rs. 1,397 crore.
13. Figures for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial years.
14. Formula used for the 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).
15. The Corporate Debtor assets are held for sale as per Ind AS 105 and accordingly lease agreements are considered to be short term in nature and Ind AS 116 has not been applied. The Auditors have drawn qualification in their Audit Report for the quarter and year ended March 31, 2020.
16. Disclosure as per Ind AS 108 "Operating Segments" is reported in Consolidated Financial Results of the Company. Therefore the same has not been separately disclosed in line with the provisions of Ind AS.
17. Provision for Income Tax (Normal Tax / Minimum Alternative Tax) has been calculated as per Income tax Act 1961 after adjusting carried forward losses, write off of earlier years provisions.
18. It is hereby declared that the Auditors have issued audit reports with qualification on the annual audited Standalone financial result for the year ended March 31, 2020. Impact of the qualification is given in Annexure 1.
19. The managerial remuneration paid to the Executive Director and CFO of the Corporate Debtor amounting to Rs. 0.49 crore for the financial year exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by Rs. 0.27 crore. His appointment and remuneration has been approved by the Committee of Creditors. The excess amount of Rs 0.27 crore has been reflected as Advance receivable in the financial statements and as per the provisions of the Companies Act, 2013, the excess remuneration is subject to approval of the shareholders which the Corporate Debtor proposes to obtain in the forthcoming Annual General Meeting. This matter has been

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referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

20. While the Corporate Debtor is sensitive about the impact of the pandemic (Covid 19), not only on the human life but on businesses and industrial activity across the globe, however, its effect will only be realized and ascertained over the next few months..

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

Vide notification dated March 24, 2020 issued by Ministry of Home Affairs, a nation-wide lockdown was announced to contain COVID-19 outbreak and same had been extended for additional period. However, Telecommunication services, being essential services, had been exempted and permitted to continue operation during the period of lockdown. The Corporate Debtor has continued to provide services to its Enterprise customers without any interruptions and honour commitments, despite facing all odds during lockdown.

The extent to which the COVID-19 pandemic will impact the Corporate Debtor's future financial results will depend on upcoming developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and the action to mitigate its spread as advised by local authorities.

As the Corporate Debtor is undergoing CIRP, it is relevant to note that the period of lockdown is notified to be exempt under the Code for the purpose of timeline to complete the CIRP. This matter has been referred to by the Auditors in their Audit Report for the quarter and year ended March 31, 2020.

21. After review by the Audit Committee, the Directors of the Corporate Debtor have approved the above results at their meeting held on July 31, 2020 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.

For Reliance Communications Limited

**Anish Niranjana Nanavaty
Resolution Professional**

**Viswanath D.
Executive Director and Chief Financial Officer**

Place: Mumbai

Date: July 31, 2020

Registered Office:

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

ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	818	818
	2	Total Expenditure	2,430	2,430
	3	Net Profit/(Loss) before Exceptional items	(1,612)	(1,612)
	4	Exceptional Item (Refer Note 5 & 7 above)	15,251	15,251
	5	Net Profit/(Loss) after Exceptional items	(16,863)	(16,863)
	6	Net Profit / (Loss) from Discontinued Operations	(28,475)	(34,000)
	7	Earnings Per Share (Rs.)	(165.21)	(185.35)
	8	Total Assets	45,217	45,217
	9	Total Liabilities	78,163	91,453
	10	Net worth	(32,946)	(46,236)
	11	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	Non Provision of Interest and Foreign Exchange variation (Refer Note 4)	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Third time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is not ascertainable as the Company is under IBC and CIR process initiated	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	Impairment review of tangible and intangible assets, assets held for sale, investments and other assets and reconciliation of credits relating to GST and TDS, Going concern (Refer Note 3 and 6), Lease (Refer Note 15)	
		(i) Management's estimation on the impact of audit qualification:		
		(ii) If management is unable to estimate the impact, reasons for the same:	Impact is not ascertainable as the Company is under IBC and CIR process	

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			initiated
		(iii) Auditors' Comments on (i) or (ii) above:	Refer 'Basis for Qualified Opinion' in audit report read with relevant notes in the financial results, the same is self explanatory.
III	Signatories:		
		Anish Niranjnan Nanavaty Resolution Professional	
		Viswanath D Executive Director and Chief Financial Officer	
		Parimal Kumar Jha Statutory Auditor UDIN: 20124262AAAACZ1130	
	Place	Mumbai	
	Date	July 31, 2020	

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