

Aircom Holdco B.V.
Balance Sheet as at 31st March 2020

(Amount in ₹)

Particulars	Note No.	As at 31st March 2020		As at March 31, 2019
ASSETS				
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	2.01	96,593	90,651	
Total current assets		<u>96,593</u>	<u>90,651</u>	90,651
Total Assets		<u><u>96,593</u></u>	<u><u>90,651</u></u>	<u><u>90,651</u></u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	2.02	82,770	77,679	
(b) Other equity	2.03	<u>(22,05,655)</u>	<u>(15,36,411)</u>	
Total equity		(21,22,885)		(14,58,732)
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.04	12,41,550		11,65,185
Current Liabilities				
(a) Other current liabilities	2.05	<u>9,77,928</u>	<u>3,84,198</u>	
Total liabilities		<u>9,77,928</u>	<u>3,84,198</u>	3,84,198
Total Equity and Liabilities		<u><u>96,593</u></u>	<u><u>90,651</u></u>	<u><u>90,651</u></u>
Significant Accounting Policies	1			
Notes on Accounts	2			

For Aircom Holdco B.V

Athos Business Services (Asia) B.V.
Director

Place : The Netherland
Date : July 31, 2020

Aircom Holdco B.V.**Statement of Profit and Loss for the year ended 31st March 2020**

Particulars	Note No.	(Amount in ₹)	
		For the year ended 31st March 2020	For the year ended March 31, 2019
INCOME		<u>-</u>	<u>-</u>
EXPENSES			
Other expenses	2.06	5,41,050	5,56,011
Total expenses		<u>5,41,050</u>	<u>5,56,011</u>
Loss before Tax		(5,41,050)	(5,56,011)
Other comprehensive income / (Loss)		(1,28,194)	62,824
Total comprehensive loss		<u>(6,69,244)</u>	<u>(4,93,187)</u>
Earning per Share (Refer Note 2.09)			
Basic (Euro)		(669.24)	(493.19)
Diluted (Euro)		(669.24)	(493.19)
Significant Accounting Policies	1		
Notes on Accounts	2		

For **Aircom Holdco B.V**Athos Business Services (Asia) B.V.
Director

Place : The Netherland

Date : July 31, 2020

Aircom Holdco B.V.**Statement of changes in equity for the period ended March 31, 2020****(a) Equity share capital**

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the period	77,679	80,807
Change in equity share capital during the period (Refer note 2.02)	-	-
Foreign Exchange Variance	5,091	(3,128)
Balance at the end of the period	82,770	77,679

(b) Other Equity

(Amount in ₹)

Particulars	Attributable to the Equity Holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	(10,43,224)	-	(10,43,224)
Net Profit/(Loss) for the year	(5,56,011)	62,824	(4,93,187)
Balance as at March 31, 2019	(15,99,235)	62,824	(15,36,411)
Net Profit/(Loss) for the year	(5,41,050)	(1,28,194)	(6,69,244)
Balance as at March 31, 2020	(21,40,285)	(65,370)	(22,05,655)

For **Aircom Holdco B.V.**Athos Business Services (Asia) B.V.
Director

Place : The Netherland

Date : July 31, 2020

Note 1 General Information and Significant Accounting Policies

1.01 General Information

Aircom Holdco B.V. ("Aircom" or "the Company"), is a subsidiary of Reliance Communications Limited ("RCOM" or "the Holding Company") incorporated on July 18, 2016..

1.02 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of Preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rule, 2015 and relevant provisions of the Companies Act, 2013 ("the Act")

These are the first Ind AS financial statements of the Company and cover a period of nine months starting from July 18, 2016 to March 31, 2017, hence no comparative are presented.

Historical cost convention

The financial statements have been prepared under historical cost convention except certain financial assets and financial liabilities which are measured at fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Recent accounting pronouncements

Standards issued but not yet effective

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Significant Accounting Policies to the Balance Sheet and Statement of Profit and Loss

1.03 Use of Estimates

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

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

1.04 Revenue Recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

1.05 Taxes on Income and Deferred Tax

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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

1.06 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any exceptional item. Number of shares used in computing basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average shares considered for deriving Basic Earning per Share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares unless the results would be anti-dilutive. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.07 Miscellaneous Expenditure

Miscellaneous Expenditure is charged to the Profit and Loss Account as and when it is incurred.

1.08 Measurement of Fair value of financial instruments

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

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

Aircom Holdco B.V.

Significant Accounting Policies to the Balance Sheet and Statement of Profit and Loss

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

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

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

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

1.09 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement

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

Financial Assets measured at amortised cost

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

Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

Financial Assets measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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

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

Significant Accounting Policies to the Balance Sheet and Statement of Profit and Loss

Derecognition of Financial Assets

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through Profit or Loss:

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

Financial Liabilities measured at amortised cost:

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

Derecognition of Financial Liabilities

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

Aircom Holdco B.V.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at	As at
	31st March 2020	March 31, 2019
Note 2.01		
Cash and Cash Equivalents		
Balance with banks in current accounts	96,593	90,651
	96,593	90,651

Aircom Holdco B.V.**Notes on Accounts to the financial statement for the year ended March 31,2020**

	(Amount in ₹)	(Amount in ₹)
	As at	As at
	31st March 2020	March 31, 2019
Note 2.02		
Share capital		
Authorised share capital		
1,000 Equity shares of Euro 1 each	<u>82,770</u>	<u>77,679</u>
	<u>82,770</u>	<u>77,679</u>
Issued, subscribed and fully paid up		
1,000 Equity shares of Euro 1 each fully paid up	<u>82,770</u>	<u>77,679</u>
	<u>82,770</u>	<u>77,679</u>

2.02.01 Shares held by Holding Company and its subsidiary:

Equity shares	No. of shares	No. of shares
Reliance Communications Limited. (Holding company)	1,000	1,000

2.02.02 Details of shareholders holding more than 5% shares in the Company:

Equity shares	No of shares	% of shareholding	No of shares	% of shareholding
Reliance Communications Limited	1,000	100	1,000	100

2.02.03 Reconciliation of shares outstanding at the beginning and at the end of reporting period:

Equity shares	No of Shares	(Amount in INR)	No of Shares	(Amount in INR)
At the beginning of the year	1,000.00	82,770.00	1,000.00	77,679.00
Add : Changes since date of incorporation i.e July 18, 2016 [issue of shares]	-	-	-	-
Outstanding at the end of the year	<u>1,000</u>	<u>82,770</u>	<u>1,000</u>	<u>77,679</u>

Aircom Holdco B.V. ("Aircom" or "the Company"), incorporated on July 18, 2016 is a subsidiary of Reliance Communications Limited ("RCOM" or " the Holding Company")..

2.02.04 Terms/ rights attached to the shares**Equity shares**

The Company has only one class of equity shares having a par value of Euro 1 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aircom Holdco B.V.**Notes on Accounts to the financial statement for the year ended March 31,2020**

(Amount in ₹)

	As at 31st March 2020	As at March 31, 2019
Note 2.03		
Other equity		
Deficit in retained earnings		
Opening balance	(15,36,411)	(10,43,224)
Add: Loss during the period	(6,69,244)	(4,93,187)
Add: Foreign Exchange Variance	-	-
Closing balance	(22,05,655)	(15,36,411)

Note:

Retained earnings:

The balance in retained earnings represents the accumulated losses in the statement of profit and loss.

Note 2.04**Non-Current Liabilities**

Borrowings	12,41,550	11,65,185
	12,41,550	11,65,185

Note 2.05**Other current liabilities**

Provision for Expenses	9,77,928	3,84,198
	9,77,928	3,84,198

Note 2.06**Other expenses**

Legal and Professional Expenses	5,41,050	5,56,011
	5,41,050	5,56,011

Towr Aircom Holdco B.V.**Notes on Accounts to the financial statement for the year ended March 31,2020****Note : 2.07****Previous Year**

Figure for previous year is not given as the Company was incorporated during the current year. Amount in financial statement are presented in Rupees except as otherwise stated.

Note : 2.08**Capital Risk management**

The company's objective when managing capital are to:

Safeguard their ability to continue as a going concern, so that it can optimise the return to shareholders; and

Maintain an optimal capital structure to reduce the cost of capital.

Capital of the company for the purpose of capital management, include issued equity capital and resource attributable to the equity holders of the company.

Note 2.09**Earnings per Share (EPS)**

	(Amount in ₹)
	For the year ended March 31, 2020
	For the year ended March 31, 2019
Basic and Diluted EPS (before and after Exceptional Items)	
(a) Loss attributable to Equity Shareholders (Euro) (used as numerator for calculating Basic EPS)	(6,69,244)
(b) Weighted average number of Equity Shares (used as denominator for calculating Basic EPS)	1 000
(c) Weighted average number of Equity Shares (used as denominator for calculating Diluted EPS)	1,000
(d) Basic Earnings per Share of Euro 1 each (Euro)	(669.24)
(e) Diluted Earnings per Share of Euro 1 each (Euro)	(669.24)
(f) Nominal value of an equity shares (Euro)	1.00

Aircom Holdco B.V.**Notes on Accounts to the financial statement for the year ended March 31,2020****Note 2.10 Related Party Disclosures****A. List of Related party: Where control exists**

- | | | |
|-------|--------------------------------------|--------------------------|
| (i) | Reliance Innoventure Private Limited | Ultimate holding company |
| (ii) | Reliance Communications Limited | Holding company |
| (iii) | Athos Business Services (Asia) B.V. | Director |

B.. Details of transactions and closing balances with related parties

(Amount in ₹)

Sr.No	Particulars	Holding Company	Total
[A]			
1	Allotment of equity shares	82,770 (77,679)	82,770 (77,679)

Note : 2.11**Post Reporting Events**

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

Aircom Holdco B.V.

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.12

Financial Instruments by category

(Amount in ₹)

Particulars	As at	As at
	31st March 2020	31st March 2019
	Amortised Cost	Amortised Cost
Financial Assets:		
Cash and cash equivalent	96,593	90,651
Total financial assets	96,593	90,651

The fair value of current financial assets and financial liabilities are considered to be the same as their carrying amount, due to their short term maturities.

Note : 2.13

Financial Risk management

The company's current activities expose it to credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash Equivalent	Credit Ratings	Diversification of bank balances

Note : 2.14

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 Euro = Rs. 82.770 (March 31, 2019 1 Euro = Rs.77.6725) and items relating to profit and loss have been translated at average rate of 1 Euro = Rs. 78.767and (March 31, 2019, 1 Euro = Rs. 80.945).

For **Aircom Holdco B.V**

Athos Business Services (Asia) B.V.
Director

Place : The Netherland

Date : July 31, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications (U.K) Limited Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications (U.K) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.18 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABED2515

Reliance Communications (U.K) Limited

Balance Sheet as at March 31,2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2.01	40,47,775	1,17,03,680
(b) Intangible Assets	2.02	66	66
Current Assets			
(a) Financial Assets			
(i) Cash and Bank balance	2.03	4,55,93,535	1,09,08,888
(ii) Trade Receivables	2.04	84,44,365	1,30,50,12,500
(b) Other Current Assets	2.05	-	10,49,095
Total		5,80,85,741	1,32,86,74,229
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.06	16,64,630	15,21,410
(b) Other Equity	2.07	(1,63,40,396)	1,10,27,44,228
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.08	-	7,42,70,032
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2.09	6,21,08,859	14,73,25,765
(ii) Other Financial Liabilities	2.10	1,06,52,648	28,12,795
Total		5,80,85,741	1,32,86,74,229

Significant Accounting Policies 1

Notes to the Financial Statements 2

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**

Chartered Accountants

Regn.No.109407W

Vaishali Mane

Director

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Reliance Communications (U.K) Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
<u>Income</u>			
Revenue from Operations	2.11	8,02,20,717	35,37,54,430
Other Income	2.12	18,78,94,615	29,06,10,129
		<u>26,81,15,332</u>	<u>64,43,64,559</u>
<u>Expenditure</u>			
Access Charges, License Fees and Network Expenses	2.13	6,11,07,019	18,04,02,846
Depreciation, Impairment & Amortization	2.01	82,03,324	80,92,166
Finance Costs	2.14	5,86,712	40,13,822
General Administration Expenses	2.15	1,34,37,11,647	2,25,11,18,030
		<u>1,41,36,08,702</u>	<u>2,44,36,26,864</u>
(Loss) Before Tax		(1,14,54,93,370)	(1,79,92,62,305)
Current Tax		-	-
(Loss) After Tax		(1,14,54,93,370)	(1,79,92,62,305)
Other Comprehensive Income / (Loss)		2,64,08,746	10,34,00,846
Total Comprehensive Income / (Loss)		(1,11,90,84,625)	(1,69,58,61,459)
Basic and Diluted Earning per Share	2.17	(50,867)	(77,085)

Significant Accounting Policies 1
Notes to the Financial Statements 2

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications (U.K) Limited
Statement of Change in Equity for the year ended March 31, 2020

Amount in ₹
For the year ended For the year ended
March 31, 2020 March 31, 2019

(a) Equity Share Capital (Refer Note : 2.06)

Balance at the beginning of the year	15,21,410	14,33,850
Change in equity capital during the year	-	-
Foreign Exchange Variance	1,43,220	87,560
Balance at the end of the year	16,64,630	15,21,410

(b) Other Equity (Refer Note : 2.07)

Particulars	Share Premium	Attributable to equity holders		Total
		Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	1,45,08,02,745	1,28,62,88,767	6,15,14,175	1,34,78,02,941
Net Profit for the year	-	(1,79,92,62,305)	10,34,00,846	(1,69,58,61,459)
Balance as at March 31, 2019	1,45,08,02,745	(51,29,73,538)	16,49,15,020	1,10,27,44,227
Net Profit for the year	-	(1,14,54,93,370)	2,64,08,746	(1,11,90,84,625)
Balance as at March 31, 2020	1,45,08,02,745	(1,65,84,66,908)	19,13,23,766	(1,63,40,397)

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (U.K) Limited

Note 1 : General Information and Significant Accounting Policies

1.01 General Information

The Company Reliance Communications (U.K) Limited (the "Company") was incorporated in England as a private limited liability company. Its registered office is at Sovereign Court,635 Sipson Road,West Drayton,Middlesex,UB7 0JE,United Kingdom

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Property, Plant and Equipment

- (i) Property, Plant and Equipment are stated at cost net less accumulated depreciation, amortisation and impairment loss, if any.
- (ii) Depreciation is provided on Straight Line Method (SLM) based on useful life of the assets.
- (iii) Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of profit or loss.
- (iv) Depreciation on additions is calculated pro rata from the following month of addition.
- (v) The residual values ,useul lives and methods of depreciation of property plant and equipment are reviewed at each financial year end and adjusted prospectively ,if appropriate .

1.04 Revenue Recognition

Revenue is recognized as and when the services are provided on the basis of actual usage of the Company's telecommunications network.

1.05 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.06 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.07 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Reliance Communications (U.K) Limited

1.08 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.09 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.10 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) For Reliance Communications (U.K) Limited

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Reliance Communications (U.K) Limited

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

Reliance Communications (U.K) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note: 2.01**Property,Plant and Equipment**

(Amount in ₹)

Particulars	Plant and Machinery	Total
Gross carrying value		
As at April 1, 2018	11,50,62,575	11,50,62,575
Additions	-	-
Foreign Exchange Variance	12,68,150	12,68,150
As at March 31, 2019	11,63,30,725	11,63,30,725
Additions	-	-
Foreign Exchange Variance	5,47,419	5,47,419.00
As at March 31, 2020	11,68,78,144	11,68,78,144
Accumulated Depreciation		
As at April 1, 2018	9,65,34,880	9,65,34,880
Depreciation for the year	80,92,166	80,92,166
Disposals	-	-
As at March 31, 2019	10,46,27,046	10,46,27,046
Depreciation for the year	82,03,324	82,03,324
Disposals	-	-
As at March 31, 2020	11,28,30,370	11,28,30,370
Net Carrying Value		
As at March 31, 2019	1,17,03,680	1,17,03,680
As at March 31, 2020	40,47,775	40,47,775

Note: 2.02**Intangible Assets**

(Amount in ₹)

Particulars	Indefeasible Right of Connectivity	Total
Gross carrying value		
As at April 1, 2018	1,37,45,80,745	1,37,45,80,745
Additions	-	-
Disposals	-	-
As at March 31, 2019	1,37,45,80,745	1,37,45,80,745
Additions	-	-
Disposals	-	-
As at March 31, 2020	1,37,45,80,745	1,37,45,80,745
Accumulated Depreciation		
As at April 1, 2018	1,37,45,80,679	1,37,45,80,679
Depreciation for the year	-	-
Disposals	-	-
As at March 31, 2019	1,37,45,80,679	1,37,45,80,679
Depreciation for the year	-	-
Disposals	-	-
As at March 31, 2020	1,37,45,80,679	1,37,45,80,679
Net Carrying Value		
As at March 31, 2019	66	66
As at March 31, 2020	66	66

Reliance Communications (U.K) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

 (Amount in ₹)
 As at
 March 31, 2019

 As at
 March 31, 2020

Note: 2.03
Cash & Bank Balance

Balance With Bank in current account	<u>4,55,93,535</u>	<u>1,09,08,888</u>
	<u>4,55,93,535</u>	<u>1,09,08,888</u>

Note: 2.04
Trade Receivables (Unsecured)
Others

Considered Good	84,44,365	1,30,50,12,500
Considered Doubtful	<u>3,83,94,22,561</u>	<u>2,12,08,48,445</u>
	<u>3,83,94,22,561</u>	<u>2,12,08,48,445</u>
Less: Provision for doubtful debts	<u>3,83,94,22,561</u>	<u>2,12,08,48,445</u>
	<u>84,44,365</u>	<u>1,30,50,12,500</u>

Note: 2.05
Other Current Assets

Advance to Vendors	-	10,49,095
Deposits and Advances	<u>11,11,91,306</u>	<u>10,15,71,406</u>
Less: Provision for doubtful advances	<u>11,11,91,306</u>	<u>-</u>
	<u>-</u>	<u>10,49,095</u>

Note: 2.06
Share Capital
Authorised

22000 (22000) equity shares of USD 1 each	<u>16,64,630</u>	<u>15,21,410</u>
	<u>16,64,630</u>	<u>15,21,410</u>

Issued, Subscribed and Paid up

22000 (22000) equity shares of USD 1 each fully paid up	<u>16,64,630</u>	<u>15,21,410</u>
	<u>16,64,630</u>	<u>15,21,410</u>

1) Details of Shares held by holding Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	22000	100	22000

2) Details of Shareholders holding more than 5% shares in the Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	22000	100	22000

3) The Company has only one class of ordinary shares having a par value of USD 1 per share. Each holder of Ordinary shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of ordinary share will be entitled to receive remaining assets of the Company.

4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	22 000	16,64,630	22 000	15,21,410
Add/Less: Changes for the year				
At the end of the year	<u>22,000</u>	<u>16,64,630</u>	<u>22 000</u>	<u>15,21,410</u>

Note: 2.07
Other Equity
Other Comprehensive Income
Exchange Fluctuation Reserve

(i) Opening Balance	6,15,14,175	6,15,14,175
(ii) Additions during the year (net)	<u>-</u>	<u>-</u>
	<u>6,15,14,175</u>	<u>6,15,14,175</u>

Share Premium
Surplus/(Deficit) in retained earnings

Opening Balance	1,45,08,02,745	1,45,08,02,745
Add: Profit/ (Loss) the year	<u>(40,95,72,692)</u>	<u>1,28,62,88,767</u>
	<u>(1,11,90,84,625)</u>	<u>(1,69,58,61,459)</u>
	<u>(1,52,86,57,317)</u>	<u>(40,95,72,692)</u>
	<u>(1,63,40,396)</u>	<u>1,10,27,44,228</u>

Reliance Communications (U.K) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

As at
March 31, 2020As at
March 31, 2019**Note: 2.08****Non current liabilities**

Borrowings

Related Parties (Refer Note 2.21)

-	7,42,70,032
<u>-</u>	<u>7,42,70,032</u>

Note: 2.09**Trade Payables**

Related Parties (Refer Note 2.21)

Others

6,21,08,859	14,73,25,765
-	-
<u>6,21,08,859</u>	<u>14,73,25,765</u>

Note: 2.10**Other Financial Liabilities**

Others

1,06,52,648	28,12,795
<u>1,06,52,648</u>	<u>28,12,795</u>

(Amount in ₹)

For the year
ended March 31,
2020For the year
ended March 31,
2019**Note: 2.11****Revenue**

Service Revenue (Refer Note 2.21)

8,02,20,717	35,37,54,430
<u>8,02,20,717</u>	<u>35,37,54,430</u>

Note: 2.12**Other Income**

Miscellaneous Income

18,78,94,615	29,06,10,129
<u>18,78,94,615</u>	<u>29,06,10,129</u>

Note: 2.13Access Charges, License Fees and Network
Expenses (Refer Note 2.21)

6,11,07,019	18,04,02,846
<u>6,11,07,019</u>	<u>18,04,02,846</u>

Note: 2.14**Finance Costs**

Bank Charges and others

5,86,712	40,13,822
<u>5,86,712</u>	<u>40,13,822</u>

Note: 2.15**General Administrative Expenses**

Call Centre expenses

Auditors Remuneration

Other Professional Fees

Bad Debts written off

Provision for doubtful debts

Provision for doubtful advances

-	3,54,278
11,05,666	10,90,683
8,21,524	1,86,480
-	26,23,495
1,34,17,29,813	2,14,41,74,557
54,645	10,26,88,538
<u>1,34,37,11,647</u>	<u>2,25,11,18,030</u>

Reliance Communications (U.K) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.16

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.17

Earning Per Share	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(1,11,90,84,625)	(1,69,58,61,459)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	22,000	22 000
Basic and Diluted Earning Per Share	(50,867)	(77,085)

Note : 2.18

Going Concern

For the year ended 31st March 2020, the company has reported a net loss of Rs 111 90 84 625. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations of subsidiaries are still continuing and it is likely that a suitable investor will be found.

Note : 2.19

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The extent to which the COVID-19 pandemic will impact the Company'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.

Note : 2.20

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.21

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i Name of the Related Party	Relationship
1 Reliance Communications Limited	Ultimate Holding Company
2 Reliance Globalcom B V	Holding Company
3 Reliance Communications Inc	Fellow- Subsidiary Company
4 Reliance Communications Infrastructure Limited	Fellow- Subsidiary Company
5 Reliance Communications International Inc	Fellow- Subsidiary Company
6 Reliance Communications (Singapore) Pte Limited	Fellow- Subsidiary Company
7 Reliance Communications (Australia) Pty. Limited	Fellow- Subsidiary Company
8 Reliance Communications (New Zealand) Pte. Limited	Fellow- Subsidiary Company

Transaction during the year with related party

Figures in brackets are pertaining to March 31, 2019

Entity Name	During the Year		As at March 31, 2020			
	Service Income	Network Operating Exp	Financial Charges	Trade Receivables	Trade Payables	Borrowings
2 Reliance Communications Inc	5,00,59,577	61,10,291	12,13,255	1,27,98,10,522		-
Provision for doubtful Debts				(1,27,98,10,522)		
Net	(21,87,05,269)	(38,75,60,757)	(10,60,881)	(1,05,63,38,594)		(6,84,05,299)
3 Reliance Communications Infrastructure Limited					12,26,378	
					(10,56,356)	

Note : 2.22**1 Financial Instruments**

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

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

Financial risk management**Market risk**

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company doesnot have any contractual maturities of financial liabilities.

Note : 2.23

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Vaishali Mane

Director

Independent Auditors' Report

To the Board of Directors of Reliance Communications (Hong Kong) Limited Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications (Hong Kong) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.17 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The financial statements have been prepared by the management with conversion in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABDZ6645

Reliance Communications (Hong Kong) Limited

Balance Sheet as at March 31, 2020

	Notes	As at		(Amount in ₹)
		March 31, 2020		As at
				March 31, 2019
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	2.01	-		-
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	2.02	38,85,43,734		65,86,04,378
(ii) Cash and Cash Equivalentents	2.03	27,75,250		1,93,68,163
(b) Other Current Assets	2.04	1,00,47,903		91,83,438
Total Assets		40,13,66,887		68,71,55,979
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.05	8	8	
(b) Other Equity	2.06	(14,33,25,637)	(14,33,25,629)	(9,96,64,858)
LIABILITIES				
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.07	37,40,08,786	33,17,08,955	
(ii) Trade Payables	2.08	4,18,00,623	45,20,68,287	
(b) Other Current Liabilities	2.09	12,88,83,107	30,43,595	
Total Equity and Liabilities		54,46,92,516		78,68,20,837
		40,13,66,887		68,71,55,979
Significant Accounting Policies	1			
Notes on Accounts	2			
As per our Report of even date				
For M.S.Sethi & Associates			For and on Behalf of the Board	
Chartered Accountants				
Regn.No.109407W				
Manoj Sethi			Vaishali Mane	
Proprietor			Director	
Membership No. 039784				
Place : Mumbai				
Date : August 20, 2020				

Reliance Communications (Hong Kong) Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

For the year ended
March 31, 2019

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
I	Revenue from Operations	2.10 65,97,19,775	51,21,67,712
II	Other Income	2.11 31,11,77,722	-
III	Total Income (I + II)	<u>97,08,97,497</u>	<u>51,21,67,712</u>
IV EXPENSES			
	Access Charges, License Fees and Network Expenses	2.12 63,01,16,271	50,16,60,320
	Finance Costs	2.13 57,24,802	80,50,026
	Depreciation, Impairment and Amortisation	2.01 -	48,59,868
	Sales and General Administration Expenses	2.14 36,71,65,512	30,45,274
	Total Expenses (IV)	<u>1,00,30,06,586</u>	<u>51,76,15,488</u>
V	(Loss) Before Tax	(3,21,09,089)	(54,47,777)
VI	Tax expense:		
	- Current Tax	-	-
VII	(Loss) After Tax (V - VI)	<u>(3,21,09,089)</u>	<u>(54,47,777)</u>
	Other Comprehensive Income / (Loss)	<u>(1,15,51,682)</u>	<u>(53,66,440)</u>
	Total Comprehensive Income / (Loss)	<u>(4,36,60,771)</u>	<u>(1,08,14,217)</u>
VIII	Earnings per Share	2.16	
	- Basic	-4,36,60,770.71	-1,08,14,216.81
	- Diluted	-4,36,60,770.71	-1,08,14,216.81
	Significant Accounting Policies	1	
	Notes on Accounts	2	
	As per our Report of even date		
	For M.S.Sethi & Associates		For and on Behalf of the Board
	Chartered Accountants		
	Regn.No.109407W		

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Hong Kong) Limited
Statement of Change in Equity for the year ended March 31, 2020

Amount in ₹
For the year ended For the year ended
March 31, 2020 March 31, 2019

(a) Equity Share Capital (Refer Note : 2.05)

Balance at the beginning of the year	8	8
Change in equity capital during the year	-	-
Foreign Exchange Variance	-	-
Balance at the end of the year	8	8

(b) Other Equity (Refer Note : 2.06)

Amount in ₹

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	(9,75,64,284)	87,13,635	(8,88,50,649)
Net Profit/(Loss) for the year	(54,47,777)	(53,66,440)	(1,08,14,217)
Balance as at March 31, 2019	(10,30,12,060)	33,47,195	(9,96,64,866)
Net Profit/(Loss) for the year	(3,21,09,089)	(1,15,51,682)	(4,36,60,771)
Balance as at March 31, 2020	(13,51,21,149)	(82,04,488)	(14,33,25,637)

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Hong Kong) Limited
Cash Flow Statement for the year ended March 31, 2020

	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Income tax	(3,21,09,089)	(54,47,777)
Depreciation and amortization	-	48,59,868
Operating Profit/(Loss) before Working Capital Changes	(3,21,09,089)	(5,87,909)
Adjusted for:		
Other Finance Cost	57,24,802	80,50,026
Receivables and other Advances	26,91,96,179	5,22,11,281
Trade Payables	(24,21,28,321)	(5,25,99,752)
Effect of Exchange difference on translation of Assets & Liabilities	(1,72,76,484)	(1,37,45,988)
Cash Generated from Operations	(1,65,92,913)	(66,72,341)
Less : Income Tax Paid	-	-
Net Cash Inflow/(Outflow) from Operating Activities	(1,65,92,913)	(66,72,341)
B CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Fixed Assets and Capital Work in Progress	-	-
Net Cash Inflow/(Outflow) from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	-	-
Finance Charges	-	-
Net Cash Inflow/(Outflow) from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,65,92,913)	(66,72,341)
Opening Balance of Cash and Cash Equivalents	1,93,68,163	2,60,40,504
Closing Balance of Cash and Cash Equivalents	27,75,250	1,93,68,163

As per our Report of even date
For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note No:1 Significant Accounting Policies

1.01 General Information

Reliance Communications (Hong Kong) Limited. (the "Company") was incorporated in Hong Kong as a limited liability company. Its registered office is at 2nd Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Ventral Hong Kong

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Revenue is recognised as and when the services are provided on the basis of actual usage of the Company's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods of one year or more are recognised over the estimated useful life of subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31, 2020

Note No:1 Significant Accounting Policies

1.09 Financial Instruments

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

Financial Assets

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) **Financial Assets measured at amortised cost**

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) **Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements.

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note No:1 Significant Accounting Policies

(vii) Derecognition of Financial Assets

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

(viii) Impairment of Financial Assets

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(iii) Derecognition of Financial Liabilities

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

1.10 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are stated at cost or their estimated fair value on the date of acquisition less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs on property and equipment are expensed as incurred.

USEFUL LIFE OF ASSET:

Sr. No Name of Property

1 Equipment 10 Years

1.11 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31, 2020

2.01. Property, Plant and Equipment

(Amount in ₹)

Particulars	Plant and Machinery	Total
Gross carrying value		
As at March 31, 2019	6,84,39,606	6,84,39,606
Additions	-	-
Exchange Differences	-	-
As at March 31, 2020	6,84,39,606	6,84,39,606
Accumulated Depreciation		
As at March 31, 2019	6,84,39,606	6,84,39,606
Depreciation for the year	-	-
Disposals	-	-
Exchange Differences	-	-
As at March 31, 2020	6,84,39,606	6,84,39,606
Closing net carrying value as at March 31, 2020	(0)	(0)

Particulars	Plant and Machinery	Total
Gross carrying value		
As at March 31, 2018	6,87,36,198	6,87,36,198
Additions	-	-
Exchange Differences	(2,96,592)	(2,96,592)
As at March 31, 2019	6,84,39,606	6,84,39,606
Accumulated Depreciation		
As at March 31, 2018	6,42,05,852	6,42,05,852
Depreciation for the year	48,59,868	48,59,868
Exchange Differences	(6,26,113)	(6,26,113)
As at March 31, 2019	6,84,39,606	6,84,39,606
Closing net carrying value as at March 31, 2019	(0)	(0)

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31, 2020

2.02 Trade Receivables (Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured		
Receivable from Others Considered Good	38,85,43,734	65,86,04,378
Considered Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
	38,85,43,734	65,86,04,378

2.03 Cash and Cash Equivalents

Particulars	As on March 31, 2020	As on March 31, 2019
Balance with Banks in current accounts	27,75,250	1,93,68,163
	27,75,250	1,93,68,163

2.04 Other Current Assets

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured, Considered good		
Other Advances and Receivables		
Considered good	1,00,47,903	91,83,438
Unsecured, Doubtful		
Considered doubtful	-	-
Less: Provision for doubtful advances	-	-
	1,00,47,903	91,83,438
	1,00,47,903	91,83,438

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Note 2.05 Share Capital		
Authorised		
10 000 Equity Shares of HK \$1 each (10 000)	88,816	81,175
	<u>88,816</u>	<u>81,175</u>
Issued, Subscribed and Paid up		
1 Equity Shares of HK\$ 1 each fully paid up (1)	8	8
	<u>8</u>	<u>8</u>

Note :

10(a) **Share held by holding/Ultimate holding company and/or their subsidiaries/associates**

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Globalcom B.V.	100	1	100	1

10(b) **Details of Shareholders holding more than 5% shares in the Company :**

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Globalcom B.V.	100	1	100	1

10(c) **Terms/Rights attached to Equity Share**

The Company has only one class of equity share having a par value of 1 HK \$ per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

10(d) **Reconciliation of shares outstanding at the beginning and at the end of the reporting year.**

	No. of Shares	Amount	No. of Share s	Amount
Equity shares				
At the beginning of the year	1	8	1	8
Add/ (Less): Changes during the year		-	-	-
At the end of the year	<u>1</u>	<u>8</u>	<u>1</u>	<u>8</u>

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at	(Amount in ₹) As at
2.06 Other Equity	March 31, 2020	March 31, 2019
Attributable to Equity Holders		
Other Comprehensive Income	33,47,195	87,13,635
(i) Opening Balance		
(ii) Additions during the year (net)	(1,15,51,682)	(53,66,440)
	<u>(82,04,488)</u>	<u>33,47,195</u>
Surplus/(Deficit) in retained earnings		
Opening Balance	(10,30,12,060)	(9,75,64,284)
Add: Profit/ (Loss) the year	(3,21,09,089)	(54,47,777)
	<u>(14,33,25,637)</u>	<u>(9,96,64,866)</u>

Reliance Communications (Hong Kong) Limited**Notes on Accounts to the financial statement for the year ended March 31,2020****2.07 Borrowings**

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
From Related Parties (Refer Note 2.20)	37,40,08,786	33,17,08,955
	37,40,08,786	33,17,08,955

2.08 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises	-	-
Others	4,18,00,623	45,20,68,287
	4,18,00,623	45,20,68,287

2.09 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers and Income Received in Advance	12,54,48,960	-
Provision for Expenses	34,34,147	30,43,595
	12,88,83,107	30,43,595

Reliance Communications (Hong Kong) Limited
Notes on Accounts to the financial statement for the year ended March 31,2020

	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
2.10 REVENUE FROM OPERATIONS		
Revenue (Refer Note 2.20)	65,97,19,775	51,21,67,712
	<u>65,97,19,775</u>	<u>51,21,67,712</u>
2.11 OTHER INCOME		
Writeback of Creditors	31,11,77,722	-
	<u>31,11,77,722</u>	<u>-</u>
2.12 NETWORK EXPENSES		
Access Charges	63,01,16,271	50,03,28,257
Bandwidth Charges	-	13,32,063
	<u>63,01,16,271</u>	<u>50,16,60,320</u>
2.13 Finance Cost		
Other Finance Cost	57,24,802	80,50,026
	<u>57,24,802</u>	<u>80,50,026</u>
2.14 GENERAL ADMINISTRATION EXPENSES		
Legal & Professional Fees	85,051	10,22,178
Bank Charges	30,406	7,261
Other General and Administrative Expenses	27,13,465	-
Payment to Auditors	3,89,818	3,84,536
Bad debts Written off	36,39,46,772	16,31,299
	<u>36,71,65,512</u>	<u>30,45,274</u>

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.15
 Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.16 (Amount in ₹)

Earning Per Share	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(4,36,60,771)	(1,08,14,217)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	1	1
Basic and Diluted Earning Per Share	(4,36,60,771)	(1,08,14,217)

Note : 2.17
Going Concern
 For the year ended 31st March 2020, the company has reported a net profit of Rs 1 02 84 280. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.18
Impact of COVID-19
 While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.
 The Company 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 Company'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.

Note : 2.19
Segment Reporting
 The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note 2.20 Related Party Transactions
 As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i List of Related Parties with whom transactions have taken place and relationships.

Sr. No.	Name of the Related Party	Relationship
1	Reliance Communications Limited	Ultimate Holding Company
2	Reliance Globalcom B.V.	Holding Company
3	Reliance Communications Infrastructure Limited	Fellow Subsidiary
4	Reliance Communications International Inc.	Fellow Subsidiary
5	Reliance Communications Inc.	Fellow Subsidiary
6	Reliance Communications (Singapore) Pte. Limited	Fellow Subsidiary
7	Reliance Webstore Limited	Fellow Subsidiary

ii Transactions with related parties
 Summarised below are the transactions entered into with related parties: (Amount in ₹)
 Figures in brackets are pertaining to March 31, 2019

Entity Name	For the year ended Marh 31,2020			As At March 31, 2020		
	Service Income	Financial Charges	Access Charges	Trade Receivables	Short Term Borrowings	Trade Payables
Reliance Communications Inc.	32,33,03,780	57,24,802	30,88,49,541	27,64,90,888	37,40,08,786	
	(25,84,17,733)	(80,50,009)	(24,96,17,564)	(19,95,30,709)	(33,17,08,955)	
Reliance Communications (Singapore) Pte. Limited				58,53,046		
				(53,49,467)		
Reliance Webstore Limited				13,77,86,421		
				(12,59,31,671)		
Reliance Communications Infrastructure Limited				25,31,33,969		82,35,201
				(23,13,55,047)		(75,26,668)

Reliance Communications (Hong Kong) Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.21

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss.

The Company does not have exposure to the credit risk at the reporting date.

Liquidity risk

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

Note : 2.22

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

For and on Behalf of the Board

Vaishali Mane

Director

Independent Auditors' Report

To the Board of Directors of Reliance Communications (Singapore) Pte. Limited Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications (Singapore) Pte. Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its Profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.13 in the financial statements wherein stated that the company has a net profit for the year and the Net Worth is positive but the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The financial statements have been prepared by the management with conversion in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act")). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEA7148

Reliance Communications (Singapore) Pte. Limited

Balance Sheet as at March 31, 2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non Current Assets			
Other Current Assets	2.01	18,98,46,51,160	17,35,12,66,120
Current Assets			
(a) Financial Assets			
(i) Cash and Bank balance	2.02	1,13,037	12,27,124
(ii) Trade Receivables	2.03	2,18,564	1,99,789
(b) Other Current Assets	2.04	4,28,45,632	3,91,59,295
Total		19,02,78,28,392	17,39,18,52,328
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.05	54,81,929	50,10,280
(b) Other Equity	2.06	19,02,20,19,938	17,38,64,96,644
Liabilities			
Current Liabilities			
Trade Payable	2.07	2,19,353	2,00,480
Other Current Liabilities	2.08	1,07,172	1,44,924
Total		19,02,78,28,392	17,39,18,52,328

Significant Accounting Policies 1
Notes to the Financial Statements 2

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
Regn.No.109407W

Manoj Sethi
Proprietor
Membership No. 039784

Place : Mumbai
Date : August 20, 2020

For and on Behalf of the Board

Toh Weng Cheong
Director

Pradeep Bhat
Director

Reliance Communications (Singapore) Pte. Limited
Statement of Profit and Loss for the year ended March 31, 2020

		(Amount in ₹)	
	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Income</u>			
Other Income	2.09	-	6,74,62,919
		<u>-</u>	<u>6,74,62,919</u>
<u>Expenditure</u>			
General Administration Expenses	2.10	11,03,718	10,81,864
		<u>11,03,718</u>	<u>10,81,864</u>
Profit /(Loss) Before Tax		(11,03,718)	6,63,81,055
Current Tax		-	-
Profit /(Loss) After Tax		(11,03,718)	6,63,81,055
Other Comprehensive Income / (Loss)		1,63,66,27,013	99,61,24,584
Total Comprehensive Income / (Loss)		1,63,55,23,295	1,06,25,05,639
Basic and Diluted Earning per Share	2.12	16,355.23	10,625.06

Significant Accounting Policies 1
Notes to the Financial Statements 2

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Toh Weng Cheong
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Singapore) Pte. Limited
Statement of Change in Equity for the year ended March 31, 2020

Amount in ₹
For the year ended **For the year ended**
March 31, 2020 **March 31, 2019**

(a) Equity Share Capital (Refer Note : 2.05)

Balance at the beginning of the year	50,10,280	47,21,929
Change in equity capital during the year	-	-
Foreign Exchange Variance	4,71,650	2,88,351
Balance at the end of the year	54,81,929	50,10,280

(b) Other Equity (Refer Note : 2.06)

Amount in ₹

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	15,00,65,68,340	1,31,74,22,664	16,32,39,91,004
Net Profit/(Loss) for the year	6,63,81,055	99,61,24,584	1,06,25,05,639
Balance as at March 31, 2019	15,07,29,49,396	2,31,35,47,248	17,38,64,96,644
Net Profit/(Loss) for the year	(11,03,718)	1,63,66,27,013	1,63,55,23,295
Balance as at March 31, 2020	15,07,18,45,677	3,95,01,74,261	19,02,20,19,938

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Toh Weng Cheong
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Singapore) Pte. Limited
Cash Flow Statement for the year ended March 31, 2020

(Amount in `)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per statement of Profit and Loss	(11,03,718)	6,63,81,055
Writeback of creditors no longer Required		6,74,62,919
Operating Profit before Working Capital Changes	(11,03,718)	(10,81,864)
Adjusted for:		
Receivables & advances	(10)	-
Effect of Exchange difference on translation of Assets & Liabilities	8,521	(7,70,193)
Other Current Liabilities	(18,880)	17,27,125
	(10,369)	9,56,932
Cash Generated from Operations	(11,14,087)	(1,24,931)
Tax Paid	-	-
Net Cash from/(used in) Operating Activities	(11,14,087)	(1,24,931)
B CASH FLOW FROM INVESTING ACTIVITIES	-	-
C CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	(11,14,087)	(1,24,931)
Opening Balance of Cash and Cash Equivalents	12,27,124	13,52,055
Closing Balance of Cash and Cash Equivalents	1,13,037	12,27,124

As per our Report of even date

For and on Behalf of the Board

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Toh Weng Cheong

Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhat

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications (Singapore) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31, 2020

Note 1 : General Information and Significant Accounting Policies**1.01 General Information**

The Company Reliance Communications (Singapore) Pte. Limited (the "Company") was incorporated in Singapore as a private limited liability company.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Interest Income is recognised on time proportion basis.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Financial Instruments

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

Financial Assets**(i) Initial recognition and measurement**

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

- a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets and,

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

(vi) Equity investments:

All equity investments in scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

Reliance Communications (Singapore) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

Reliance Communications (Singapore) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	Amount in ₹ As at March 31, 2019
Note:2.01		
Non Current Assets		
Loans to related party (Refer Note 2.16)	<u>18,98,46,51,160</u> <u>18,98,46,51,160</u>	<u>17,35,12,66,120</u> <u>17,35,12,66,120</u>
Note: 2.02		
Cash & Bank Balance		
Balance With Bank in current account	<u>1,13,037</u> <u>1,13,037</u>	<u>12,27,124</u> <u>12,27,124</u>
Note: 2.03		
TRADE RECEIVABLES (Unsecured)		
Others	<u>2,18,564</u> <u>2,18,564</u>	<u>1,99,789</u> <u>1,99,789</u>
Note: 2.04		
Other Current Assets		
Short Term Loans & advances	3,51,84,528	3,21,57,352
Other Current Assets	<u>76,61,104</u>	<u>70,01,944</u>
	<u>4,28,45,632</u>	<u>3,91,59,295</u>
Note: 2.05		
Share Capital		
Authorised		
1,00,000 (1,00,000) equity shares of USD 0.72 each	<u>54,81,929</u> <u>54,81,929</u>	<u>50,10,280</u> <u>50,10,280</u>
Issued, Subscribed and Paid up		
1,00,000(1,00,000) equity shares of USD 0.72 each fully paid up	<u>54,81,929</u> <u>54,81,929</u>	<u>50,10,280</u> <u>50,10,280</u>

**1) Details of Shares held by holding Company:
Particulars**

	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1,00,000	100	1,00,000

2) Details of Shareholders holding more than 5% shares in the Company:

	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1,00,000	100	1,00,000

3)The Company has only one class of equity shares having a par value of USD 1 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company.

4) Reconciliation of shares outstanding at the beginning and at the end of the year

	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	1,00,000	54,81,929	1,00,000	50,10,280
Add/Less: Changes for the year				
At the end of the year	<u>1,00,000</u>	<u>54,81,929</u>	<u>1,00,000</u>	<u>50,10,280</u>

Note: 2.06
Other Equity
Other Comprehensive Income

(i) Opening Balance	2,31,35,47,248	1,31,74,22,664
(ii) Additions during the year (net)	<u>1,63,66,27,013</u>	<u>99,61,24,584</u>
	<u>3,95,01,74,261</u>	<u>2,31,35,47,248</u>
Surplus/(Deficit) in retained earnings		
Opening Balance	15,07,29,49,396	15,00,65,68,340
Add: Profit/ (Loss) the year	<u>(11,03,718)</u>	<u>6,63,81,055</u>
	<u>19,02,20,19,938</u>	<u>17,38,64,96,644</u>

Reliance Communications (Singapore) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	Amount in ₹ As at March 31, 2019
Note: 2.07		
Trade Payable		
Trade and Other Payables (Refer Note 2.16)	2,19,353	2,00,480
	<u>2,19,353</u>	<u>2,00,480</u>
Note: 2.08		
Other Current Liabilities		
Other Liabilities	1,07,172	1,44,924
	<u>1,07,172</u>	<u>1,44,924</u>
	For the year ended March 31, 2020	Amount in ₹ For the year ended March 31, 2019
Note: 2.09		
Other Income	-	6,74,62,919
	<u>-</u>	<u>6,74,62,919</u>
Note: 2.10		
General Administrative Expenses		
Bank Charges	14,921	7,820
Auditors Remuneration	5,64,456	5,56,808
Other Professional Fees	5,24,341	5,17,236
Other Expenses	-	-
	<u>11,03,718</u>	<u>10,81,864</u>

Reliance Communications (Singapore) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31, 2020

Note : 2.11

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.12

Earning Per Share

	(Amount in ₹)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	1,63,55,23,295	1,06,25,05,639
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	1,00,000	1,00,000
Basic and Diluted Earning Per Share	16,355.23	10,625.06

Note : 2.13

Going Concern

For the year ended 31st March 2020, the company has reported a net profit of Rs 163 55 23 295. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is

Note : 2.14

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The Company 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 Company'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.

Note : 2.15

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.16

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i Name of the Related Party	Relationship
1 Reliance Communications LTD	Ultimate Holding Company
2 Reliance Globalcom B V	Holding Company
3 Reliance Communications (New Zealand) Pte Limited	Fellow- Subsidiary Company
4 Reliance Communications Inc	Fellow- Subsidiary Company
5 Reliance Communications Infrastructure Ltd	Fellow- Subsidiary Company
6 Reliance Communications International Inc	Fellow- Subsidiary Company
7 Reliance Communications (Hong Kong) Pte Limited	Fellow- Subsidiary Company
8 Reliance Communications UK Limited	Fellow- Subsidiary Company
9 Gateway Net Trading Pte Ltd	Fellow- Subsidiary Company

ii Transaction during the year with related party

Figures in brackets are pertaining to March 31, 2019

(Amount in ₹)

Entity Name	During the Year		As at March 31, 2020		
	Service revenue	Network Operating Exp	Loans & Advances	Other Current laibilities	Trade Payables
1 Reliance Communications Infrastructure Ltd	-	-	-	-	12,031
	-	-	-	-	(10,996)
2 Reliance Globalcom B V	-	-	18,98,43,48,500	-	-
	-	-	(17,35,09,89,500)	-	-
3 Gateway Net Trading Pte Ltd	-	-	3,02,660	-	-
	-	-	(2,76,620)	-	-

Note : 2.17

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company doesnot have any contractual maturities of financial liabilities.

Note : 2.18

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Toh Weng Cheong

Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhat

Director

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications (New Zealand) Pte. Limited Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications (New Zealand) Pte. Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its Profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.12 in the financial statements wherein stated that the Company has a net profit for the year and the Net Worth is positive but the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The financial statements have been prepared by the management with conversion in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEI2793

Reliance Communications (New Zealand) Pte. Limited

Balance Sheet as at March 31, 2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
Financial Assets			
(i) Cash and Bank balance	2.01	331	302
Other Current Assets	2.02	32,02,815	29,27,254
Total		32,03,146	29,27,556
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.03	47	47
(b) Other Equity	2.04	24,62,547	20,55,818
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2.05	5,72,424	8,57,821
(b) Other Current Liabilities	2.06	1,68,128	13,869
Total		32,03,146	29,27,556

Significant Accounting Policies 1

Notes to the Financial Statements 2

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**

Chartered Accountants

Regn.No.109407W

Permal Sami

Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhat

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications (New Zealand) Pte. Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
<u>Income</u>			
Other Income	2.07	-	1,23,14,832
		<u>-</u>	<u>1,23,14,832</u>
<u>Expenditure</u>			
Finance Cost	2.08	-	8,837
General Administration Expenses	2.09	1,43,240	1,41,299
		<u>1,43,240</u>	<u>1,50,136</u>
Profit /(Loss) Before Tax		(1,43,240)	1,21,64,696
Current Tax		-	-
Profit /(Loss) After Tax		(1,43,240)	1,21,64,696
Other Comprehensive Income / (Loss)		5,49,969	(10,21,829)
Total Comprehensive Income / (Loss)		4,06,729	1,11,42,867
Basic and Diluted Earning per Share	2.13	(1,43,240)	1,21,64,696

Significant Accounting Policies
Notes to the Financial Statements

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

Permal Sami
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (New Zealand) Pte. Limited
Statement of Change in Equity for the year ended March 31, 2020

Amount in ₹

For the year ended For the year ended
March 31, 2020 March 31, 2019

(a) Equity Share Capital (Refer Note : 2.04)

Balance at the beginning of the year	47	47
Change in equity capital during the year	-	-
Foreign Exchange Variance	-	-
Balance at the end of the year	47	47

(b) Other Equity (Refer Note : 2.05)

Amount in ₹

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	(86,57,795)	(4,29,254)	(90,87,049)
Net Profit for the year	1,21,64,696	(10,21,829)	1,11,42,867
	-	-	-
Balance as at March 31, 2019	35,06,901	(14,51,083)	20,55,818
Net Profit for the year	(1,43,240)	5,49,969	4,06,729
	-	-	-
Balance as at March 31, 2020	33,63,661	(9,01,114)	24,62,547

As per our report of even date attached

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Permal Sami
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (New Zealand) Pte. Limited
Cash Flow Statement for the year ended March 31, 2020

(Amount in ₹)

Particulars	For the year ended. March 31, 2020	For the year ended. March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per statement of Profit and Loss	(1,43,240)	1,21,64,696
Adjusted for:		
Writeback of creditors no longer Required	-	(1,23,14,832.00)
Finance Cost	-	8,837
Operating Profit/ (Loss) before Working Capital Changes	(1,43,240)	(1,41,299)
Adjusted for:		
Receivables & Advances	2,75,561	(10,53,248)
Effect of Exchange difference on translation of Assets & Liabilities	(1,155)	(4,66,384)
Trade payables & Other Current Liabilities	(1,31,138)	16,61,337
Net Cash from/(used in) Operating Activities	27	406
B CASH FLOW FROM INVESTING ACTIVITIES	-	-
C CASH FLOW FROM FINANCING ACTIVITIES	-	(8,837)
Finance Cost	-	(8,837)
Net Increase/ (Decrease) in Cash and Cash Equivalents	27	(8,431)
Opening Balance of Cash and Cash Equivalents	302	8,733
Closing Balance of Cash and Cash Equivalents	331	302

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

Permal Sami
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (New Zealand) Pte. Limited

Note 1 : General Information and Significant Accounting Policies

1.01 General Information

The Company Reliance Communications (New Zealand) Pte. Limited (the "Company") was incorporated in New Zealand as a private limited liability company. Its registered office is at BDO Auckland, Level 8, 120 Albert Street, Auckland 1010, New Zealand.

1.02 Basis of Preparation of Financial Statements

These financial statements for the year ended March 31, 2017 are the first financial statements that the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'the Previous GAAP') used for its statutory reporting requirements in India immediately before adopting Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Revenue is recognized as and when the services are provided on the basis of actual usage of the Company's telecommunications network.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Reliance Communications (New Zealand) Pte. Limited

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Reliance Communications (New Zealand) Pte. Limited

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

	As at March 31, 2020	As at March 31, 2019		
Note: 2.01				
Financial Assets				
Cash & Bank Balances in current accounts	331 <u>331</u>	302 <u>302</u>		
Note: 2.02				
Other Current Assets				
Loans and Advances to Related parties (Refer Note 2.15)	32,02,815 <u>32,02,815</u>	29,27,254 <u>29,27,254</u>		
Note: 2.03				
Share Capital				
Authorised				
1,00,000 (1,00,000)equity shares of USD 0.72 each	47 <u>47</u>	47 <u>47</u>		
Issued, Subscribed and Paid up				
1,00,000(1,00,000) equity shares of USD 0.72 each	47 <u>47</u>	47 <u>47</u>		
1) Details of Shares held by holding Company:				
Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1	100	1
2) Details of Shareholders holding more than 5% shares in the Company:				
Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1	100	1
3) Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	1	47	1	47
Add/Less: Changes for the year				
At the end of the year	<u>1</u>	<u>47</u>	<u>1</u>	<u>47</u>
Note: 2.04				
Other Equity				
Other Comprehensive Income				
(i) Opening Balance		(14,51,083)		(4,29,254)
(ii) Additions during the year (net)		5,49,969		(10,21,829)
		<u>(9,01,114)</u>		<u>(14,51,083)</u>
Surplus/(Deficit) in retained earnings				
Opening Balance		35,06,902		(86,57,794)
Add: Profit/ (Loss) the year		(1,43,240)		1,21,64,696
		<u>24,62,547</u>		<u>20,55,818</u>
Note: 2.05				
Trade Payables				
Others		5,72,424		8,57,821
		<u>5,72,424</u>		<u>8,57,821</u>
Note: 2.06				
Other Current Liabilities				
Other Liabilities		1,68,128		13,869
		<u>1,68,128</u>		<u>13,869</u>

Reliance Communications (New Zealand) Pte. Limited
Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	As at March 31, 2019
	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
Note: 2.07		
Revenue		
Other Income	-	1,23,14,832
	<u>-</u>	<u>1,23,14,832</u>
Note: 2.08		
Finance Cost		
Finance Cost	-	8,837
	<u>-</u>	<u>8,837</u>
Note: 2.09		
General Administrative Expenses		
Auditors Remuneration	1,43,240	1,41,299
	<u>1,43,240</u>	<u>1,41,299</u>

Reliance Communications (New Zealand) Pte. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.10

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.11

Earning Per Share

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	4,06,729	1,11,42,867
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	1	1
Basic and Diluted Earning Per Share	4,06,729	1,11,42,867

Note : 2.12

Going Concern

For the year ended 31st March 2020, the company has reported a net profit of Rs 406 729. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.13

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices. The Company 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 Company'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.

Note : 2.14

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.15

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i Name of the Related Party	Relationship
1 Reliance Communications LTD	Ultimate Holding Company
2 Reliance Globalcom B V	Holding Company
3 Reliance Communications (Singapore) Pte Limited	Fellow- Subsidiary Company
4 Reliance Communications Inc	Fellow- Subsidiary Company
5 Reliance Communications Infrastructure Ltd	Fellow- Subsidiary Company
6 Reliance Communications International Inc	Fellow- Subsidiary Company
7 Reliance Communications UK Ltd	Fellow- Subsidiary Company

ii Transaction during the year with related party

Figures in brackets are pertaining to March 31, 2019

Entity Name	During the Year			As at March 31, 2020	
	Service revenue	Call Centre Exp	Network Operating Exp	Loans & Advances	Trade Payables
2 Reliance Communications (Singapore) Pte Limited	-	-	-	32,02,815	-
	-	-	-	(29,27,254)	-

Note : 2.16

1 Financial Instruments

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

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

2 Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.17

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Permal Sami

Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhat

Director

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications (Australia) Pty. Limited Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications (Australia) Pty. Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its Profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.15 in the financial statements wherein stated that the Company has a net profit for the year and the Net Worth is positive but the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The financial statements have been prepared by the management with conversion in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEH1635

Reliance Communications (Australia) Pty. Limited

Balance Sheet as at March 31,2020

Amount in ₹

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
Financial Assets			
(i) Cash and Bank balance	2.01	83,10,287	87,58,140
(ii) Trade Receivables	2.02	6,02,053	5,50,254
Other Current Assets	2.03	2,14,96,877	1,96,47,347
Total		3,04,09,217	2,89,55,741
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.04	46	48
(b) Other Equity	2.05	2,58,53,497	2,53,30,189
Liabilities			
Current Liabilities			
Trade Payables	2.06	22,78,279	32,28,243
Other Current Liabilities	2.07	22,77,395	3,97,261
Total		3,04,09,217	2,89,55,741

Significant Accounting Policies 1

Notes to the Financial Statements 2

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**

Chartered Accountants

Regn.No.109407W

Permal Sami
Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhatt
Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications (Australia) Pty. Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
<u>Income</u>			
Revenue from Operations	2.08	-	-
Other Income	2.09	5,977	2,88,534
		<u>5,977</u>	<u>2,88,534</u>
<u>Expenditure</u>			
Network Operating Expenses	2.10	-	-
Finance Costs	2.11	23,265	6,922
General Administration Expenses	2.12	6,94,971	6,85,554
		<u>7,18,236</u>	<u>6,92,476</u>
(Loss) Before Tax		(7,12,259)	(4,03,942)
Current Tax		-	-
(Loss) After Tax		(7,12,259)	(4,03,942)
Other Comprehensive Income / (Loss)		12,35,566	14,85,152
Total Comprehensive Income / (Loss)		5,23,308	10,81,210
Basic and Diluted Earning per Share	2.14	5,23,308	10,81,210

Significant Accounting Policies 1
Notes on Account 2

As per our Report of even date

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Permal Sami
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhat
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Australia) Pty. Limited
Statement of change in equity for the year ended March 31, 2020

Amount in ₹

For the year ended
March 31, 2020 For the year ended
 March 31, 2019

(a) Equity Share Capital (Refer Note : 2.05)

Balance at the beginning of the year	48	48
Change in equity capital during the year	-	-
Foreign Exchange Variance	(2)	-
Balance at the end of the year	46	48

(b) Other Equity (Refer Note : 2.05)

Amount in ₹

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	2,94,59,408	(52,10,431)	2,42,48,978
Net Profit for the year	(4,03,942)	14,85,152	10,81,210
Balance as at March 31, 2019	2,90,55,467	(37,25,279)	2,53,30,188
Net Profit for the year	(7,12,259)	12,35,566	5,23,308
Balance as at March 31, 2020	2,83,43,208	(24,89,712)	2,58,53,496

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
 Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor
 Membership No. 039784

Permal Sami
 Director

Pradeep Bhat
 Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications (Australia) Pty. Limited
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax as per statement of Profit and Loss	(7,12,259)	(4,03,941)
Adjusted for:		
Writeback of creditors no longer Required	(5,977)	(2,88,534)
Other Financial Cost	23,265	6,922
	-	-
Operating Profit before Working Capital Changes	(6,94,971)	(6,85,554)
Adjusted for:		
Receivables & advances	-	7,79,911
Effect of Exchange difference on translation of Assets & Liabilities	(9,31,826)	(1,99,042)
Other Current Liabilities	5,07,237	1,26,934
Cash Generated from Operations	(4,24,588)	7,07,803
Tax Paid	-	-
Net Cash from/(used in) Operating Activities	(4,24,588)	7,07,803
B CASH FLOW FROM INVESTING ACTIVITIES	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(23,265)	(6,922)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(4,47,853)	7,00,881
Opening Balance of Cash and Cash Equivalents	87,58,140	80,57,259
Closing Balance of Cash and Cash Equivalents	83,10,287	87,58,140
	-	(0)

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Permal Sami
Director

Manoj Sethi
Proprietor
Membership No. 039784

Pradeep Bhatt
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications (Australia) Pty. Limited

Significant Accounting Policies

1.01 General Information

The Company Reliance Communications (Australia) Pty. Limited (the "Company") was incorporated in Australia as a private limited liability company. Its registered office is at 9 Peach gardens Glenwood NSW 2768 , Australia

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Revenue is recognised as and when the services are provided on the basis of actual usage of the Company's network.

Interest Income is recognised on time proportion basis.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Significant Accounting Policies

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Investments

Non Current Investments are stated at cost or fair value as required .

1.10 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Significant Accounting Policies

(vi) Equity investments:

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) Derecognition of Financial Assets

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

(viii) Impairment of Financial Assets

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(iii) Derecognition of Financial Liabilities

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

Reliance Communications (Australia) Pty. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	As at March 31, 2019
Note: 2.01		
Cash & Bank Balance		
Balance With Bank in current account	83,10,287	87,58,140
	<u>83,10,287</u>	<u>87,58,140</u>
Note: 2.02		
Other Current Assets		
Trade Receivables Considered Good	6,02,053	5,50,254
	<u>6,02,053</u>	<u>5,50,254</u>
Note: 2.03		
Other Current Assets	2,14,96,877	1,96,47,347
	<u>2,14,96,877</u>	<u>1,96,47,347</u>
Note: 2.04		
Share Capital		
Authorised		
1(Previous Year 1) Equity share of AUD 1 each	46	48
	<u>46</u>	<u>48</u>
Issued, Subscribed and Paid up		
1(Previous Year 1) Equity share of AUD 1 each fully paid	46	48
	<u>46</u>	<u>48</u>

1) Details of Shares held by holding Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1	100	1

2) Details of Shareholders holding more than 5% shares in the Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV	100	1	100	1

4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	1	46	1	48
Add/Less: Changes for the year				
At the end of the year	<u>1</u>	<u>46</u>	<u>1</u>	<u>48</u>

Note: 2.05
Other Equity
Other Comprehensive Income

(i) Opening Balance	(37,25,279)	(52,10,431)
(ii) Additions during the year (net)	12,35,566	14,85,152
	<u>(24,89,712)</u>	<u>(37,25,279)</u>
Surplus/(Deficit) in retained earnings		
Opening Balance	2,90,55,467	2,94,59,409
Add: Profit/ (Loss) the year	(7,12,259)	(4,03,941)
	<u>2,58,53,497</u>	<u>2,53,30,189</u>

Reliance Communications (Australia) Pty. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	As at March 31, 2019
Note: 2.06		
Trade Payables (Refer Note 2.18)	22,78,279	32,28,243
	<u>22,78,279</u>	<u>32,28,243</u>
Note: 2.07		
Other Current Liabilities	20,49,408	1,88,890
Provisions	2,27,987	2,08,372
	<u>22,77,395</u>	<u>3,97,261</u>
	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
Note: 2.08		
Revenue	-	-
	<u>-</u>	<u>-</u>
Note: 2.09		
Other Income		
Writeback of creditors no longer Required	5,977	2,88,534
	<u>5,977</u>	<u>2,88,534</u>
Note: 2.10		
Network Operating Expenses	-	-
	<u>-</u>	<u>-</u>
Note: 2.11		
Finance Costs		
Bank Charges	23,265	6,922
	<u>23,265</u>	<u>6,922</u>
Note: 2.12		
General Administrative Expenses		-
Call Centre expenses	-	-
Auditors Remuneration	3,93,149	3,87,822
Other Professional Fees	3,01,822	2,97,732
	<u>6,94,971</u>	<u>6,85,554</u>

Reliance Communications (Australia) Pty. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.13

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.14

(Amount in ₹)

Earning Per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	5,23,308	10,81,210
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	1	1
Basic and Diluted Earning Per Share	5,23,308	10,81,210

Note : 2.15

Going Concern

For the year ended 31st March 2020, the company has reported a net profit of Rs 5 23 308. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.16

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The Company 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 Company'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.

Note : 2.17

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.18

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i Name of the Related Party

Name of the Related Party	Relationship
1 Reliance Communications LTD	Ultimate Holding Company
2 Reliance Globalcom B V	Holding Company
3 Reliance Communications Inc	Fellow- Subsidiary Company
4 Reliance Communications Infrastructure Ltd	Fellow- Subsidiary Company
5 Reliance Communications International Inc	Fellow- Subsidiary Company
6 Reliance Communications UK Ltd	Fellow- Subsidiary Company

ii Transaction during the year with related party

Figures in brackets are pertaining to March 31, 2019

(Amount in ₹)

Entity Name	During the Year				As at March 31, 2020	
	Service revenue	Network Operating Exp	General administration Exp	Trade Receivable s	Loans & Advances	Trade Payables
1 Reliance Communications Ltd	-	-	-	-	-	5,03,172
	-	-	-	-	-	(4,59,881)
3 Reliance Communications International Inc	-	-	-	-	-	15,70,654
	-	-	-	-	-	(14,35,519)
4 Reliance Communications Infrastructure Ltd	-	-	-	-	-	3,10,756
	-	-	-	-	-	(2,84,020)

Reliance Communications (Australia) Pty. Limited

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.17

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company doesnot have any contractual maturities of financial liabilities.

Note : 2.19

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**

Chartered Accountants

Regn.No.109407W

Permal Sami

Director

Manoj Sethi

Proprietor

Membership No. 039784

Pradeep Bhatt

Director

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Gateway Net Trading Pte Ltd Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Gateway Net Trading Pte Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.07 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The financial statements have been prepared by the management with conversion in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act")). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEJ2579

Gateway Net Trading Pte Ltd

Balance Sheet as at March 31,2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
(a) Financial Assets			
(i) Cash and Bank balance	2.01	1,676	1,532
Total		1,676	1,532
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.02	1,97,49,32,165	1,80,50,14,655
(b) Other Equity	2.03	(4,16,18,67,434)	(3,80,28,82,401)
Liabilities			
Current Liabilities			
(a) Other Current Liabilities	2.04	2,18,69,36,945	1,99,78,69,278
Total		1,676	1,532

Significant Accounting Policies 1
Notes to the Financial Statements 2

As per our Report of even date

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

B K Sinha
Director

Place : Mumbai
Date : August 20, 2020

Gateway Net Trading Pte Ltd
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
<u>Income</u>			
Other Income		-	-
<u>Expenditure</u>			
General Administration Expenses		9,32,516	9,36,803
		9,32,516	9,36,803
Profit /(Loss) Before Tax		(9,32,516)	(9,36,803)
Current Tax		-	-
Profit /(Loss) After Tax		(9,32,516)	(9,36,803)
Other Comprehensive Income / (Loss)		(35,80,52,517)	(21,88,76,463)
Total Comprehensive Income / (Loss)		(35,89,85,033)	(21,98,13,266)
Basic and Diluted Earning per Share	2.07	(27.51)	(16.84)

Significant Accounting Policies 1
Notes to the Financial Statements 2

As per our Report of even date

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

B.K.Sinha
Director

Place : Mumbai
Date : August 20, 2020

Gateway Net Trading Pte Ltd
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Income tax	(9,32,516)	(9,36,803)
Adjusted for:	-	-
Operating Profit before Working Capital Changes	(9,32,516)	(9,36,803)
Adjusted for:		
Receivables and other Advances	-	-
Trade Payables	18,90,67,667	-
Effect of Exchange difference on translation of Assets & Liabilities	(18,81,35,007)	9,33,961
Cash Generated from Operations	144	(2,842)
Less : Income Tax Paid	-	-
Net Cash Inflow/(Outflow) from Operating Activities	144	(2,842)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Sale of Investments	-	-
Financial Income	-	-
Net Cash Inflow/(Outflow) from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Long term Borrowings	-	-
Net proceeds from short term boorowings	-	-
Financial Charges	-	-
Net Cash Inflow/(Outflow) from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalentts	144	(2,842)
Opening Balance of Cash and Cash Equivalentts	1,532	4,374
Closing Balance of Cash and Cash Equivalentts	1,676	1,532

As per our Report of even date
For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

Manoj Sethi
Proprietor
Membership No. 039784
Place : Mumbai
Date : August 20, 2020

For and on Behalf of the Board

B K Sinha
Director

Gateway Net Trading Pte Ltd
Statement of changes in equity for the year ended March 31, 2020

Amount in ₹

For the year ended For the year ended
March 31, 2020 March 31, 2019

(a) Equity Share Capital (Refer Note : 2.03)

Balance at the beginning of the year	1,80,50,14,655	1,72,93,21,755
Change in equity capital during the year	-	-
Foreign Exchange Variance	16,99,17,510	7,56,92,900
Balance at the end of the year	<u>1,97,49,32,165</u>	<u>1,80,50,14,655</u>

(b) Other Equity (Refer Note : 2.04)

Amount in ₹

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at April 1, 2018	(3,58,30,69,135)	-	(3,58,30,69,135)
Net Loss for the year	(9,36,803)	(21,88,76,463)	(21,98,13,266)
Balance as at March 31, 2019	(3,58,40,05,938)	(21,88,76,463)	(3,80,28,82,401)
Net Profit for the year	(9,32,516)	(35,80,52,517)	(35,89,85,033)
Balance as at March 31, 2020	(3,58,49,38,454)	(57,69,28,980)	(4,16,18,67,434)

As per our Report of even date

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

B K Sinha
Director

Place : Mumbai
Date : August 20, 2020

Gateway Net Trading Pte Ltd

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

The Company Gateway Net Trading Pte Ltd was incorporated in Singapore as a private limited liability company.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

These financial statements for the year ended March 31, 2017 are the first financial statements that the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'the Previous GAAP') used for its statutory reporting requirements in India immediately before adopting Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Interest Income is recognised on time proportion basis.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Gateway Net Trading Pte Ltd

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Investments

There are No Investments by the Company except some advances as shown in the accounts.

1.10 Financial Instruments

There are no Financial Instruments issued by the Company except share capital.

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Gateway Net Trading Pte Ltd

Note :1 General Information and Significant Accounting Policies to the Financial Statements

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

Gateway Net Trading Pte Ltd

Notes on Accounts to Balance Sheet and Statement of Profit and Loss

	As at March 31, 2020	As at March 31, 2019
Note: 2.01		
Cash & Bank Balance		
Balance With Bank in current account	1,676	1,532
	<u>1,676</u>	<u>1,532</u>

Gateway Net Trading Pte Ltd

Notes on Accounts to Balance Sheet and Statement of Profit and Loss

	As at March 31, 2020	As at March 31, 2019
Note: 2.02		
Equity Share Capital		
Authorised		
1100,000 Equity Share of USD 1 Each	7,16,92,500	7,16,92,500
250,010 Equity Shares of USD 100 Each	1,62,94,40,175	1,62,94,40,175
	<u>1,70,11,32,675</u>	<u>1,70,11,32,675</u>
Issued, Subscribed and Paid up		
1100,000 Equity Share of USD 1 each fully paid up	8,32,31,500	7,60,70,500
250,010 Equity Shares of USD 100 each fully paid up	1,89,17,00,665	1,72,89,44,155
	<u>1,97,49,32,165</u>	<u>1,80,50,14,655</u>

1) Details of Shares held by holding Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
11,00,000 Equity shares of 1 USD each				
Reliance Globalcom BV	90.90%	10,00,000	90.90%	10,00,000
Reliance Communications Ltd	9.10%	1,00,000	9.10%	1,00,000
		<u>11,00,000</u>		<u>11,00,000</u>

250,010 Equity shares of 100 USD Each

Reliance Globalcom BV	100%	2,50,010	100%	2,50,010
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2) Details of Shareholders holding more than 5% shares in the Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Reliance Globalcom BV				
10,00,000 Equity shares of 1 USD each	90.90	10,00,000	90.90	10,00,000
250,010 Equity shares of 100 USD each	100.00	2,50,010	100.00	2,50,010
Reliance Communications Ltd				
1,00,000 Equity shares of 1 USD each	9.10	1,00,000	9.10	1,00,000

3) Terms / Rights attached to Equity Share:

The Company has two class of equity shares having a par value of 1 USD per share and 100 USD per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the Company.

4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
Equity Shares 1 USD each				
At the beginning of the year	11,00,000	8,32,31,500	11,00,000	7,60,70,500
Add/Less: Changes for the year	-	-	-	-
At the end of the year	<u>11 00 000</u>	<u>8,32,31,500</u>	<u>11 00 000</u>	<u>7,60,70,500</u>
Equity Shares 100 USD each				
At the beginning of the year	2,50,010	1,89,17,00,665	2,50,010	1,72,89,44,155
Add/(Less): Changes during the year	-	-	-	-
At the end of the year	<u>13,50,010</u>	<u>1,97,49,32,165</u>	<u>13,50,010</u>	<u>1,80,50,14,655</u>

Gateway Net Trading Pte Ltd

Notes on Accounts to Balance Sheet and Statement of Profit and Loss

Particulars	As at	
	March 31, 2020	March 31, 2019
Note: 2.03		
Other Equity		
	Attributable to Equity Holders	
	(Amount in ₹)	
	Retained Earnings	Other Comprehensive Income
		Total
Balance as at 01.04.2018	(3,58,30,69,135)	(3,58,30,69,135)
Total Comprehensive Income for the year	(9,36,803)	(21,88,76,463)
		(21,98,13,266)
Balance as at 31.03.2019	(3,58,40,05,938)	(21,88,76,463)
Total Comprehensive Income for the year	(9,32,516)	(35,80,52,517)
		(21,98,13,266)
Balance as at 31.03.2020	(3,58,49,38,454)	(57,69,28,980)
		(4,16,18,67,434)

Note: 2.04

Other Current Liabilities

Payable to Related Party (Refer Note 2.10)
Other Liabilities

2,18,43,92,558	1,99,64,53,675
25,44,387	14,15,603
2,18,69,36,945	1,99,78,69,278

Gateway Net Trading Pte Ltd
Notes on Accounts to Balance Sheet and Statement of Profit and Loss

Note : 2.05

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.06

(Amount in ₹)

Earning Per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(35,89,85,033)	(21,98,13,266)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	1,30,50,010	1,30,50,010
Basic and Diluted Earning Per Share of USD 100 each	(27.5)	(16.8)

Note : 2.07

Going Concern

For the year ended 31st March 2020, the company has reported a net loss of Rs 35 89 85 033. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.08

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices. The Company 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 Company'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.

Note : 2.09

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.10

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party	Relationship
1 Reliance Communications Ltd.	Ultimate Holding Company
2 Reliance Globalcom B.V.	Holding Company

Transaction during the year with related party Nil

Closing Balance: (Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Reliance Globalcom B.V. - Trade Payables	2,18,43,92,558	1,99,64,53,675

Note : 2.11**1 Financial Instruments**

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

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

Financial risk management**Market risk**

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.12

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For **M.S.Sethi & Associates**
Chartered Accountants
Regn.No.109407W

B K Sinha
Director

Manoj Sethi
Proprietor
Membership No. 039784

Place : Mumbai
Date : August 20, 2020

2019-20

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
March 31, 2020

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Balance Sheet as at March 31, 2020

Particulars	Notes	Amount in INR	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Current assets			
Other Current assets	2.01	5,12,88,139	4,68,75,472
Total Current assets		<u>5,12,88,139</u>	<u>4,68,75,472</u>
Total Assets		<u>5,12,88,139</u>	<u>4,68,75,472</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.02	9,07,980	8,29,860
Other equity	2.02	(5,10,74,65,371)	(4,66,80,22,595)
Total equity		<u>(5,10,65,57,391)</u>	<u>(4,66,71,92,735)</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.03	5,12,89,44,980	4,68,76,65,249
Total Non-current liabilities		<u>5,12,89,44,980</u>	<u>4,68,76,65,249</u>
Current liabilities			
Financial liabilities			
Trade payables	2.04	2,89,00,550	2,64,02,958
Total Current liabilities		<u>2,89,00,550</u>	<u>2,64,02,958</u>
Total Liabilities		<u>5,15,78,45,530</u>	<u>4,71,40,68,207</u>
Total Equity and Liabilities		<u>5,12,88,139</u>	<u>4,68,75,472</u>
General Information	1.01		
Significant Accounting Policies	1.02		
Notes on Accounts	2		

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

For and on behalf of the Board

Director

Date: 31st July 2020

Place: Mumbai

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Statement of Profit and loss for the year ended March 31, 2020

Particulars	Notes	Amount in `	
		For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations		-	-
Total Income		<u>-</u>	<u>-</u>
EXPENSES			
Other expenses	2.05	12,106	15,661
Total Expenses		<u>12,106</u>	<u>15,661</u>
Profit before tax		<u>(12,106)</u>	<u>(15,661)</u>
Tax expense			
-Current tax		-	-
Profit after tax		<u>(12,106)</u>	<u>(15,661)</u>
Other Comprehensive Income / (Loss)		<u>(43,94,30,669)</u>	<u>(26,86,52,397)</u>
Total Comprehensive Income / (Loss)		<u>(43,94,42,776)</u>	<u>(26,86,68,058)</u>
Earnings per Share of each fully paid up			
- Basic and diluted earnings per share	2.06	(1.01)	(1.31)
General Information	1.01		
Significant Accounting Policies	1.02		
Notes on Accounts	2		

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

For and on behalf of the Board

Director

Date: 31st July 2020

Place: Mumbai

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Statement of cash flow for the period ended March 31, 2020

Particulars	Amount in `	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) Before Tax	(12,106)	(15,661)
Adjustments for :		
Foreign currency translation and exchange movement (net)	(43,93,52,549)	(26,86,04,638)
	(43,93,64,656)	(26,86,20,299)
Changes in Working Capital		
(Increase) in Loan and Advances and Other Assets	(44,12,667)	(26,97,788)
Increase in Liabilities and Provisions	24,97,592	15,34,143
Cash used in Operations	(44,12,79,731)	(26,97,83,944)
Taxes Paid	-	-
Net Cash used in Operating Activities (A)	(44,12,79,731)	(26,97,83,944)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash Used in Investing Activities (B)	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Loan from related party	44,12,79,731	2,69,78,394
Net Cash (used in) Financing Activities (C)	44,12,79,731	26,97,83,944
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(0)	-
Add: Cash and Cash equivalents at the beginning of the year	-	-
Cash and Cash Equivalents at the end of the year	(0)	-

For and on behalf of the Board

Director

Date: 31st July 2020
Place: Mumbai

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Statement of changes in equity for the period ended March, 2020

Amount in `

Particulars	Equity		Other equity		Total equity
	Share capital	Reserves & surplus		Other Comprehensive Income	
		Retained Earnings	Foreign Exchange Translation Reserve		
Balance as at March 31, 2018	7,82,100	(3,76,84,50,139)	(63,09,04,398)	(4,39,85,72,437)	
Foreign exchange movement	47,760			47,760	
Total Comprehensive Income for the year		(15,661)	(26,86,52,397)	(26,86,68,058)	
Balance as at March 31, 2019	8,29,860	(3,76,84,65,800)	(89,95,56,795)	(4,66,71,92,735)	
Foreign exchange movement	78,120			78,120	
Total Comprehensive Income for the year		(12,106)	(43,94,30,669)	(43,94,42,776)	
Balance as at March 31, 2020	9,07,980	(3,76,84,77,906)	(1,33,89,87,464)	(5,10,65,57,391)	

*Foreign Exchange Translation Reserve : Exchange differences on translating the financial statements

For and on behalf of the Board

Director

Date: 31st July 2020
Place: Mumbai

RELIANCE FLAG PACIFIC HOLDINGS LIMITED

Notes forming part of the Financial Statements for the year ended March, 2020

1.01 General Information

The Company is part of a multinational corporate organization. The company operates a global telecommunication network comprised of advanced fibre-optic cable systems and interfaces that are owned by, leased to, or otherwise available to the company

1.02 Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as notified/ amended by Ministry of Corporate Affairs, Government of India.

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

Financial Statements have been prepared on a going concern basis and financial support as may be required, shall be extended by associates and / or parent company.

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018.

- Ind AS 115 Revenue from Contracts with Customers
- Amendment to Ind AS 21- Foreign Currency Transactions and Advance Consideration

The adoption of the above new standards, amendments and interpretation did not have material impact on these financial statements. There are no other Ind AS amendments that are effective that would be expected to have a material impact on Company's Financial Statements.

Standards and amendments issued and not yet effective

The following standards and amendments, which were in issue but not yet effective and have not been early adopted by the Company.

Ind AS 116 is applicable from annual periods beginning on or after April 1, 2019. It will replace previous lease standard Ind AS 17. Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance leases under Ind AS 17. The standard includes two recognition exemption for leases: leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing right to use the underlying asset during the lease term. Lessor accounting under Ind AS 16 is substantially unchanged from today's accounting under Ind AS 17.

Appendix C to Ind AS 112 -'Uncertainty over Income tax treatments'

This Appendix explains how to recognize and measure deferred and current tax assets and liabilities where there is uncertainty over a tax treatment. It provides a framework to consider, recognize and measure the accounting impact of tax uncertainties. This Appendix is applicable for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the new standard and amendment on the financial position and results of operation. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

b) Foreign Currency

i) Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period. The resulting foreign exchange gains and losses are recognized in the Statement of Profit and loss on a net basis.

ii) Translation into Presentation Currency

The financial statements are translated into presentation currency which is Indian Rupees. Foreign exchange gains and losses resulting from translation into presentation currency are recognized in Other Comprehensive Income

c) Financial Instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

(a) Investment and other Financial Assets

(I) Classification

The Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit and loss); and

b) those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit and loss or other comprehensive income ('OCI').

(II) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the statement of profit and loss are expensed in the statement of profit and loss.

(III) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(IV) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit or loss.

(b) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

(I) Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss,
- b) those to be measured at amortised cost.

(II) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(III) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(IV) Derecognition of financial liabilities

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

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

e) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value. They are subsequently measured at amortised cost (net of allowance for impairment) using the effective interest method, if the effect of discounting is considered material.

f) Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less and that are readily convertible to known amount of cash and cash equivalent and bank overdrafts.

g) Share Capital

Ordinary Common Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified under current liabilities if payment is due within one year or less. If not, they are presented under non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest rate method.

i) Provisions and Contingent Liabilities

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

j) Revenue Recognition

The Company has adopted Ind AS 115 Revenue from Contracts with Customers with a date of initial application of April 1, 2018. As a result, the Group has updated its accounting policy for revenue recognition as detailed below.

The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18.

Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for Company's activities as described below. Revenue is measured at the fair value of the consideration receivable and represents amount receivable for services rendered, net of taxes, expected variable consideration, price reductions and rebates. The company uses expected value method or most likely amount method to estimate the amount of variable consideration.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand- alone selling prices. Where these are not directly observable,

The Company sells Right of Use (ROU) that provide customers with network capacity, typically over a 10 to 15 year period without transferring the legal title or giving an option to purchase the network capacity. Revenue from cancellable ROU arrangements are accounted as operating lease and recognized over the life of the contract.

Internet Protocol Services

The Company recognises internet protocol revenue over the term of the contract. Fees related to activation of services are deferred and recognised over the expected term of the related service agreement.

International Private Leased Circuits

International Private Leased Circuits include lease capacity services and restoration service for other network operators. The customer typically pays the charges for these services periodically over the life of the contract, which may be up to three years. Revenue is recognized in the Company's Statement of Profit and Loss over the term of the contract.

Operations and Maintenance Services

The Company provides operation and maintenance services over the life of the capacity contract, for which the Company receives Operation and Maintenance charges. Operation and maintenance charges are invoiced separately from capacity sales. Revenues relating to maintenance are recognized over the period in which the service is provided.

Network service revenue/expense

k) Deferred Revenue

Deferred Revenue represents income billed in accordance with the contract but not recognised in Statement of Profit and Loss as at the Balance Sheet date. Deferred Revenue net of the amount recognizable beyond one year is disclosed as unearned income in non-current liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities.

l) Accrued Income

Where the services are performed prior to billing, unbilled debtors is recognized in other current assets.

m) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Balance Sheet and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

n) Earnings Per Share

1) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Notes to the Financial Statements

	As at March 31, 2020	Amount in ` As at March 31, 2019
2.01 Other Current assets		
Advance for supply of goods and rendering of services	5,12,88,139	4,68,75,472
	5,12,88,139	4,68,75,472
2.02 Equity		
Equity share capital		
	As at March 31, 2020	As at March 31, 2019
Authorised		
12000 (12000) ordinary shares par value US\$1 each	9,07,980	8,29,860
500,000 (500,000) Redeemable Non Cumulative Non Convertible Preference Share of US\$1 each	3,78,32,500	3,45,77,500
	3,87,40,480	3,54,07,360
Issued, subscribed & fully paid up (US\$ 1 per share)		
12000 (12000) ordinary shares par value US\$1 each, fully paid up	9,07,980	8,29,860
Total	9,07,980	8,29,860
i. Movement in share capital		
	No. of Shares	Amount in `
As at March 31, 2018	12,000	7,82,100
Issued during the year	-	-
Foreign exchange movement		47,760
As at March 31, 2019	12,000	8,29,860
Issued during the year	-	-
Foreign exchange movement		78,120
As at March 31, 2020	12,000	9,07,980
ii. Rights, preferences and restriction attached to the shares		
The Company has only ordinary shares (shares) having a par value of US\$ 1 each. Each holder of shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of shares held by the shareholder.		
iii. Shares of the company held by holding/ultimate holding company		
	As at March 31, 2020	As at March 31, 2019
a) Reliance Globalcom BV	12,000	12,000
	12,000	12,000
iv. Details of shareholders holding more than 5% shares in the Company		
	As at March 31, 2020	As at March 31, 2019
Ordinary Shares		
i) Reliance Globalcom BV		
No. of Shares	12,000	12,000
Shareholding %	100%	100%
Other Equity		
a) Reserves & Surplus	(3,76,84,77,906)	(3,76,84,65,800)
b) Other Reserves	(1,33,89,87,464)	(89,95,56,795)
	(5,10,74,65,371)	(4,66,80,22,595)
a) Reserves & surplus		
Retained earnings		
	As at March 31, 2020	As at March 31, 2019
Opening balance	(3,76,84,65,800)	(3,76,84,50,139)
Net profit for the year	(12,106)	(15,661)
Closing balance	(3,76,84,77,906)	(3,76,84,65,800)
Retained earnings represent the amount of accumulated earnings at each Balance Sheet date, prepared in accordance with the basis of preparation section.		
b) Other reserves		
Foreign Exchange Translation Reserve		
	As at March 31, 2020	As at March 31, 2019
Opening balance	(89,95,56,795)	(63,09,04,398)
Currency translation differences during the year	(43,94,30,669)	(26,86,52,397)
	(1,33,89,87,464)	(89,95,56,795)
2.03 Borrowings		
Unsecured:		
Loan from related parties	5,12,89,44,980	4,68,76,65,249
	5,12,89,44,980	4,68,76,65,249
2.04 Trade payables		
Trade payables	61,05,410	55,80,113
Trade accruals	2,27,95,141	2,08,22,845
	2,89,00,550	2,64,02,958

RELIANCE FLAG PACIFIC HOLDINGS LIMITED
Notes to the Financial Statements

	For the year ended 31-Mar-20	Amount in ` For the year ended March 31, 2019
2.05 Other expenses		
Payment to auditors	12,106	15,661
	12,106	15,661
2.06 Earnings per share		
Profit / (Loss) for the year (A)	(12,106)	(15,661)
Weighted average number of Ordinary share of US\$ 1 each used as denominator for calculating Basic and Diluted Earnings / (Loss) per Share (B)	12,000	12,000
Basic and Diluted Earnings / (Loss) per Share (A)/(B)	(1.01)	(1.31)

RELIANCE FLAG PACIFIC HOLDINGS LIMITED

Notes Forming part of the Financial Statements for the year ended March 31, 2020

2.09 Related Party Transactions

In accordance with Indian Accounting Standard 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the company's related parties and transactions are disclosed below which are in ordinary course of business and at arms' length basis:

List of related parties:

(a) Parent Company

- i. Reliance Communication Limited
- ii. Reliance Globalcom BV

Enterprises as affiliated companies are:

(b)

- i. Reliance Globalcom Limited
- ii. Reliance Communication Inc.

(c) Loans from related parties

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Parent Company	3,44,00,27,953	3,14,40,57,808
Subsidiary Company	1,68,89,17,027	1,54,36,07,441
	<u>5,12,89,44,980</u>	<u>4,68,76,65,249</u>

2.10 Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices. The Company 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 Company'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.

2.11 The previous year's figures have been regrouped and reclassified wherever necessary

2.12 The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.655 (Previous Year 1 USD = Rs. 69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (Previous Year 1 USD = Rs. 69.9156).

For and on behalf of the Board

Director

Date: 31st July 2020
Place: Mumbai

Independent Auditors' Report

To the Board of Directors of Reliance Infocom Inc. Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Infocom Inc.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.13 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEF8743

Reliance Infocom Inc

Balance Sheet as at March 31, 2020

	Notes		As at March 31, 2020	(Amount in ₹) As at March 31, 2019
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	2.01		151	130
Current Assets				
(a) Financial Assets				
(i) Investments	2.02		37,90,81,650	34,64,66,550
(ii) Trade Receivables	2.03		-	-
(iii) Cash and Cash Equivalents	2.04		26,32,276	34,24,301
(b) Income Tax Assets (Net)	2.05		23,79,967	22,55,767
Total Assets			38,40,94,045	35,21,46,748
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.06	6,80,98,500	6,22,39,500	
(b) Other Equity	2.07	(28,40,50,652)	(21,59,52,152)	(19,62,81,415)
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.08	59,98,69,746	59,98,69,746	54,82,58,670
Current Liabilities				
(a) Other Liabilities	2.09	1,76,451	1,76,451	1,69,493
Total Equity and Liabilities			38,40,94,045	35,21,46,748

Significant Accounting Policies

1

Notes on Accounts

2

As per our Report of even date

For M.S.Sethi & Associates

For and on Behalf of the Board

Chartered Accountants

Regn.No.109407W

Manoj Sethi

Proprietor

Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Infocom Inc**Statement of Profit and Loss for the year ended March 31, 2020**(Amount in ₹)
For the year ended
March 31, 2019

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
I		-	-
II		-	-
III		<u>-</u>	<u>-</u>
		Total Income (I + II)	-
IV EXPENSES			
		-	-
		-	-
		<u>10,37,696</u>	<u>6,06,02,322</u>
		Total Expenses (IV)	6,06,02,322
V		<u>(10,37,696)</u>	<u>(6,06,02,322)</u>
V		(Loss) before Tax (III - IV)	(6,06,02,322)
VI		-	-
		80,232	82,920
		-	-
VII		<u>(11,17,927)</u>	<u>(6,06,85,242)</u>
		(Loss) after Tax (V - VI)	(6,06,85,242)
		<u>(2,44,11,810)</u>	<u>(1,07,63,554)</u>
		Other Comprehensive (Loss)	(1,07,63,554)
		<u>(2,55,29,737)</u>	<u>(7,14,48,796)</u>
		Total Comprehensive (Loss)	(7,14,48,796)
VIII		-	-
		Earnings per Share	-
		(2,55,297.37)	(7,14,487.96)
		(2,55,297.37)	(7,14,487.96)
		-	-

Significant Accounting Policies
Notes on Accounts
As per our Report of even date**For M.S.Sethi & Associates**

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Infocom Inc**Statement of changes in equity for the year ended March 31, 2020**

	Amount in ₹	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Equity Share Capital (Refer Note : 2.06)		
Balance at the beginning of the year	6,22,39,500	5,86,57,500
Change in equity capital during the year	-	-
Foreign Exchange Variance	58,59,000	35,82,000
Balance at the end of the year	6,80,98,500	6,22,39,500

(b) Other Equity (Refer Note : 2.07)

Particulars	Attributable to Equity holders		Amount in ₹
	Retained Earnings	Other Comprehensive Income (OCI)	Total
	Balance as at April 1, 2018	(18,70,72,119)	
Total Comprehensive Loss for the year	(6,06,85,242)	(1,07,63,554)	(7,14,48,796)
Balance as at March 31, 2019	(24,77,57,361)	(1,07,63,554)	(25,85,20,915)
Net Loss for the year	(11,17,927)	(2,44,11,810)	(2,55,29,737)
Balance as at March 31, 2020	(11,17,927)	(2,44,11,810)	(2,55,29,737)

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Infocom Inc
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Income tax	(10,37,696)	(6,06,02,322)
Adjusted for:		
Provision for Taxes	(80,232)	(82,920)
Operating Profit before Working Capital Changes	(11,17,927)	(6,06,85,242)
Adjusted for:		
Receivables and other Advances	(1,24,200)	5,54,94,034
Trade Payables	6,958	4,861
Effect of Exchange difference on translation of Assets & Liabilities	4,43,144	(2,12,78,110)
Cash Generated from Operations	(12,35,169)	(51,86,347)
Less : Income Tax Paid	-	-
Net Cash Inflow/(Outflow) from Operating Activities	(7,92,025)	(2,64,64,457)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Sale of Investments	-	-
Financial Income	-	-
Net Cash Inflow/(Outflow) from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Long term Borrowings	-	2,57,10,032
Net proceeds from short term borrowings	-	-
Financial Charges	-	-
Net Cash Inflow/(Outflow) from Financing Activities	-	2,57,10,032
Net Increase/ (Decrease) in Cash and Cash Equivalents	(7,92,025)	(7,54,425)
Opening Balance of Cash and Cash Equivalents	34,24,301	41,78,726
Closing Balance of Cash and Cash Equivalents	26,32,276	34,24,301

The Notes referred to above form an integral part of the Balance Sheet.

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

For and on Behalf of the Board

Vaishali Mane

Director

Reliance Infocom Inc

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

Reliance Infocom, Inc. (the "Company") is a Delaware corporation incorporated on September 21, 2000 as a wholly owned subsidiary of Reliance Infocom B.V. ("B.V."). On October 17, 2000, 100 shares of common stock were issued to B.V. in exchange for \$900,000.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Interest Income is recognised on time proportion basis.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Investments

Non Current Investments are stated at cost or fair value as required .

1.10 Financial Instruments

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

Note :1 General Information and Significant Accounting Policies to the Financial Statements

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

(vi) Equity investments:

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements

(vii) Derecognition of Financial Assets

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

(viii) Impairment of Financial Assets

Note :1 General Information and Significant Accounting Policies to the Financial Statements

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(iii) Derecognition of Financial Liabilities

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

1.11 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

2.01 Property, Plant and Equipment

(Amount in ₹)

Particulars	Plant and Machinery	Furniture and Fixtures	Total
Gross carrying value			
As at March 31, 2019	1,09,04,661	1,89,284	1,10,93,945
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	1,09,04,661	1,89,284	1,10,93,945
Accumulated Depreciation			
As at March 31, 2019	1,09,04,586	1,89,208	1,10,93,793
Depreciation for the year	-	-	-
Disposals	-	-	-
As at March 31, 2020	1,09,04,586	1,89,208	1,10,93,793
Closing net carrying value as at March 31, 2020	76	76	151
Gross carrying value as at March 31, 2020	1,09,04,661	1,89,284	1,10,93,945
Accumulated Depreciation	1,09,04,586	1,89,208	1,10,93,793
Closing net carrying value as at March 31, 2020	76	76	151
Particulars	Plant and Machinery	Furniture and Fixtures	Total
Gross carrying value			
As at March 31, 2018	99,66,455	1,72,998	1,01,39,454
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	93,46,029	1,62,229	1,01,39,454
Accumulated Depreciation			
As at March 31, 2018	99,66,386	1,72,929	1,01,39,315
Depreciation for the year	-	-	-
Disposals	-	-	-
As at March 31, 2019	93,45,964	1,62,164	1,01,39,315
Closing net carrying value as at March 31, 2019	65	65	130
Gross carrying value as at March 31, 2019	93,46,029	1,62,229	95,08,258
Accumulated Depreciation	93,45,964	1,62,164	95,08,128
Closing net carrying value as at March 31, 2019	65	65	130

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
Note 2.02 Investment		
In Equity Shares of Companies		
Unquoted, fully Paidup		
100 (100) In Equity Shares of subsidiary company of Reliance Communications Inc of USD 50 000 each	37,83,25,000	34,57,75,000
100 (100) In Equity Shares subsidiary company of Bonn Investment Inc of USD .01 each	7,56,650	6,91,550
	<u>37,90,81,650</u>	<u>34,64,66,550</u>

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31, 2020

2.03 Trade Receivables (Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered Good	-	-
Considered Doubtful	6,45,53,625	5,89,99,616
Less: Provision for Doubtful Debts	6,45,53,625	5,89,99,616
	-	-

2.04 Cash and Cash Equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Banks in current accounts	26,32,276	34,24,301
	26,32,276	34,24,301

2.05 Income Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (Net)	23,79,967	22,55,767
	23,79,967	22,55,767

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Note 2.06 Equity Share Capital		
Authorised		
1000 Equity Shares without par value (1 000)	6,80,98,500	6,22,39,500
	<u>6,80,98,500</u>	<u>6,22,39,500</u>
Issued, Subscribed and Paid up		
100 Equity Shares each fully paid up (100)	6,80,98,500	6,22,39,500
	<u>6,80,98,500</u>	<u>6,22,39,500</u>

Note :

2.06 (a) Share held by holding/Ultimate holding company and/or their subsidiaries/asscoicates

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Globalcom B.V.	100	100	100	100

2.06 (b) Details of Shareholders holding more than 5% shares in the Company :

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Globalcom B.V.	100	100	100	100

2.06 (c) Terms/Rights attached to Equity Shares

The Company has only one class of equity share having a par value of USD 9 000 per share. Each holder of equity shares is entitled to one vote per share .In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

2.06 (d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the beginning of the year	100	6,80,98,500	100	6,22,39,500
Add/ (Less): Changes during the year	-	-	-	-
At the end of the year	<u>100</u>	<u>6 80 98 500</u>	<u>100</u>	<u>6 22 39 500</u>

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

2.07 Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	(18,70,72,119)		(18,70,72,119)
Total Comprehensive Loss for the year	(6,06,85,242)	(1,07,63,554)	(7,14,48,796)
Balance as at 31.03.2019	(24,77,57,361)	(1,07,63,554)	(25,85,20,915)
Restated balance at 01.04.2019	(24,77,57,361)	(1,07,63,554)	(25,85,20,915)
Total Comprehensive Loss for the year	(11,17,927)	(2,44,11,810)	(2,55,29,737)
Balance as at 31.03.2020	(24,88,75,288)	(3,51,75,364)	(28,40,50,652)

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Note 2.08 Borrowings		
Term Loans		
Unsecured		
Loans from related parties (Refer Note 2.16)	59,98,69,746	54,82,58,670
	<u>59,98,69,746</u>	<u>54,82,58,670</u>

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

2.09 Other Liabilities

Particulars	As on March 31, 2020	As on March 31, 2019
Provisions for Other Liabilities	1,76,451	1,69,493
	1,76,451	1,69,493

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

**For the year ended
March 31, 2020**For the year ended
March 31, 2019**2.10 GENERAL ADMINISTRATION EXPENSES**

Legal & Professional Fees	8,86,730	8,05,229
Bank Charges	9,214	8,739
Provision for Doubtful Debts	-	5,96,48,522
Payment to Auditors	1,41,752	1,39,831
	<u>10,37,696</u>	<u>6,06,02,322</u>

Reliance Infocom Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.11

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.12**Earning Per Share**

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Loss (Numerator used for calculation)	(2,55,29,737)	(7,14,48,796)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100	100
Basic and Diluted Earning Per Share of Euro 17.09 each	(2,55,297)	(7,14,488)

Note : 2.13**Going Concern**

For the year ended 31st March 2020, the company has reported a net loss of Rs 2 55 29 737. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations of subsidiaries are still continuing and it is likely that a suitable investor will be found.

Note : 2.14**Impact of COVID-19**

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The extent to which the COVID-19 pandemic will impact the Company'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.

Note : 2.15**Segment Reporting**

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.16

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party**Relationship**

1 Reliance Communications Ltd.	Ultimate Holding Company
2 Reliance Globalcom B.V.	Holding Company
3 Reliance Communications, Inc.	Subsidiary Company
4 Reliance Communication International Inc.	Subsidiary Company
5 Reliance communication Canada Inc	Subsidiary Company

ii Transactions with related parties

Summarised below are the transactions entered into with related parties:

(Figures shown in brackets pertains to previous year.)

Entity Name	Year end Balances as on 31.03.2020	
	Trade Receivables	Short Term Borrowings
Reliance Communications Ltd	6,45,53,582	-
Less: Provision for Doubtful Debts	(6,45,53,582)	-
Reliance Communications Inc	-	59,74,39,539
	-	(54,61,04,388)
Reliance Communication International Inc.	-	12,64,966
	-	(11,21,342)
Reliance communication Canada Inc	-	30,266
	-	(26,830)
Bonn Investment Inc	-	11,34,975
	-	(10,06,110)

Note : 2.17**1 Financial Instruments**

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

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

Financial risk management**Market risk**

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.18

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

Vaishali Mane

Director

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications Inc Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications Inc** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.18 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEC6042

Reliance Communications Inc

Balance Sheet as at March 31, 2020

	Notes	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2.01	17,41,30,176	20,14,72,712
Current Assets			
(a) Financial Assets			
(i) Investments	2.02	15,13,300	13,83,100
(ii) Trade Receivables	2.03	1,59,74,73,490	1,15,40,73,699
(iii) Cash and Cash Equivalents	2.04	6,31,65,803	7,91,14,232
(iv) Loans	2.05	15,17,57,30,888	14,18,83,69,533
(b) Income Tax Asset (Net)	2.06	2,32,08,642	3,22,98,144
Total Assets		17,03,52,22,299	15,65,67,11,420

EQUITY AND LIABILITIES

Equity			
(a) Equity Share Capital	2.07	37,83,25,000	34,57,75,000
(b) Other Equity	2.08	(80,92,57,396)	(43,09,32,396)
			(70,61,767)
			33,87,13,233

LIABILITIES

Current Liabilities

(a) Financial Liabilities			
(ii) Trade Payables	2.09	17,02,17,08,157	14,89,27,49,334
(b) Other Current Liabilities	2.10	44,44,46,538	42,52,48,853
		17,46,61,54,695	15,31,79,98,187

Total Equity and Liabilities

		17,03,52,22,299	15,65,67,11,420
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Significant Accounting Policies

1

Notes on Accounts

2

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications Inc

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

For the year ended
March 31, 2019

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
I Revenue from Operations	2.11	94,12,14,609	1,90,20,93,615
II Other Income	2.12	2,28,85,174	2,33,37,933
III Total Income (I + II)		96,40,99,783	1,92,54,31,548
IV EXPENSES			
Access Charges, License Fees and Network Expenses	2.13	1,18,12,30,576	1,93,04,61,054
Employee Benefits Expenses	2.14	3,25,46,564	4,96,89,840
Depreciation, Impairment and Amortisation	2.01	4,33,77,456	3,13,36,935
Sales and General Administration Expenses	2.15	45,79,72,077	1,05,20,76,701
Total Expenses (IV)		1,71,51,26,673	3,06,35,64,531
V (Loss) before Exceptional Items, Adjustments and Tax (III - IV)		(75,10,26,890)	(1,13,81,32,983)
VI (Loss) Before Tax		(75,10,26,890)	(1,13,81,32,983)
VII Tax expense:			
- Current Tax		3,43,749	8,66,184
- (Excess) /Short Provision of earlier years		(5,70,520)	-
VIII (Loss) After Tax (VI - VII)		(75,08,00,118)	(1,13,89,99,168)
Other Comprehensive Income / (Loss)		(5,13,95,511)	7,68,22,937
Total Comprehensive Income / (Loss)		(80,21,95,629)	(1,06,21,76,230)
IX Earnings per Share of USD each fully paid up (before and after Exceptional Items)	2.17		
- Basic (USD)		(75,08,001.18)	(1,13,89,991.68)
- Diluted (USD)		(75,08,001.18)	(1,13,89,991.68)
Significant Accounting Policies	1		
Notes on Accounts	2		
As per our Report of even date			
For M.S.Sethi & Associates		For and on Behalf of the Board	
Chartered Accountants			
Regn.No.109407W			

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications Inc**STATEMENT OF CHANGES IN EQUITY**

Statement of Changes in Equity for the year ended 31st March 2020

**A. Equity Share Capital
Particulars**

(Amount in ₹)

Balance at the beginning of the reporting period	1.4.2018	32,75,00,000
Changes in equity share capital during the year		1,82,75,000
Balance at the end of the reporting period	31.3.2019	<u>34,57,75,000</u>
Balance at the beginning of the reporting period	1.4.2019	34,57,75,000
Changes in equity share capital during the year		3,25,50,000
Balance at the end of the reporting period	31.3.2020	<u>37,83,25,000</u>

B. Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	1,05,51,14,464	-	1,05,51,14,464
Total Comprehensive Income for the year	(1,13,89,99,168)	7,68,22,937	(1,06,21,76,230)
Balance as at 31.03.2019	(8,38,84,704)	7,68,22,937	(8,38,84,704)
Changes in accounting policy or prior period errors			
Restated balance at 01.04.2019	(8,38,84,704)	7,68,22,937	(8,38,84,704)
Total Comprehensive Income for the year	(75,08,00,118)	(5,13,95,511)	(80,21,95,629)
Balance as at 31.03.2020	(83,46,84,823)	2,54,27,427	(80,92,57,396)

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications Inc
Cash Flow Statement from April 1, 2019 to March 31, 2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Income tax	(75,10,26,890)	(1,13,81,32,983)
Adjusted for:		
Depreciation and amortization	4,33,77,456	3,13,36,935
Advance written off		9,59,13,416
Provision for Doubtful Advacnes		81,90,33,725
Provision for Taxes	93,16,272	-
Operating Profit before Working Capital Changes	(69,83,33,161)	(19,18,48,907)
Adjusted for:		
Receivables and other Advances	(46,31,27,271)	(61,70,45,775)
Trade Payables	2,14,81,56,508	1,28,14,99,553
Effect of Exchange difference on translation of Assets & Liabilities	(3,50,10,630)	(72,76,64,544)
Cash Generated from Operations	95,16,85,446	(25,50,59,673)
Less : Income Tax Paid	-	8,66,184
Net Cash Inflow/(Outflow) from Operating Activities	95,16,85,446	(25,59,25,857)
B CASH FLOW FROM INVESTING ACTIVITIES		
Loans to Related Parties	96,76,33,875	(3,47,05,235)
Net Cash Inflow/(Outflow) from Investing Activities	96,76,33,875	(3,47,05,235)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Inflow/(Outflow) from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalentents	(1,59,48,429)	(22,12,20,622)
Opening Balance of Cash and Cash Equivalentents	7,91,14,232	30,03,34,855
Closing Balance of Cash and Cash Equivalentents	6,31,65,803	7,91,14,232

As per our Report of even date
For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications Inc

Note No:1 Significant Accounting Policies

1.01 General Information

Reliance Communications, Inc. (the "Company") is a Delaware corporation incorporated on October 21, 2002 as a wholly owned subsidiary of Reliance Infocom Inc. The Company provides international telecommunication services between the United States and foreign points on facilities and resale basis pursuant to Section 214 of the Communications Act of 1934, as amended

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Revenue is recognised as and when the services are provided on the basis of actual usage of the Company's network. Revenue on upfront charges for services with lifetime validity and fixed validity periods of one year or more are recognised over the estimated useful life of subscribers and specified fixed validity period, as appropriate. The estimated useful life is consistent with estimated churn of the subscribers.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Financial Instruments

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

Financial Assets

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) **Financial Assets measured at amortised cost**

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) **Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements.

Reliance Communications Inc

Note No:1 Significant Accounting Policies

(vii) Derecognition of Financial Assets

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

(viii) Impairment of Financial Assets

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(iii) Derecognition of Financial Liabilities

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

1.10 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are stated at cost or their estimated fair value on the date of acquisition less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs on property and equipment are expensed as incurred.

USEFUL LIFE OF ASSET:

Sr. No	Name of Property	
1	Equipment	10 Years
2	Installation	10 Years
3	Materials	10 Years
4	Use Tax	10 Years
5	STM-1's (half Circuits)	10 Years
6	Cables	10 Years
7	Computers	10 Years
8	RCI PoP Shifting	10 Years

1.11 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31, 2020

2.01. Property, Plant and Equipment

(Amount in ₹)

Particulars	Plant and Machinery	Total
Gross carrying value		
As at March 31, 2019	1,02,01,10,469	1,02,01,10,469
Additions	-	-
Transfer from CWIP	-	-
Disposals	-	-
Exchange Differences	13,40,14,096	13,40,14,096
As at March 31, 2020	1,15,41,24,565	1,15,41,24,565
Accumulated Depreciation		
As at March 31, 2019	81,86,37,758	81,86,37,758
Depreciation for the year	4,33,77,456	4,33,77,456
Disposals	-	-
Exchange Differences	11,79,79,176	11,79,79,176
As at March 31, 2020	97,99,94,389	97,99,94,389
Closing net carrying value as at March 31, 2020		
	17,41,30,176	17,41,30,176
Gross carrying value as at March 31, 2020	1,15,41,24,565	1,15,41,24,565
Accumulated Depreciation	97,99,94,389	97,99,94,389
Closing net carrying value as at March 31, 2020	17,41,30,176	17,41,30,176

Particulars	Plant and Machinery	Total
Gross carrying value		
As at March 31, 2018	1,00,63,90,560	1,00,54,90,590
Additions	-	-
Transfer from CWIP	-	-
Deductions/ Adjustment Including on Account of CTR	-	-
Disposals	-	-
Exchange Differences	1,37,19,909	1,37,19,909
As at March 31, 2019	1,02,01,10,469	1,01,92,10,499
Accumulated Depreciation		
As at March 31, 2018	78,73,00,822	78,73,00,822
Depreciation for the year	3,13,36,935	3,13,36,935
Deductions/ Adjustment Including on Account of CTR	-	-
Disposals	-	-
Exchange Differences	-	-
As at March 31, 2019	81,86,37,758	81,86,37,758
Closing net carrying value as at March 31, 2019		
	20,14,72,712	20,14,72,712
Gross carrying value as at March 31, 2019	1,02,01,10,469	1,01,92,10,499
Accumulated Depreciation	81,86,37,758	81,86,37,758
Closing net carrying value as at March 31, 2019	20,14,72,712	20,05,72,742

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

**As at
March 31, 2020**

**As at
March 31, 2019**

Note 2.02 Investment

In Equity Shares of Companies

Unquoted, fully Paidup

100 (100) of Reliance Communications International
Inc.

7,56,650

6,91,550

100 (100) of Reliance Communications Canada Inc.

7,56,650

6,91,550

15,13,300

13,83,100

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

2.03 Trade Receivables

(Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured		
Receivable from Related Parties (Refer Note 2.21)	1,55,26,61,510	1,03,47,48,601
Receivable from Others Considered Good	4,48,11,980	11,93,25,098
Considered Doubtful	92,56,76,700	81,01,23,595
Less: Provision for Doubtful Debts	92,56,76,700	81,01,23,595
	1,59,74,73,490	1,15,40,73,699

2.04 Cash and Cash Equivalents

Particulars	As on March 31, 2020	As on March 31, 2018
Balance with Banks	6,31,65,803	7,91,14,232
	6,31,65,803	7,91,14,232

2.05 Loans

Particulars	As on March 31, 2020	As on March 31, 2018
Unsecured, Considered good		
Advances to Related Parties(Refer Note 2.21)	15,15,59,67,770	14,18,83,33,894
Other Advances and Receivables		
Considered good	1,97,63,118	35,638
Unsecured, Doubtful		
Considered doubtful	39,48,54,246	-
Less: Provision for doubtful advances	39,48,54,246	-
	1,97,63,118	35,638
	15,17,57,30,888	14,18,83,69,533

2.06 Income Tax Asset (Net)

Particulars	As on March 31, 2020	As on March 31, 2019
Advance Tax (Net)	2,32,08,642	3,22,98,144
	2,32,08,642	3,22,98,144

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

As at
March 31, 2020

As at
March 31, 2019

Note 2.07 Share Capital

Authorised

1 000 Equity Shares of USD .01 each (1 000)	3,78,32,50,000	3,25,87,50,000
	3,78,32,50,000	3,25,87,50,000

Issued, Subscribed and Paid up

100 Equity Shares of USD .01 each fully paid up (100)	37,83,25,000	34,57,75,000
	37,83,25,000	34,57,75,000

Note :

10(a) Share held by holding/Ultimate holding company and/or their subsidiaries/associates

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Infocom Inc.	100	100	100	100

10(b) Details of Shareholders holding more than 5% shares in the Company :

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Infocom Inc.	100	100	100	100

10(c) Terms/Rights attached to Equity Share

The Company has only one class of equity share having a par value of USD 0.1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

10(d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the beginning of the year	100	37,83,25,000	100	34,57,75,000
Add/ (Less): Changes during the year		-	-	-
At the end of the year	100	37,83,25,000	100	34,57,75,000

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

2.08 Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	1,05,51,14,464		1,05,51,14,464
Restated balance as at 01.04.2015			
Total Comprehensive Income for the year	(1,13,89,99,168)	7,68,22,937	(1,06,21,76,230)
	-		-
Balance as at 31.03.2019	(8,38,84,704)	7,68,22,937	(70,61,767)
Restated balance at 01.04.2019	(8,38,84,704)	7,68,22,937	(70,61,767)
Total Comprehensive Income for the year	(75,08,00,118)	(5,13,95,511)	(80,21,95,629)
Balance as at 31.03.2020	(83,46,84,823)	2,54,27,427	(80,92,57,396)

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

2.09 Trade Payables

(Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Due to Micro, Small and Medium Enterprises	-	-
Payable to Related Parties(Refer Note 2.21)	15,73,94,72,092	14,83,14,65,764
Others	1,28,22,36,065	6,12,83,570
	17,02,17,08,157	14,89,27,49,334

2.10 Other Current Liabilities

Particulars	As on March 31, 2020	As on March 31, 2019
Advance from Customers and Income Received in Advance	38,57,27,912	34,10,01,538
Others	5,87,18,626	8,42,47,315
	44,44,46,538	42,52,48,852.68

RELIANCE COMMUNICATIONS INC.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
2.11 REVENUE FROM OPERATIONS		
Revenue (Refer Note 2.21)	94,12,14,609	1,90,20,93,615
	<u>94,12,14,609</u>	<u>1,90,20,93,615</u>
2.12 OTHER INCOME		
Interest Income	69,38,074	97,56,061
Bad Debts Recovered	1,59,47,100	-
Provisions / Creditors written back	-	1,35,81,872
	<u>2,28,85,174</u>	<u>2,33,37,933</u>
2.13 NETWORK EXPENSES		
Access Charges(Refer Note 2.21)	1,12,48,86,274	1,84,04,20,672
Telecom circuit cost & Equipments	5,44,81,681	7,90,16,091
Electricity Charges& Utility	18,62,621	1,10,24,292
	<u>1,18,12,30,576</u>	<u>1,93,04,61,054</u>
2.14 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries	3,25,46,564	4,96,89,840
	<u>3,25,46,564</u>	<u>4,96,89,840</u>
2.15 GENERAL ADMINISTRATION EXPENSES		
Insurance	64,88,698	44,11,674
Rates & Taxes	1,76,16,846	1,42,60,382
Rent	-	15,30,381
Legal & Professional Fees	1,85,07,768	1,17,18,649
Communication Expenses	4,50,118	4,37,558
Business Promotion Expenses	34,02,048	4,91,59,483
Membership & Sponsorship fee	-	26,20,604
Bank Charges	3,12,918	3,24,758
Other Miscellaneous Expenses	33,92,385	73,05,183
Payment to Auditors	11,34,016	11,18,650
Advances Written off	40,66,67,281	9,59,13,416
Provision for Doubtful Debts	-	81,90,33,725
Bad debts Written off	-	4,42,42,238
	<u>45,79,72,077</u>	<u>1,05,20,76,701</u>

RELIANCE COMMUNICATIONS, INC.

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.16

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.17
Earning Per Share

	(Amount in ₹)
	For the year ended March 31, 2020
Net Loss (Numerator used for calculation)	(80,21,95,629)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100
Basic and Diluted Earning Per Share	(80,21,956)

	For the year ended March 31, 2019
Net Loss (Numerator used for calculation)	(1,06,21,76,230)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100.00
Basic and Diluted Earning Per Share	(1,06,21,762)

Note : 2.18
Going Concern

For the year ended 31st March 2020, the company has reported a net loss of Rs 80 21 95 629. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.19
Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices. The Company 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 Company'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.

Note : 2.20
Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

2.21 Related Party Transactions

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

i List of Related Parties with whom transactions have taken place and relationships.

Sr. No.	Name of the Related Party	Relationship
1	Reliance Communications Ltd.	Ultimate Holding Company
2	Reliance Infocom Inc.	Holding Company
3	Reliance Communications International Inc.	Subsidiary Company
4	Reliance Communications Canada Inc.	Subsidiary Company
5	Bonn Investment Inc.	Subsidiary Company
6	Reliance Communications Infrastructure Limited	Fellow Subsidiary
7	Reliance Communications (UK) Limited	Fellow Subsidiary
8	Reliance Communications (Hong Kong) Limited	Fellow Subsidiary
9	Reliance Communications (Singapore) Pte. Limited	Fellow Subsidiary
10	Reliance Communications (New Zealand) Pte Limited	Fellow Subsidiary
11	Reliance Communications (Australia) Pty Limited	Fellow Subsidiary

ii Transactions with related parties

Summarised below are the transactions entered into with related parties:

Figures in brackets are pertaining to March 31, 2020

(Amount in ₹)

Entity Name	For the year ended Marh 31,2020		As At March 31, 2020				
	Service Income	Access Charges	Trade Receivables	Investments	Loans & Advances Given	Trade Payables	Other Liabilities
Reliance Communications Ltd.	28,39,03,946	20,71,05,256	98,66,20,544		7,56,650	12,61,39,96,240	
	(45,59,26,000)	(64,36,61,720)	(91,50,780)		(6,91,550)	(11,33,75,09,303)	
Reliance Infocom Inc.					59,74,39,572		
					(54,60,37,581)		
Reliance Communications International Inc.	11,19,11,896			7,56,650	23,30,33,212	58,76,38,437	
	(17,02,04,354)			(6,91,550)	(21,29,83,702)	(48,62,24,404)	
Reliance Communications Canada Inc.	19,85,486			7,56,650	96,85,120		2,31,15,119
	(49,82,885)			(6,91,550)	(88,51,840)		(1,13,07,285)
Bonn Investment Inc.				-	36,10,82,755		
				-	(32,54,34,710)		
Reliance Communications Infrastructure Limited			22,48,12,367		44,95,03,004	43,48,255	
			(20,54,70,155)		(41,08,29,052)	(39,74,144)	
Reliance Globalcom B.V.					11,35,32,25,672		
					(10,66,53,92,255)		
Reliance Communications (UK) Limited	61,10,284	5,06,71,166	25,69,49,011		2,37,89,270	1,56,05,48,803	
	(4,85,86,233)	(12,85,77,124)	(22,53,91,562)		(6,64,60,264)	(1,38,28,18,470)	
Reliance Communications (Hong Kong) Limited	30,88,49,557	32,33,03,805	97,06,65,270		41,70,01,428	1,29,01,48,821	
	(24,96,17,564)	(24,44,34,613)	(59,47,90,309)		(37,55,38,022)	(88,25,20,149)	
Reliance Communications (Singapore) Pte. Limited	-		-		25,14,225	-	
	-		-		-	-	
Reliance Communications (New Zealand) Pte Limited	-		-		13,998		
	-		-		-		
Reliance FLAG Pacific Holdings Limited					1,68,98,62,787		
					(1,54,36,07,510)		
Reliance Communications (Australia) Pty Limited	-				1,80,15,489		4,51,56,176
	-				(1,63,48,744)		(4,12,71,068)

Reliance Communications Inc

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.22

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

Credit risk refers to the risk of default on its obligation by the customer/ counter party resulting in a financial loss.

The Company does not have exposure to the credit risk at the reporting date.

Liquidity risk

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

Note : 2.23

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Vaishali Mane

Director

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications International Inc. Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications International Inc.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its Profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.16 in the financial statements wherein stated that the Company has a net profit for the year and the Net Worth is positive but the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEG7436

Reliance Communications International Inc.

Balance Sheet as at March 31, 2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	2.01	6,00,21,875	6,69,81,735
(ii) Cash and Cash Equivalents	2.02	2,01,05,754	2,79,73,235
(iii) Loans	2.03	1,11,85,72,042	97,25,31,402
(b) Other Current Assets	2.04	1,58,30,631	3,00,38,715
Total Assets		1,21,45,30,303	1,09,75,25,087

EQUITY AND LIABILITIES

Equity

(a) Equity Share Capital	2.05	7,56,650	6,91,550	
(b) Other Equity	2.06	59,42,09,802	59,49,66,452	53,30,51,067
				53,37,42,617

LIABILITIES

Current Liabilities

(a) Financial Liabilities				
(i) Trade Payables	2.07	61,38,03,384	53,29,86,315	
(b) Other Current Liabilities	2.08	27,79,039	2,87,67,424	
(c) Income Tax Liabilities (Net)	2.09	29,81,428	61,95,63,851	20,28,731
				56,37,82,470

Total Equity and Liabilities

1,21,45,30,303 **1,09,75,25,087**

Significant Accounting Policies

1

Notes on Accounts

2

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications International Inc.

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

Notes For the year ended March 31, 2020 For the year ended March 31, 2019

INCOME				
I	Revenue from Operations	2.10	23,15,81,518	38,07,26,169
II	Other Income	2.11	1,42,06,669	4,88,74,011
III	Total Income (I + II)		24,57,88,187	42,96,00,180
IV EXPENSES				
	Access Charges, License Fees and Network Expenses	2.12	16,85,97,840	33,29,75,649
	Sales and General Administration Expenses	2.13	6,61,92,560	8,46,37,573
	Total Expenses (IV)		23,47,90,399	41,76,13,222
V	Profit before Exceptional Items, Adjustments and Tax (III - IV)		1,09,97,789	1,19,86,958
VI	Profit Before Tax		1,09,97,789	1,19,86,958
VII	Tax expense:			
	- Current Tax		7,13,509	9,30,437
	- Earlier Years		-	-
			<u>7,13,509</u>	<u>9,30,437</u>
VIII	Profit After Tax (VI - VII)		7,13,509	9,30,437
	Other Comprehensive Income / (Loss)		1,02,84,280	1,10,56,521
	Total Comprehensive Income / (Loss)		5,08,74,455	2,99,28,419
	- Basic (USD)	2.15	1,02,842.80	1,10,565.21
	- Diluted (USD)		1,02,842.80	1,10,565.21

Significant Accounting Policies

Notes on Accounts

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor
Membership No. 039784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

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Reliance Communications International Inc.
STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity Share Capital
Particulars

(Amount in ₹)

Balance at the beginning of the reporting period	1.4.2018	1
Changes in equity share capital during the year		-
Balance at the end of the reporting period	31.3.2019	<u>1</u>

Balance at the beginning of the reporting period	1.4.2019	1
Changes in equity share capital during the year		-
Balance at the end of the reporting period	31.3.2020	<u>1</u>

B. Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	49,20,66,126		49,20,66,126
Total Comprehensive Income for the year	1,10,56,521	2,99,28,419	4,09,84,940
Balance as at 31.03.2019	50,31,22,647	2,99,28,419	53,30,51,066
Changes in accounting policy or prior period errors			
Restated balance at 01.04.2019	50,31,22,647	2,99,28,419	53,30,51,066
Total Comprehensive Income for the year	1,02,84,280	5,08,74,455	5,08,74,455
Balance as at 31.03.2020	51,34,06,928	8,08,02,874	59,42,09,801

As per our Report of even date

For M.S.Sethi & Associates
Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 039784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications International Inc.
Statement of Cash Flow for the year ended March 31, 2020

(Amount in `)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income tax	1,09,97,789	1,19,86,958
Adjusted for:		
Other Financial Cost		
Creditors write off no longer required	1,42,06,669	4,88,74,011
Operating Profit before Working Capital Changes	2,52,04,457	6,08,60,969
Adjusted for:		
Receivables and other Advances	(2,70,92,629)	(10,03,07,335)
Trade Payables	10,46,55,392	7,87,37,795
Effect of Exchange difference on translation of Assets & Liabilities	3,46,92,430	7,15,17,162
Cash Generated from Operations	13,74,59,650	11,08,08,592
Less : Income Tax Paid	7,13,509	9,30,437
Net Cash Inflow/(Outflow) from Operating Activities	13,81,73,160	11,17,39,029
B CASH FLOW FROM INVESTING ACTIVITIES		
Repayment of Loans from Related Parties	14,60,40,641	13,67,59,418
Net Cash Inflow/(Outflow) from Investing Activities	14,60,40,641	13,67,59,418
C CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	-	-
Net Cash Inflow/(Outflow) from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	(78,67,481)	(2,50,20,388)
Opening Balance of Cash and Cash Equivalents	2,79,73,235	5,29,93,624
Closing Balance of Cash and Cash Equivalents	2,01,05,754	2,79,73,235

The Notes referred to above form an integral part of the Balance Sheet.

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
 Regn.No.109407W

For and on Behalf of the Board

Manoj Sethi
 Proprietor
 Membership No. 039784

Vaishali Mane
 Director

Place : Mumbai
 Date : August 20, 2020

Reliance Communications International Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

Reliance Communications International, Inc. (the "Company") is a Delaware corporation incorporated on September 29, 2003 as a wholly owned subsidiary of Reliance Communications, Inc. The Company provides international telecommunication services between the United States and foreign points.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

International Voice revenue is recognized as services are performed.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Reliance Communications International Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Reliance Communications International Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

1.10 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.01 Trade Receivables (Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured		
Considered Good (Refer Note 2.19)	6,00,21,875	6,69,81,735
Considered Doubtful	2,51,53,800	-
Less: Provision for Doubtful Debts	2,51,53,800	-
	6,00,21,875	6,69,81,735

2.02 Cash and Cash Equivalents

Particulars	As on March 31, 2020	As on March 31, 2019
Balance with Banks	2,01,05,754	2,79,73,235
	2,01,05,754	2,79,73,235

2.03 Loans

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured, Considered good		
Other Loans and Advances		
Loans and Advances to Related parties (Refer Note 2.19)		
Considered good	1,11,85,72,042	97,25,31,402
Unsecured, Doubtful		
Considered doubtful	-	-
Less: Provision for doubtful advances	-	-
	1,11,85,72,042	97,25,31,402
	1,11,85,72,042	97,25,31,402

2.04 Other Current Assets

Particulars	As on March 31, 2020	As on March 31, 2019
Unsecured, Considered good	-	1,55,70,106
Deposits	1,58,30,631	1,44,68,609
	1,58,30,631	3,00,38,715

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Note 2.05 Share Capital		
Authorised		
1 000 Equity Shares of USD .01 each (1 000)	757	692
	<u>757</u>	<u>692</u>
Issued, Subscribed and Paid up		
1 00 Equity Shares of USD .01 each fully paid up (100)	7,56,650	6,91,550
	<u>7,56,650</u>	<u>6,91,550</u>

5(a) Share held by holding/Ultimate holding company and/or their subsidiaries/associates

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Communications Inc,	100	100	100	100

5(b) Details of Shareholders holding more than 5% shares in the Company :

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Communications Inc,	100	100	100	100

5(c) Terms/Rights attached to Equity Share

The Company has only one class of equity share having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

5(d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	100	7,56,650	100	7,56,650
Add/ (Less): Changes during the year	-	-	-	-
At the end of the year	100	7,56,650	100	7,56,650

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.06 Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive	
Balance as at 01.04.2018	49,20,66,126		49,20,66,126
Total Comprehensive Income for the year	1,10,56,521	2,99,28,419	4,09,84,940
	-		-
Balance as at 31.03.2019	50,31,22,648	2,99,28,419	53,30,51,067
Changes in accounting policy or prior period errors			
Restated balance at 01.04.2019	50,31,22,648	2,99,28,419	53,30,51,067
Total Comprehensive Income for the year	1,02,84,280	5,08,74,455	6,11,58,735
Exchange Fluctuation Reserve	-		-
Balance as at 31.03.2020	51,34,06,928	8,08,02,874	59,42,09,802

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.07 Trade Payables (Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Due to Micro, Small and Medium Enterprises	-	-
Others	61,38,03,384	53,29,86,315
	61,38,03,384	53,29,86,315

2.08 Other Current Liabilities

Particulars	As on March 31, 2020	As on March 31, 2019
Others	27,79,039	2,87,67,424
	27,79,039	2,87,67,424

2.09 Income Tax Liabilities (Net)

Particulars	As on March 31, 2020	As on March 31, 2019
Income Tax (Net)	29,81,428	20,28,731
	29,81,428	20,28,731

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
2.10 REVENUE FROM OPERATIONS		
Retail Traffic Income	23,15,81,518	38,07,26,169
	<u>23,15,81,518</u>	<u>38,07,26,169</u>
2.11 OTHER INCOME		
Creditors / Provision Write Back	1,42,06,669	4,88,74,011
	<u>1,42,06,669</u>	<u>4,88,74,011</u>
2.12 NETWORK EXPENSES		
Charges for Commercial Support Service	3,99,15,638	12,62,79,143
Whole Traffic cost	3,47,66,586	8,33,34,711
License & Application Fees	1,73,16,245	2,33,72,921
Toll free Access	7,65,99,370	9,99,88,873
	<u>16,85,97,840</u>	<u>33,29,75,649</u>
2.13 Sales and General Administration Expenses		
Merchant Bank Charges	1,86,49,889	2,38,53,764
Professional Fees	21,26,634	67,15,913
Bank Charges	97,49,782	32,22,083
Software License Fee	4,16,751	25,13,123
Bad Debts	2,35,61,762	1,50,32,347
Advances written off	51,40,239	2,39,57,099
Repairs and Maintainance	56,26,115	54,36,707
Payment to Auditors	9,21,388	9,08,903
Call Centre Expenses	-	29,97,635
	<u>6,61,92,560</u>	<u>8,46,37,573</u>

Reliance Communications International Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.14

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.15

(Amount in ₹)

Earning Per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	1,02,84,280	1,10,56,521
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100	100
Basic and Diluted Earning Per Share of Euro 17.09 each	1,02,843	1,10,565

Note : 2.16**Going Concern**

For the year ended 31st March 2020, the company has reported a net profit of Rs 1 02 84 280. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.17**Impact of COVID-19**

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The Company 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 Company'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.

Note : 2.18**Segment Reporting**

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.19

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party	Relationship
1 Reliance Communications Ltd.	Ultimate Holding Company
2 Reliance Communications, Inc.	Holding Company
3 Bonn Investment Inc.	Fellow Subsidiary
4 Reliance Infocom Inc.	Fellow Subsidiary
5 Reliance Communications Infrastructure Ld	Fellow Subsidiary
6 Reliance Communications (Australia) Pty Limited	Fellow Subsidiary
7 Reliance Communications (Singapore) Pte Limited	Fellow Subsidiary
8 Reliance Communications (Hong Kong) Limited	Fellow Subsidiary
9 Reliance Communications (New Zealand) Pte Limited	Fellow Subsidiary
10 Reliance Communications Canada Inc.	Fellow Subsidiary

Transactions with related parties

Summarised below are the transactions entered into with related parties:

(Figures shown in brackets pertains to previous year.)

(Amount in ₹)

Entity Name	Network Operating Expenses	Short Term Loans and Advances given	Trade Payables
Reliance Communications Ltd.	3,99,15,638		56,13,07,258
	(12,62,79,143)		(48,53,85,886)
Reliance Communications, Inc.	3,47,66,586	35,46,05,233	-
	(8,33,34,711)	(26,98,49,872)	(-)
Bonn Investment Inc.	-	17,51,64,475	-
	(-)	(16,00,93,825)	(-)
Reliance Infocom Inc.	-	12,64,966	-
	(-)	(11,56,132)	(-)
Reliance Communications Infrastructure Ltd	-	58,71,13,409	2,91,95,095
	(-)	(53,65,99,852)	(2,66,83,232)
Reliance Communications (Hong Kong) Limited	-		47,15,086
	(-)		(43,09,414)
Reliance Communications Canada Inc.	-	4,23,951	-
	(-)	(48,31,772)	(-)

Note : 2.20**1 Financial Instruments**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current

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

Fair value of cash , trade and other short term receivables, trade payables, other financial liabilities, short term loans approximate

Fair value hierarchy

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

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

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

There is no fair valuation of Financial Instruments. The carrying value of the financial instruments by categories were as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost:		
Cash and cash equivalents (Refer Note 2.02)	2,01,05,754	2,79,73,235
Total	2,01,05,754	2,79,73,235
Financial assets at fair value through Profit and Loss		

Financial liabilities at amortised cost:

Financial liabilities at fair value through Statement of Profit and Loss/ other Comprehensive Income:

Nil

Nil

2 Financial Risk Management Objectives and Policies

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company's interest bearing financial instruments are reported as below:

	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
Fixed Rate Instruments		
Financial Assets	Nil	Nil
Financial Liabilities	Nil	Nil
Variable Rate Instruments	Nil	Nil

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

Impact on Profit and Loss / Equity

	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
Impact of increase in interest rate by 100 basis point	Nil	Nil

Impact of increase in interest rate by 100 basis point

If the interest rate is adversely affected with decrease by 100 basis point, profit shall also accordingly be affected vice versa.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and is calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company doesnot have any contractual maturities of financial liabilities.

Note : 2.21

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants
Regn.No.109407W

For and on Behalf of the Board

Vaishali Mane
Director

Manoj Sethi

Proprietor
Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Reliance Communications Canada Inc. Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Communications Canada Inc.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.15 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEE6369

Reliance Communications Canada Inc.

Balance Sheet as at March 31, 2020

	Notes	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
ASSETS			
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	2.01	27,63,069	23,20,488
(ii) Cash and Cash Equivalents	2.02	61,07,495	1,05,81,566
(iii) Loans and Advances	2.03	1,34,60,307	42,21,874
Total Assets		2,23,30,871	1,71,23,928
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.04	7,56,650	6,91,550
(b) Other Equity	2.05	(34,12,608)	(26,55,958)
			(32,65,458)
			(25,73,908)
LIABILITIES			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2.06	2,49,00,601	1,94,18,769
(b) Other Current Liabilities	2.07	86,228	2,79,066
		2,49,86,829	1,96,97,835
Total Equity and Liabilities		2,23,30,871	1,71,23,928

Significant Accounting Policies 1
Notes on Accounts 2

As per our Report of even date
For M. S. Sethi & Associates
Chartered Accountants
Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 39784

Vaishali Mane
Director

Place : Mumbai
Date : August 20, 2020

Reliance Communications Canada Inc.

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019	
INCOME				
I	Revenue from Operations	2.08	92,42,160	1,45,70,761
II	Other Income	2.09	1,08,157	4,83,673
III	Total Income		93,50,316	1,50,54,434
IV EXPENSES				
	Access Charges, License Fees and Network Expenses	2.10	59,83,564	49,82,850
	Sales and General Administration Expenses	2.11	31,08,267	93,43,567
	Total Expenses (IV)		90,91,832	1,43,26,418
V	Profit Before Tax (III - IV)		2,58,485	7,28,016
VI	Tax expense:			
	- Current Tax		1,08,511	1,09,488
VII	Profit After Tax		1,49,974	6,18,529
	Other Comprehensive Income / (Loss)		(2,97,125)	(2,30,032)
	Total Comprehensive Income / (Loss)		(1,47,151)	3,88,497
VIII	Earnings per Share	2.13		
	- Basic		(1,471.51)	3,884.97
	- Diluted		(1,471.51)	3,884.97

Significant Accounting Policies

1

Notes on Accounts

2

As per our Report of even date

For M. S. Sethi & Associates

For and on Behalf of the Board

Chartered Accountants

Regn. No. 109407W

Manoj Sethi

Proprietor

Membership No. 39784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications Canada Inc.

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31st March 2020

**A. Equity Share Capital
Particulars**

(Amount in ₹)

Balance at the beginning of the year	1.4.2018	6,51,750
Foreign Exchange Variation		39,800
Balance at the end of the reporting period	31.3.2019	<u>6,91,550</u>
Balance at the beginning of the year	1.4.2019	6,91,550
Foreign Exchange Variation		65,100
Balance at the end of the reporting period	31.3.2020	<u>7,56,650</u>

B. Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	(36,53,954)	-	(36,53,954)
Total Comprehensive Income for the year	6,18,529	(2,30,032)	3,88,497
Balance as at 31.03.2019	(30,35,425)	(2,30,032)	(32,65,457)
Restated balance at 01.04.2019	(30,35,425)	(2,30,032)	(32,65,457)
Total Comprehensive Income for the year	1,49,974	(2,97,125)	(1,47,151)
Balance as at 31.3.2020	(28,85,452)	(5,27,157)	(34,12,608)

As per our Report of even date
For M. S. Sethi & Associates
 Chartered Accountants
 Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi
 Proprietor
 Membership No. 39784

Vaishali Mane
 Director

Place : Mumbai
 Date : August 20, 2020

Reliance Communications Canada Inc.
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income tax	2,58,485	7,28,016
Adjusted for:	-	-
Operating Profit before Working Capital Changes	2,58,485	7,28,016
Adjusted for:		
Receivables and other Advances	(96,81,014)	40,79,031
Trade Payables	52,88,993	(83,39,466)
Effect of Exchange difference on translation of Assets & Liabilities	(2,32,024)	(1,90,232)
Cash Generated from Operations	(43,65,560)	(37,22,650)
Less : Income Tax Paid	(1,08,511)	(1,09,488)
Net Cash Inflow/(Outflow) from Operating Activities	(44,74,072)	(38,32,138)
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash Inflow/(Outflow) from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Inflow/(Outflow) from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	(44,74,071)	(38,32,138)
Opening Balance of Cash and Cash Equivalents	1,05,81,566	1,44,13,704
Closing Balance of Cash and Cash Equivalents	61,07,495	1,05,81,566

As per our Report of even date

For M. S. Sethi & Associates

Chartered Accountants

Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 39784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Reliance Communications Canada Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

Reliance Communications Canada, Inc. (the "Company") is a Delaware corporation incorporated on April 07, 2004 as a wholly owned subsidiary of Reliance Communications, Inc. The new Company provides international telecommunication services between Canada and foreign points.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

International Voice revenue is recognized as services are performed.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

Reliance Communications Canada Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

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

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

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

Reliance Communications Canada Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

(iii) Derecognition of Financial Liabilities

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

1.10 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Reliance Communications Canada Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.01 Trade Receivables		(Amount in ₹)	
Particulars	As on March 31, 2020	As on March 31, 2019	
Unsecured			
Considered Good	27,63,069	23,20,488	
Considered Doubtful	-	-	
Less: Provision for Doubtful Debts	-	-	
	27,63,069	23,20,488	

2.02 Cash and Cash Equivalents			
Particulars	As on March 31, 2020	As on March 31, 2019	
Balance with Banks in current accounts	61,07,495	1,05,81,566	
	61,07,495	1,05,81,566	

2.03 Loans and Advances			
Particulars	As on March 31, 2020	As on March 31, 2019	
Unsecured, Considered good Other Loans and Advances			
Loans and Advances to Related parties (Refer Note 2.17)	1,34,60,307	24,83,079	
Others	-	17,38,795	
Unsecured, Doubtful			
Considered doubtful	-	-	
Less: Provision for doubtful advances	-	-	
	1,34,60,307	42,21,874	
	1,34,60,307	42,21,874	

Reliance Communications Canada Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Note 2.04 Share Capital		
Authorised		
1 000 Equity Shares of USD .01 each (1 000)	75,66,500	69,15,500
	<u>75,66,500</u>	<u>69,15,500</u>
Issued, Subscribed and Paid up		
1 00 Equity Shares of USD .01 each fully paid up (100)	7,56,650	6,91,550
	<u>7,56,650</u>	<u>6,91,550</u>

2.05(a) Share held by holding/Ultimate holding company and/or their subsidiaries/associates

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Communications Inc,	100	100	100	100

2.05(b) Details of Shareholders holding more than 5% shares in the Company :

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Communications Inc,	100	100	100	100

2.05(c) Terms/Rights attached to Equity Share

The Company has only one class of equity share having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

2.05(d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	100	7,56,650	100	7,56,650
Add/ (Less): Changes during the year	-	-	-	-
At the end of the year	<u>100</u>	<u>7,56,650</u>	<u>100</u>	<u>7,56,650</u>

Reliance Communications Canada Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.05 Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	(36,53,954)	-	(36,53,954)
Total Comprehensive Income for the year	6,18,529	(2,30,032)	3,88,497
Balance as at 31.03.2019	(30,35,425)	(2,30,032)	(32,65,457)
Changes in accounting policy or prior period errors			
Restated balance at 01.04.2019	(30,35,425)	(2,30,032)	(32,65,457)
Total Comprehensive Income for the year	1,49,974	(2,97,125)	(1,47,151)
Balance as at 31.3.2020	(28,85,452)	(5,27,157)	(34,12,608)

Reliance Communications Canada Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

2.06 Trade Payables (Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Due to Related Parties (Refer Note 2.17)	2,46,00,507	1,91,50,818
Others	3,00,093	2,67,952
	2,49,00,601	1,94,18,769

2.07 Other Current Liabilities

Particulars	As on March 31, 2020	As on March 31, 2019
Others	-	1,38,501
Provision for Tax	86,228	1,40,564
	86,228	2,79,066

RELIANCE COMMUNICATIONS CANADA INC.

Notes on Accounts to the financial statement for the year ended March 31,2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Note		
2.08 Revenue from Operations		
Retail Traffic Income	92,42,160	1,45,70,761
	<u>92,42,160</u>	<u>1,45,70,761</u>
2.09 OTHER INCOME		
Creditors / Provision Write Back	1,08,157	-
Charges for Commercial Support Service	-	4,83,673
	<u>1,08,157</u>	<u>4,83,673</u>
2.10 NETWORK EXPENSES		
Charges for Commercial Support Service (Refer Note 2.17)	40,01,942	-
Whole Traffic cost	19,81,622	49,82,850
	<u>59,83,564</u>	<u>49,82,850</u>
2.11 Sales and General Administration Expenses		
Professional Fees	3,30,707	17,38,876
Bank Charges	7,442	(36,593)
Deposit Written off	-	72,33,980
Payment to Auditors	1,41,752	1,39,831
Call Centre Expenses	-	2,67,473
Provision for advances	26,28,366	-
	<u>31,08,267</u>	<u>93,43,567</u>

Reliance Communications Canada Inc.

Notes on Accounts to the financial statement for the year ended March 31,2020

Note : 2.12

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.13

(Amount in ₹)

Earning Per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(1,47,151)	3,88,497
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100	100
Basic and Diluted Earning Per Share	(1,472)	3,885

Note : 2.14

Going Concern

For the Period ended 31st March 2020, the company has reported a net loss of Rs 1,47,151 and the net worth of the company has been fully eroded. There exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that operations are still continuing and it is likely that a suitable investor will be found.

Note : 2.15

Impact of COVID-19

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices.

The Company 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 Company'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.

Note : 2.16

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.17

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party

Relationship

1 Reliance Communications Ltd.	Ultimate Holding Company
2 Reliance Communications, Inc.	Holding Company
3 Reliance Infocom Inc.	Fellow Subsidiary
4 Reliance Communications Infrastructure Ltd	Fellow Subsidiary
5 Reliance Communications International Inc.	Fellow Subsidiary

(Amount in ₹)

Entity Name	During the Year 2019-2020	As At March 31,2020	
	Network Operating Expenses	Loans & Advances Given	Trade Payables
Reliance Communications Ltd.	40,01,942	-	1,84,60,595
	(4,83,673)	-	(1,24,85,679)
Reliance Communications, Inc.	19,81,622	1,34,30,008	-
	(49,82,850)	(24,55,417)	-
Reliance Infocom Inc.	-	30,266	-
	-	(27,662)	-
Reliance Communications Infrastructure Ltd	-	-	20,06,008
	-	-	(18,33,417)
Reliance Communications International Inc.	-	-	41,33,957
	-	-	(48,31,722)

Note : 2.18**1 Financial Instruments**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current

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

Fair value of cash , trade and other short term receivables, trade payables, other financial liabilities, short term loans approximate

Fair value hierarchy

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

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

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

There is no fair valuation of Financial Instruments. The carrying value of the financial instruments by categories were as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost:		
Cash and cash equivalents (Refer Note 2.02)	61,07,495	1,05,81,566
Total	61,07,495	1,05,81,566
Financial assets at fair value through Profit and Loss		

Financial liabilities at amortised cost:

Financial liabilities at fair value through Statement of Profit and Loss/ other Comprehensive Income:

Nil Nil

2 Financial Risk Management Objectives and Policies

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

Financial risk management**Market risk**

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company's interest bearing financial instruments are reported as below:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Fixed Rate Instruments		
Financial Assets	Nil	Nil
Financial Liabilities	Nil	Nil
Variable Rate Instruments	Nil	Nil

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

Impact on Profit and Loss / Equity

	As at	As at
	March 31,	March 31,
	2020	2019
Impact of increase in interest rate by 100 basis point	Nil	Nil

Impact of increase in interest rate by 100 basis point

If the interest rate is adversely affected with decrease by 100 basis point, profit shall also accordingly be affected vice versa.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and is calculated based on risk exposures outstanding as at that date.

The period end balances are not necessarily representative of the average debt outstanding during the period.

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.19

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For M.S.Sethi & Associates

Chartered Accountants

Regn.No.109407W

For and on Behalf of the Board

Vaishali Mane

Director

Manoj Sethi

Proprietor

Membership No. 039784

Place : Mumbai

Date : August 20, 2020

Independent Auditors' Report

To the Board of Directors of Bonn Investment Inc. Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Bonn Investment Inc.** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and its loss (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Basis for Qualified Opinion

We draw your attention to note 2.15 in the financial statements where in the company's Net Worth has been fully eroded and the events or conditions set out in the note indicating that a material uncertainty exists which may cast doubt on company's ability to continue as a going concern.

Other Information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The accounts have been audited by foreign auditors and their report is furnished to us by the management along with financial statements converted in INR as per Indian Accounting Standards Rules 2015, as amended ('Ind AS' prescribed under section 133 of the Companies Act, 2013 ("the Act"). This report is issued for the information and use of the Company and Reliance Communications Limited, the holding company in India only to comply with the financial reporting requirements in India and not to report on the Company as a separate entity and not to be used for any other purpose.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS Rules and other provisions of the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

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

The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

For M.S. Sethi & Associates

Chartered Accountants
Firm Regn.No.109407W

Manoj Sethi

Proprietor
Membership No.039784

Place: Mumbai

Date : 20.08.2020

UDIN: 20039784AAABEB5872

Bonn Investment Inc.

Balance Sheet as at March 31, 2020

	Notes			(Amount in ₹)	
		As at		As at	
		March 31, 2020		March 31, 2019	
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment	2.01	40,34,69,275		38,19,27,389	
Current Assets					
(a) Financial Assets					
(i) Cash and Cash Equivalents	2.02	1,93,61,029		39,42,277	
(ii) Loans	2.03	31,12,739		33,70,160	
(b) Income Tax Assets (Net)	2.04	48,804		2,09,263	
Total Assets		42,59,91,847		38,94,49,089	
EQUITY AND LIABILITIES					
Shareholder's Fund					
(a) Equity Share Capital	2.05	7,56,650		6,91,550	
(b) Other Equity	2.06	(12,28,75,435)	(12,21,18,785)	(9,82,83,200)	(9,75,91,650)
LIABILITIES					
Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	2.07	53,62,47,292	53,62,47,292	48,55,28,535	48,55,28,535
Current Liabilities					
(a) Financial Liabilities					
(i) Trade Payables	2.08	-		14,695	
(b) Other Current Liabilities	2.09	24,21,280		7,19,446	
(c) Other Liabilities	2.10	94,42,060	1,18,63,340	7,78,063	15,12,204
Total Equity and Liabilities		42,59,91,847		38,94,49,089	
Significant Accounting Policies	1				
Notes on Accounts	2				

As per our Report of even date

For M. S. Sethi & Associates

Chartered Accountants

Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi

Proprietor

Membership No. 39784

Vaishali Mane

Director

Place : Mumbai

Date : August 20, 2020

Bonn Investment Inc.

Statement of Profit and Loss for the year ended March 31, 2020

			(Amount in ₹)
	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
I	Revenue from Operations	-	-
II	Other Income	1,36,55,443	3,49,578
III	Total Income (I + II)	1,36,55,443	3,49,578
IV EXPENSES			
	Depreciation, Impairment and Amortisation	1,34,99,256	1,33,16,321
	Sales and General Administration Expenses	1,44,01,053	43,22,124
	Total Expenses (IV)	2,79,00,308	1,76,38,445
V	Profit/ (Loss) before Exceptional Items, Adjustments and Tax (III - IV)	(1,42,44,865)	(1,72,88,867)
VI	Tax expense:		
	- Current Tax	1,24,529	6,572
	- Short/ (Excess) provision of earlier years	-	-
VII	Profit/(Loss) After Tax (V - VI)	(1,43,69,395)	(1,72,95,439)
VIII	Profit / (Loss) After Tax	(1,43,69,395)	(1,72,95,439)
	Other Comprehensive Income / (Loss)	(1,02,22,840)	(44,83,658)
	Total Comprehensive Income / (Loss)	(2,45,92,235)	(2,17,79,097)
IX	Earnings per Share	2.14	
	- Basic	(1,43,693.95)	(1,72,954.39)
	- Diluted	(1,43,693.95)	(1,72,954.39)
	Significant Accounting Policies	1	
	Notes on Accounts	2	

As per our Report of even date
For M. S. Sethi & Associates
Chartered Accountants
Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 39784

Vaishali Mane
Director

Place : Mumbai
Dated : August 20, 2020

Bonn Investment Inc.**STATEMENT OF CHANGES IN EQUITY**

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity Share Capital

Particulars		(Amount in ₹)
Balance at the beginning of the reporting period	1.4.2018	6,48,500
Foreign exchange variance		3,250
Balance at the end of the reporting period	31.3.2019	<u>6,51,750</u>
Balance at the beginning of the reporting period	1.4.2019	6,51,750
Foreign exchange variance		1,04,900
Balance at the end of the reporting period	31.3.2020	<u>7,56,650</u>

B. Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	(7,65,04,104)		7,65,04,104
Total Comprehensive Income for the year	(1,72,95,439)	(44,83,658)	(2,17,79,097)
Balance as at 31.03.2019	(9,37,99,543)	(44,83,658)	(9,82,83,200)
Changes in accounting policy or prior period errors			
Restated balance at 01.04.2019	(9,37,99,543)	(44,83,658)	(9,37,99,543)
Total Comprehensive Income for the year	(1,43,69,395)	(1,02,22,840)	(2,45,92,235)
Balance as at 31.03.2020	(10,81,68,937)	(1,47,06,498)	(12,28,75,435)

As per our Report of even date
For M. S. Sethi & Associates
 Chartered Accountants
 Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi
 Proprietor
 Membership No. 39784

Vaishali Mane
 Director

Place : Mumbai
 Dated : August 20, 2020

Bonn Investment Inc.
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income tax	(1,42,44,865)	(1,72,88,867)
Adjusted for:		
Depreciation and Amortisation	1,34,99,256	1,33,16,321
Operating Profit before Working Capital Changes	(7,45,610)	(39,72,546)
Adjusted for:		
Receivables and other Advances	4,17,880	3,82,61,586
Trade Payables	1,03,51,136	(32,15,217)
Effect of Exchange difference on translation of Assets & Liabilities	3,82,410	25,71,737
Cash Generated from Operations	1,00,23,406	3,10,73,824
Less : Income Tax Paid	-	-
Net Cash Inflow/(Outflow) from Operating Activities	1,04,05,816	3,36,45,560
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Net Cash Inflow/(Outflow) from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	50,12,936	(3,41,02,135)
Financial Charges	-	-
Net Cash Inflow/(Outflow) from Financing Activities	50,12,936	(3,41,02,135)
Net Increase/ (Decrease) in Cash and Cash Equivalents	1,54,18,752	(4,56,575)
Opening Balance of Cash and Cash Equivalents	39,42,277	43,98,851
Closing Balance of Cash and Cash Equivalents	1,93,61,029	39,42,277

As per our Report of even date
For M. S. Sethi & Associates
Chartered Accountants
Regn. No. 109407W

For and on Behalf of the Board

Manoj Sethi
Proprietor
Membership No. 39784

Vaishali Mane
Director

Place : Mumbai
Dated : August 20, 2020

Bonn Investment Inc.**Note :1 General Information and Significant Accounting Policies to the Financial Statements****1.01 General Information**

Bonn Investment, Inc was renamed on Feb 17, 2010 from Reliance Netway, Inc. (the "Company") a Delaware corporation incorporated on May 11, 2004 as a wholly owned subsidiary of Reliance Communications, Inc.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Revenue Recognition

Rental income is booked on the basis of provisional rate where the rent agreement are in process of finalization. The increase or decrease due to any change in rate of earlier years upon finalization of rent agreement is booked as rate difference during the year in which rent agreement is finalized.

1.04 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.05 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.06 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.07 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.08 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.09 Investments

Non Current Investments are stated at cost or fair value as required .

1.10 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

(vi) Equity investments:

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements.

Bonn Investment Inc.

Note :1 General Information and Significant Accounting Policies to the Financial Statements

(vii) Derecognition of Financial Assets

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

(viii) Impairment of Financial Assets

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(iii) Derecognition of Financial Liabilities

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

1.11 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are stated at cost or their estimated fair value on the date of acquisition less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs on property and equipment are expensed as incurred.

USEFUL LIFE OF ASSET:

Sr.

No Name of Property

1	Equipment	10 Yrs
2	Building	38 Yrs
3	Materials	10%

1.12 CASH AND CASH EQUIVALENTS

The company considers all highly liquid accounts (money market funds) and investments with a maturity of three months or less when acquired as cash equivalents.

Bonn Investment Inc.**Notes on Accounts to the Financial Statements****2.01. Property, Plant and Equipment (PPE)**

(Amount in ₹)

Particulars	Buildings	Plant and Machinery	Total
Gross carrying value			
As at March 31, 2019	49,46,36,856	2,21,623	49,48,58,479
Additions	-	-	-
Transfer from CWIP	-	-	-
Disposals	-	-	-
Exchange Differences	5,30,45,755	-	5,30,45,755
As at March 31, 2020	54,76,82,611	2,21,623	54,79,04,234
Accumulated Depreciation			
As at March 31, 2019	11,27,09,467	2,21,623	11,29,31,090
Depreciation for the year	1,34,99,256	-	1,34,99,256
Disposals	-	-	-
Exchange Differences	1,80,04,614	-	1,80,04,614
As at March 31, 2020	14,42,13,336	2,21,623	14,44,34,959
Closing net carrying value as at March 31, 2020	40,34,69,275	-	40,34,69,275
Gross carrying value as at March 31, 2019	54,76,82,611	2,21,623	54,79,04,234
Accumulated Depreciation	14,42,13,336	2,21,623	14,44,34,959
Closing net carrying value as at March 31, 2020	40,34,69,275	-	40,34,69,275

Particulars	Buildings	Plant and Machinery	Total
Gross carrying value			
As at March 31, 2018	47,32,11,783	2,21,623	47,34,33,406
Additions	-	-	-
Transfer from CWIP	-	-	-
Deductions/ Adjustment Including on Account of CTR	-	-	-
Exchange Differences	2,14,25,073	-	2,14,25,073
As at March 31, 2019	49,46,36,856	2,21,623	49,48,58,479
Accumulated Depreciation			
As at March 31, 2018	10,08,51,627	2,21,623	10,10,73,250
Depreciation for the year	1,33,16,321	-	1,33,16,321
Deductions/ Adjustment Including on Account of CTR	-	-	-
Exchange Differences	(14,58,481)	-	(14,58,481)
As at March 31, 2019	11,27,09,467	2,21,623	11,29,31,090
Closing net carrying value as at March 31, 2019	38,19,27,389	-	38,19,27,389
Gross carrying value as at March 31, 2019	49,46,36,856	2,21,623	49,48,58,479
Accumulated Depreciation	11,27,09,467	2,21,623	11,29,31,090
Closing net carrying value as at March 31, 2019	38,19,27,389	-	38,19,27,389

“Tangible fixed assets are carried at cost less accumulated depreciation less impairment charge, if any. The cost of assets is made up of the purchase price of the assets plus any costs directly attributable to bringing the assets into working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:

Class of Assets	Depreciation Rate
Buildings	10%
Plant and Machinery	10%

Depreciation is charged as per the Local GAAP of country where company is situated”.

Bonn Investment Inc.**Notes on Accounts to the Financial Statements****2.02 Cash and Cash Equivalents****(Amount in ₹)**

Particulars	As on March 31, 2020	As on March 31, 2019
Balance with Banks in current accounts	1,93,61,029	39,42,277
	1,93,61,029	39,42,277

2.03 Loans

Particulars	As on March 31, 2020	As on March 31, 2019
Loans to Related Parties (Refer Note 2.18)	11,34,975	28,10,350
Others	19,39,931	5,59,810
Deposits	37,833	
	31,12,739	33,70,160

2.04 Current Tax Assets (Net)

Particulars	As on March 31, 2020	As on March 31, 2019
Income Tax (Net)	48,804	2,09,263
	48,804	2,09,263

Notes on Accounts to the Financial Statements

(Amount in ₹)

As at
March 31, 2020

As at
March 31, 2019

Note 2.05 Share Capital

Authorised

1 000 Equity Shares of USD .01 each (1 000)	757	692
	<u>757</u>	<u>692</u>

Issued, Subscribed and Paid up

1 00 Equity Shares of USD .01 each fully paid up (100)	7,56,650	6,91,550
	<u>7,56,650</u>	<u>6,91,550</u>

Note :

2.05 (a) Share held by holding/Ultimate holding company and/or their subsidiaries/associates

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Infocom Inc.	100	100	100	100

2.05 (b) Details of Shareholders holding more than 5% shares in the Company :

Equity Shares	%	No. of Shares	%	No. of Shares
Reliance Infocom Inc.	100	100	100	100

2.05 (c) Terms/Rights attached to Equity Share

The Company has only one class of equity share having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share .In the event of liquidation of Company, the holder of equity share will be entitled to receive remaining assets of the company.

(Amount in ₹)

2.05 (d) Reconciliation of shares outstanding at the beginning and at the end of the reporting year.

	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the beginning of the year	100	7,56,650	100	6,91,550
Add/ (Less): Changes during the year	-			
At the end of the year	<u>100</u>	<u>7,56,650</u>	<u>100</u>	<u>6,91,550</u>

Bonn Investment Inc.
Notes on Accounts to the Financial Statements

2.06 Other Equity

(Amount in ₹)

Particulars	Attributable to Equity Holders		Total
	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2018	(7,65,04,104)		(7,65,04,104)
Total Comprehensive Income for the year	(1,72,95,439)	(44,83,658)	(2,17,79,097)
Transfer to retained earnings			-
Balance as at 31.03.2019	(9,37,99,543)	(44,83,658)	(9,82,83,200)
Restated balance at 01.04.2019	(9,37,99,543)	(44,83,658)	(9,82,83,200)
Total Comprehensive Income for the year	(1,43,69,395)	(1,02,22,840)	(2,45,92,235)
Balance as at 31.3.2020	(10,81,68,937)	(1,47,06,498)	(12,28,75,435)

Bonn Investment Inc.**Notes on Accounts to the Financial Statements**

(Amount in ₹)

**As at
March 31, 2020****As at
March 31, 2019****Note 2.07 Borrowings****Term Loans****Unsecured**Loans from related parties (Refer Note
2.18)

<u>53,62,47,292</u>	53,62,47,292	<u>48,55,28,535</u>	<u>48,55,28,535</u>
	<u><u>53,62,47,292</u></u>		<u><u>48,55,28,535</u></u>

Bonn Investment Inc.
Notes on Accounts to the Financial Statements

2.08 Trade Payables (Amount in ₹)

Particulars	As on March 31, 2020	As on March 31, 2019
Others	-	14,695
	<u>-</u>	<u>14,695</u>

2.09 OTHER CURRENT LIABILITIES

Particulars	As on March 31, 2020	As on March 31, 2019
Security Deposit	24,21,280	6,91,550
Others	-	27,896
	<u>24,21,280</u>	<u>7,19,446</u>

2.10 Other Liabilities

Particulars	As on March 31, 2020	As on March 31, 2019
Provisions for Other Liabilities	94,42,060	7,78,063
	<u>94,42,060</u>	<u>7,78,063</u>

Bonn Investment Inc.
Notes forming part of the Statement of Profit and Loss

(Amount in ₹)

Note	For the year ended March 31, 2020	For the year ended March 31, 2019
2.11 OTHER INCOME		
Rent	<u>1,36,55,443</u> <u>1,36,55,443</u>	<u>3,49,578</u> <u>3,49,578</u>
2.12 Sales and General Administration Expenses		
Insurance Rates and taxes	91,28,097	5,76,804
Legal & Professional Fees	2,17,883	1,59,809
Bank Charges	19,845	20,975
Other Miscellaneous Expenses	32,170	53,925
Electricity Utilities expenses	49,32,181	34,40,696
Payment to Auditors	70,876	69,916
	<u>1,44,01,053</u>	<u>43,22,124</u>
2.12 A Payment to Auditors		
Audit Fees	<u>70,876</u> <u>70,876</u>	<u>69,916</u> <u>69,916</u>

Bonn Investment Inc.
Notes on Account to Financial Statements

Note : 2.13

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.14

Earning Per Share

(Amount in ₹)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(2,45,92,235)	(2,17,79,097)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	100	100
Basic and Diluted Earning Per Share	(2,45,922)	(2,17,791)

Note : 2.15

Going Concern

For the year ended 31st March 2020, the company has reported a net loss of Rs 2 45 92 235 there exists a material uncertainty as significant group balances still exist and the ultimate parent company in India is undergoing insolvency proceedings. The rationale for the management to continue to believe that financial statements are prepared on a going concern basis is that rental income from the property are still continuing and it is likely that a suitable investor will be found.

Note : 2.16

Impact of COVID-19:

While the Company 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 Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government to ensure safety of employees across all its offices. The Company 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 Company'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.

Note : 2.17

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.18

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party	Relationship
1 Reliance Communications Ltd.	Ultimate Holding Company
2 Reliance Communications, Inc.	Fellow Subsidiary
3 Reliance Communications International Inc.	Fellow Subsidiary

Transactions with related parties

Summarised below are the transactions entered into with related parties:

(Figures shown in brackets pertains to previous year.)

(Amount in ₹)
As at 31.03.2020

Entity Name	Short Term Borrowings
Reliance Communications Inc.	36,10,82,817 (33,88,44,825)
Reliance Communications International Inc.	17,51,64,475 (16,00,93,825)
	Loans to Related Parties
Reliance Infocom Inc.	11,34,975 (10,37,325)

Note : 2.19

2.19.1 Financial Instruments

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of Financial Instruments. The carrying value of the financial instruments by categories were as follows:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost:		
Cash and cash equivalents (Refer Note 2.02)	1,93,61,029	39,42,277
Total	1,93,61,029	39,42,277
Financial assets at fair value through Profit and Loss Investments		
(Fair valued under hierarchy - Level 1)		
Financial liabilities at amortised cost:		
Financial liabilities at fair value through Statement of Profit and Loss/ other Comprehensive Income:	Nil	Nil
Trade Payables	-	14,695
Borrowings	53,62,47,292	48,55,28,535

2.19.2 Financial Risk Management Objectives and Policies

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company's interest bearing financial instruments are reported as below:

	As at March 31, 2020	(Amount in ₹) As at March 31, 2019
Fixed Rate Instruments		
Financial Assets	Nil	Nil
Financial Liabilities	Nil	Nil
Variable Rate Instruments	Nil	Nil

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

Impact on Profit and Loss / Equity

	As at March 31, 2020	As at March 31, 2019
Impact of increase in interest rate by 100 basis point	Nil	Nil

Impact of increase in interest rate by 100 basis point

If the interest rate is adversely affected with decrease by 100 basis point, profit shall also accordingly be affected vice versa.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and is calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.20

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.665 (March 31, 2019 1 USD = Rs.69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (March 31, 2019, 1 USD = Rs. 69.9156).

As per our Report of even date

For and on Behalf of the Board

For M.S.Sethi & Associates

Chartered Accountants
Regn.No.109407W

Vaishali Mane

Director

Manoj Sethi

Proprietor
Membership No. 039784

Place : Mumbai

Date : August 20, 2020

2019-20

Lagerwood Investments Limited

March 31, 2020

Lagerwood Investments Limited

Balance Sheet as at March 31, 2020

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
Financial Assets			
(i) Trade Receivables	2.01	2,68,91,341	2,45,77,687
(ii) Cash and Bank balance	2.02	18,20,122	16,63,524
	Total	2,87,11,463	2,62,41,211
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.03	1,71,608	1,56,844
(b) Other Equity	2.04	2,43,36,285	2,25,36,853
Liabilities			
Current Liabilities			
Other Current Liabilities	2.05	42,03,569	35,47,513
	Total	2,87,11,463	2,62,41,211

Significant Accounting Policies 1

Notes to the Financial Statements 2

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

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020

Lagerwood Investments Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	(Amount in ₹) For the year ended March 31, 2019
Income			
Other Income		-	-
Expenditure			
Finance Costs	2.07	-	25,521
General Administration Expenses	2.08	3,01,719	13,62,445
		3,01,719	13,87,966
Profit /(Loss) Before Tax		(3,01,719)	(13,87,966)
Current Tax		-	-
Profit /(Loss) After Tax		(3,01,719)	(13,87,966)
Other Comprehensive Income / (Loss)			
(a) Item that will reclassified to Profit or loss			
(i) Exchange difference on translation of financial statements of foreign		21,01,151	(21,852)
Total Comprehensive Income / (Loss)		17,99,432	(14,09,818)
Basic and Diluted Earning per Share of Euro 1.71 each	2.10	801	(628)

Significant Accounting Policies

1

Notes on Account

2

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

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020

Lagerwood Investments Limited**Statement of changes in equity for the year ended March 31, 2020**

	Amount in ₹	
	For the year ended 31-Mar-20	For the year ended 31-Mar-19
(a) Equity Share Capital (Refer Note : 2.03)		
Balance at the beginning of the year	1,56,844	1,47,817
Change in equity capital during the year	-	-
Foreign Exchange Variance	14,765	9,027
Balance at the end of the year	<u>1,71,608</u>	<u>1,56,844</u>

(b) Other Equity (Refer Note : 2.04)

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	2,24,37,388	15,09,283	2,39,46,671
Net Loss for the year	(13,87,966)		(13,87,966)
Foreign Exchange Variance	-	(21,852)	(21,852)
Balance as at March 31, 2019	<u>2,10,49,422</u>	<u>14,87,431</u>	<u>2,25,36,853</u>
Net Profit for the year	(3,01,719)	-	(3,01,719)
Foreign Exchange Variance	-	21,01,151	21,01,151
Balance as at March 31, 2020	<u>2,07,47,703</u>	<u>35,88,582</u>	<u>2,43,36,285</u>

* Exchange differences on translating the financial statements

For and on Behalf of the Board

Place : Mumbai

Director

Date : July 31, 2020

Lagerwood Investments Limited
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)
For the year
ended March 31,
2020

For the year
ended March 31,
2019

A CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/(Loss) before tax as per statement of Profit and Loss	(3,01,719)	(13,87,966)
Adjusted for:		
Increase / (Decrease in trade and other payables	3,22,063	13,75,009
Effect of Exchange difference on translation of Assets & Liabilities	4,58,316	1,08,696
	1,36,253	14,83,705
Cash Generated from Operations	1,56,597	95,739
Tax Paid	-	-
Net Cash from/(used in) Operating Activities	1,56,597	95,739

B CASH FLOW FROM INVESTING ACTIVITIES

	-	-
--	---	---

C CASH FLOW FROM FINANCING ACTIVITIES

	-	-
--	---	---

Net Increase/ (Decrease) in Cash and Cash Equivalents	1,56,597	95,739
Opening Balance of Cash and Cash Equivalents	16,63,524	15,67,785
Closing Balance of Cash and Cash Equivalents	18,20,121	16,63,524

Note:

Cash and Cash Equivalents includes cash on hand, cheques on hand.

For and on Behalf of the Board

Director

Place : Mumbai
Date : July 31, 2020

Lagerwood Investments Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

The Company Lagerwood Investments Limited (the "Company") was incorporated in Cyprus as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Meliza Court, 229 Arch Makarios III Avenue, Meliza Court 4th Floor, Limassol 3105, Cyprus.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees ("Rupees" or " ₹ ") but the functional currency is Euro. All amounts are rounded off to the nearest rupees, unless stated otherwise

1.04 Revenue Recognition

Interest Income is recognised on time proportion basis.

1.05 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.06 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.07 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

1.08 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

Lagerwood Investments Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.09 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.10 Investments

Non Current Investments are stated at cost or fair value as required .

1.11 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

Lagerwood Investments Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

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

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

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

Lagerwood Investments Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

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

(iii) **Derecognition of Financial Liabilities**

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

Lagerwood Investments Limited**Notes on Accounts to Balance Sheet and Statement of Profit and Loss**(Amount in ₹)
As at
March 31, 2019

	As at March 31, 2020	As at March 31, 2019
Note: 2.01		
Trade Receivables		
Considered Good	2,68,91,341	2,45,77,687
	<u>2,68,91,341</u>	<u>2,45,77,687</u>
Note: 2.02		
Cash & Bank Balance		
Balance With Bank in current account	18,20,122	16,63,524
	<u>18,20,122</u>	<u>16,63,524</u>
Note: 2.03		
Equity Share Capital		
Authorised		
5,000 (5,000) Ordinary shares of Euro 1.71 each	8,58,041	7,84,218
	<u>8,58,041</u>	<u>7,84,218</u>
Issued, Subscribed and Paid up		
1000 (1,000) Ordinary shares of Euro 1.71 each	1,71,608	1,56,844
	<u>1,71,608</u>	<u>1,56,844</u>

1) Details of Shares held by holding Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Ledra Trustee Services Limited as trustee of Reliance Communications Shareholders Trust	100	1000	100	1000

2) Details of Shareholders holding more than 5% shares in the Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Ledra Trustee Services Limited as trustee of Reliance Communications Shareholders Trust	100	1000	100	1000

3) The Company has only one class of ordinary shares having a par value of Euro 1.71 per share. Each share. In the event of liquidation of the Company, the holder of ordinary share will be entitled to receive remain

Lagerwood Investments Limited

Notes on Accounts to Balance Sheet and Statement of Profit and Loss

4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period	As at March 31, 2020		(Amount in ₹) As at March 31, 2019	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	1 000	1,71,608	1 000	1,56,844
Add/Less: Changes for the year	-	-	-	-
At the end of the year	<u>1 000</u>	<u>1,71,608</u>	<u>1 000</u>	<u>1,56,844</u>

Note: 2.04

Other Equity

Other Comprehensive Income

Exchange Fluctuation Reserve

(i) Opening balance	14,87,431	15,09,283
(ii) Additions during the year (net)	21,01,151	(21,852)
	<u>35,88,582</u>	<u>14,87,431</u>

Surplus/(deficit) in retained earnings

Opening Balance	2,10,49,422	2,24,37,388
Add: Profit/ (Loss) the year	(3,01,719)	(13,87,966)
	<u>2,43,36,285</u>	<u>2,25,36,853</u>

Note: 2.05

Other Current Liabilities

Payable to Related Party (Refer Note 2.12)	20,69,589	18,91,528
Other Liabilities	21,33,980	16,55,986
	<u>42,03,569</u>	<u>35,47,513</u>

(Amount in ₹)

For the year ended
March 31, 2020

For the year ended
March 31, 2019

Note: 2.07

Finance Costs

Bank Charges	-	25,521
	<u>-</u>	<u>25,521</u>

Note: 2.08

General Administrative Expenses

Auditors Remuneration	1,83,073	7,22,438
Other Professional Fees	-	4,82,697
Rates and Taxes	95,683	94,386
Other Expenses	22,964	62,924
	<u>3,01,719</u>	<u>13,62,445</u>

Lagerwood Investments Limited

Notes on Accounts to Balance Sheet and Statement of Profit and Loss

Note : 2.09

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.10

(Amount in ₹)

Earning Per Share

For the year ended
March 31, 2020

For the year ended
March 31, 2019

Net Profit (Numerator used for calculation)	(3,01,719)	(13,87,966)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	2,246	2 246
Basic and Diluted Earning Per Share of Euro 1.71 each	(134)	(628)

Note : 2.11

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.12

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party	Relationship	Relationship
1 Lendra Trustee Services Limited	Holding Company	Holding Company
Transaction during the year with related party	NIL	NIL

Closing Balance:

Particulars	As at March 31, 2020	As at March 31, 2019
Other Current Liabilities	20,69,589	18,91,528

Note : 2.13

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.14

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.655 (Previous Year 1 USD = Rs. 69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (Previous Year 1 USD = Rs. 69.9156).

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020

2019-20

**Reliance Telecom Infrastructure (Cyprus) Holdings
Limited**

March 31, 2020

Reliance Telecom Infrastructure (Cyprus) Holdings Limited

Balance Sheet as at March 31, 2020

		As at	(Amount in ₹)
	Notes	March 31, 2020	As at March 31, 2019
ASSETS			
Non Current Assets			
Financial Assets			
(i) Investments	2.01	35,70,41,495	32,63,22,667
Current Assets			
Financial Assets			
(i) Cash and Bank balance	2.02	1,16,03,152	1,06,04,850
(ii) Other Financial Asset	2.03	9,67,680	9,31,449
Total		36,96,12,327	33,78,58,965
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.04	1,69,944	1,55,322
(b) Other Equity	2.05	31,70,37,939	29,01,68,225
Liabilities			
Current Liabilities			
Other Current Liabilities	2.06	5,24,04,444	4,75,35,418
Total		36,96,12,327	33,78,58,965

Significant Accounting Policies 1

Notes to the Financial Statements 2

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

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2019	(Amount in ₹) For the year ended March 31, 2018
<u>Income</u>			
Other Income	2.07	-	43,543
		<u>-</u>	<u>43,543</u>
<u>Expenditure</u>			
Finance Costs	2.08	2,34,387	9,24,913
General Administration Expenses	2.09	1,83,073	26,96,420
		<u>4,17,460</u>	<u>36,21,334</u>
Profit /(Loss) before Tax		(4,17,460)	(35,77,791)
Current Tax		-	-
Profit /(Loss) after Tax		(4,17,460)	(35,77,791)
Other Comprehensive Income / (Loss)			
(a) Item that will reclassified to Profit or loss			
(i) Exchange difference on translation of financial statements of foreign		2,72,87,173	2,16,22,402
Total Comprehensive Income / (Loss)		2,68,69,714	1,80,44,611
Basic and Diluted Earning per Share of Euro 17.09 each	2.11	(186)	(1,593)

Significant Accounting Policies

1

Notes on Account

2

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

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Statement of changes in equity for the year ended March 31, 2020

	Amount in ₹	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Equity Share Capital (Refer Note : 2.03)		
Balance at the beginning of the year	1,55,322	1,45,653
Change in equity capital during the year	-	-
Foreign Exchange Variance	14,621	9,669
Balance at the end of the year	1,69,944	1,55,322

(b) Other Equity (Refer Note : 2.04)

Particulars	Attributable to equity holders		Total
	Retained Earnings	Other Comprehensive Income (OCI)	
Balance as at April 1, 2018	27,68,03,700	(46,80,085)	27,21,23,615
Net Loss for the year	(35,77,791)		(35,77,791)
Foreign Exchange Variance *		2,16,22,402	2,16,22,402
Balance as at March 31, 2019	27,32,25,909	1,69,42,316	29,01,68,225
Net Profit for the year	(4,17,460)		(4,17,460)
Foreign Exchange Variance *	-	2,72,87,173	2,72,87,173
Balance as at March 31, 2020	27,28,08,449	4,42,29,490	31,70,37,939

* Exchange differences on translating the financial statements

For and on Behalf of the Board

Director

Place : Mumbai
Date : July 31, 2020

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Statement of Cash Flow for the year ended March 31, 2020

(Amount in ₹)
For the year
ended March 31,
2020

For the year
ended
March 31, 2019

A CASH FLOW FROM OPERATING ACTIVITIES

Net Profit/(Loss) before tax as per statement of Profit and Loss	(4,17,460)	(35,77,791)
Adjustment for		
	-	-
	(4,17,460)	(35,77,791)
Changes in working capital		
Increase/(Decrease) in trade and other payable	3,42,762	35,38,869
Effect of Exchange difference on translation of Assets & Liabilities	10,72,999	6,49,251
	14,15,761	41,88,120
Cash Generated from Operations	9,98,302	6,10,329
Tax Paid	-	-
Net Cash from/(used in) Operating Activities	9,98,302	6,10,329

B CASH FLOW FROM INVESTING ACTIVITIES

-	-
---	---

C CASH FLOW FROM FINANCING ACTIVITIES

-	-
---	---

Net Increase/ (Decrease) in Cash and Cash Equivalents	9,98,302	6,10,329
Opening Balance of Cash and Cash Equivalents	1,06,04,850	99,94,521
Closing Balance of Cash and Cash Equivalents	1,16,03,152	1,06,04,850

Note:

Cash and Cash Equivalents includes cash on hand, cheques on hand.

For and on Behalf of the Board

Director

Place : Mumbai
Date : July 31, 2020

Reliance Telecom Infrastructure (Cyprus) Holdings Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.01 General Information

The Company Reliance Telecom Infrastructure (Cyprus) Holdings Limited (the "Company") was incorporated in Cyprus as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Meliza Court, 229 Arch Makariou III 4th Floor, P.C. 3105 Limassol Cyprus.

1.02 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and Comply with Accounting Standard specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (the ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1.03 Functional Currency and Presentation Currency

These financial statements are presented in Indian Rupees ("Rupees" or "₹") but the functional currency is Euro. All amounts are rounded off to the nearest rupees, unless stated otherwise

1.04 Revenue Recognition

Interest Income is recognised on time proportion basis.

1.05 Foreign Currency Transactions :

Exchange difference arising either on settlement or on translation of monetary items is recognised in the Statement of Profit and Loss.

1.06 Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.07 Taxes on Income and Deferred Tax

Provision for Income Tax is made on the basis of taxable income for the year at current rates. Tax expense comprises of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable / recoverable in respect of the taxable income / loss for the reporting period. Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets.

Reliance Telecom Infrastructure (Cyprus) Holdings Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

1.08 Earning per Share

In determining Earning per Share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing Basic Earning per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing Diluted Earning per Share comprises the weighted average number of shares considered for deriving Basic Earnings per Share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential Equity Shares. Dilutive potential Equity Shares are deemed converted as of the beginning of the period, unless issued at a later date.

1.09 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.1 Investments

Non Current Investments are stated at cost or fair value as required .

1.11 Financial Instruments

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

Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Subsequent measurement of the debt instruments depends on the Company's business model for managing asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(iii) Financial Assets measured at amortised cost

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

a) Asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

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

(iv) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

a) Objective of the business model is achieved both, by collecting contractual cash flows and selling financial assets, and

b) Contractual cash flows of the asset represent SPPI: Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment loss and reversal and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using EIR method.

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

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

Reliance Telecom Infrastructure (Cyprus) Holdings Limited

Note :1 General Information and Significant Accounting Policies to the Financial Statements

(vi) **Equity investments:**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Group makes such election on instrument by instrument basis. The classification is made on initial recognition, which is irrevocable. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividend, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Also, the Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP as at the date of transition

(vii) **Derecognition of Financial Assets**

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

(viii) **Impairment of Financial Assets**

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

Financial Liabilities

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

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

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

(iii) **Derecognition of Financial Liabilities**

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

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Notes on Accounts to Financial Statements

(Amount in ₹)
As at
March 31, 2019

Note: 2.01

Non Current Investments

Unquoted, fully paid up (Valued at amortised Cost)

13,37,50,582(13,37,50,582) equity shares of Reliance Infratel Limited of ₹ 10 each, fully paid-up

As at
March 31, 2020

35,70,41,495

35,70,41,495

32,63,22,667

32,63,22,667

Note: 2.02

Cash & Bank Balance

Balance With Bank in current account

1,16,03,152

1,16,03,152

1,06,04,850

1,06,04,850

Note: 2.03

Other Financial Asset

Other Receivables

9,67,680

9,67,680

9,31,449

9,31,449

Note: 2.04

Equity Share Capital

Authorised

500 (500) Ordinary shares of Euro 17.09 each

8,49,718

8,05,811

8,60,000 (8,60,000) Redeemable Preference shares of Euro 17.09 each

1,49,31,79,152

1,49,40,28,869

1,41,60,23,399

1,41,68,29,210

Issued, Subscribed and Paid up

100 (100) Ordinary shares of Euro 17.09 each

1,69,944

1,69,944

1,55,322

1,55,322

1) Details of Shares held by holding Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Ledra Trustee Services Limited as trustee of Reliance Communications Shareholders Trust	100	100	100	100

2) Details of Shareholders holding more than 5% shares in the Company:

Particulars	% of Holding	No of Shares	% of Holding	No of Shares
Ledra Trustee Services Limited as trustee of Reliance Communications Shareholders Trust	100	100	100	100

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Notes on Accounts to Financial Statements

(Amount in ₹)
As at
March 31, 2019

As at
March 31, 2020

3) The Company has only one class of ordinary shares having a par value of Euro 17.09 per share. Each entitled to one vote per share. In the event of liquidation of the Company, the holder of ordinary share will be entitled to assets of the Company.

4) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Ordinary Shares				
At the beginning of the year	100	1,69,944	100	1,55,322
Add/Less: Changes for the year	-	-	-	-
At the end of the year	100	1,69,944	100	1,55,322

Note: 2.05

Other Equity

Other Comprehensive Income

Exchange Fluctuation Reserve

(i) Opening Balance	1,69,42,316	(46,80,085)
(ii) Additions during the year (net)	2,72,87,173	2,16,22,402
	4,42,29,490	1,69,42,316

Surplus /(deficit) in retained earnings

Opening Balance	27,32,25,909	27,68,03,700
Add: Profit/ (Loss) the year	(4,17,460)	(35,77,791)
	27,28,08,449	27,32,25,909

Note: 2.06

Other Current Liabilities

Payable to Related Party (Refer Note 2.13)	4,67,66,796	4,32,32,248
Other Liabilities	56,37,648	43,03,170
	5,24,04,444	4,75,35,418

For the year ended
March 31, 2020

(Amount in ₹)
For the year ended
March 31, 2019

Note: 2.07

Other Income

Other Income	-	43,543
	-	43,543

Note: 2.08

Finance Costs

Other Finance Cost	2,34,387	9,24,913
	2,34,387	9,24,913

Note: 2.09

General Administrative Expenses

Auditors Remuneration	1,83,073	21,09,144
Other Professional Fees	-	4,82,697
Rates and Taxes	-	90,386
Other Expenses	-	14,193
	1,83,073	26,96,420

Reliance Telecom Infrastructure (Cyprus) Holdings Limited
Notes on Accounts to Financial Statements

Note : 2.10

Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year.

Note : 2.11

(Amount in ₹)

Earning Per Share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit (Numerator used for calculation)	(4,17,460)	(35,77,791)
Weighted Average number of Ordinary Shares used as denominator for calculating EPS	2,246	2 246
Basic and Diluted Earning Per Share of Euro 17.09 each	(186)	(1,593)

Note : 2.12

Segment Reporting

The Company has a single line activity. Hence Accounting Standard on Operating Segment (Ind AS -108), is not applicable.

Note : 2.13

As per the Ind AS 24 of "Related Party Disclosures" as referred to in the Accounting Standard Rules, the disclosures of transactions with the related parties as defined therein are given below:

Name of the Related Party	Relationship	Relationship
1 Lendra Trustee Services Limited	Holding Company	Holding Company
Transaction during the year with related party	NIL	NIL
Closing Balance:		
	As at	As at
Particulars	March 31, 2020	March 31, 2019
Other Current Liabilities	4,67,66,796	4,32,32,248

Note : 2.14

1 Financial Instruments

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

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

Financial risk management

Market risk

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

Interest Rate Risk

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

Exposure to interest rate risk

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

The Company does not have interest bearing financial instruments.

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Derivative financial instruments

The Company does not hold derivative financial instruments

Credit risk

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

Liquidity risk

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

Note : 2.15

The amounts relating to Balance Sheet items appearing in Indian Rupees have been translated at Closing Rate of 1 USD = Rs. 75.655 (Previous Year 1 USD = Rs. 69.155) and items relating to profit and loss have been translated at average rate of 1 USD = Rs. 70.876 and (Previous Year 1 USD = Rs. 69.9156).

For and on Behalf of the Board

Director

Place : Mumbai

Date : July 31, 2020