

Reliance Jio Global Resources LLC

Independent Auditors' Report

To the Board of Directors

Reliance Jio Infocomm Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Reliance Jio Global Resources LLC** ("the Company"), which comprise the Balance Sheet as at December 31, 2015, the Profit and Loss Statement and the Cash Flow Statement for the period January 15, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records, safeguarding the assets of the Company and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 December 31, 2015, and its profit and its cash flows for the period January 15, 2015 to December 31, 2015.

We further report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W / W - 100018)

Abhijit A. Damle
(Partner)
Membership No.102912

Mumbai, dated: April 20, 2016

Balance Sheet as at 31st December, 2015

Particulars	Note	(Amount in USD) As at 31st December, 2015
I EQUITY & LIABILITIES		
1 Shareholders' funds		
Share Capital	2	44,99,216
Reserves and Surplus	3	3,13,664
		<u>48,12,880</u>
2 Current liabilities		
Other Current Liabilities	4	1,58,890
TOTAL		<u><u>49,71,770</u></u>
II ASSETS		
1 Non-current assets		
Fixed Assets		
Tangible assets	5	10,044
2 Current assets		
Trade receivables	6	35,81,814
Cash and Bank Balances	7	8,66,191
Short-term loans and advances	8	5,13,721
		<u>49,61,726</u>
TOTAL		<u><u>49,71,770</u></u>
Significant accounting policies	1	
Notes to the financial statements	2-17	

As per our report of even date
For Deloitte Haskins and Sells LLP

Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 20, 2016

For and on behalf of the board

Manish Mangal
Member

Texas
Dated: April 20, 2016

Profit and Loss Statement for the period from 15th January 2015 to 31st December 2015

Particulars	Note	(Amount in USD)
		For the Period Jan 15, 2015 to Dec 31, 2015
I Income		
Revenue from Operations	9	53,72,244
Total Revenue		<u>53,72,244</u>
II Expenses		
Employee Benefits Expense	10	47,20,938
Depreciation expense		1,459
Other Expenses	11	3,36,183
Total Expenses		<u>50,58,580</u>
III Profit for the period		<u>3,13,664</u>
IV Earnings per Equity Units	13	
i Basic (in USD)		6.27
ii Diluted (in USD)		6.27
Significant accounting policies	1	
Notes to the financial statements	2-17	

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For Deloitte Haskins and Sells LLP

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Cash Flow statement for the period from 15th January 2015 to 31st December 2015

(Amount in USD)
For the Period Jan 15, 2015
to Dec 31, 2015

A CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before tax as per Profit and Loss Statement		3,13,664
Adjusted for:		
Depreciation Expense		1,459
Operating Profit before Working Capital Changes		3,15,123
Adjusted for		
Trade and Other Receivables	(40,95,535)	
Trade and Other Payables	1,58,890	
		<u>(39,36,645)</u>
Cash (used in) Operations		<u>(36,21,522)</u>
Net cash (used in) Operating Activities (A)		<u>(36,21,522)</u>

B CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets		(11,503)
Net Cash (used in) Investing Activities (B)		<u>(11,503)</u>

C CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issuance of share capital		44,99,216
Net Cash from Financing Activities (C)		<u>44,99,216</u>
Net Increase in Cash and Cash Equivalents (A+B+C)		<u>8,66,191</u>
Closing Balance of Cash and Cash Equivalents (Refer note 7)		<u>8,66,191</u>
Significant Accounting Policies	1	
Notes to the financial statement	2-17	

As per our report of even date
For Deloitte Haskins and Sells LLP

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SIGNIFICANT ACCOUNTING POLICIES

A CORPORATE INFORMATION

Reliance Jio Global Resource LLC (the Company) was incorporated on 15th January 2015 with the office of Secretary of State, Texas. The Corporate office of the company is located at 5600 Tennyson Parkway , Suite 115, Plano, TX - 75024. The Company is 100% subsidiary of Reliance Jio USA Inc , which in turn is a subsidiary of Reliance Jio Infocomm Limited and is Incorporated to offer turnkey solutions by providing manpower services - onshore and offshore in the area of information , telephony and wireless technology.

B BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under Indian Generally Accepted Accounting Principles (Indian GAAP) for the limited use of preparation of Consolidated Financial results of Reliance Industries Limited , the ultimate holding company.

The financial statements are prepared on accrual basis under the historical cost convention.

C USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, 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.

D FIXED ASSETS

(i) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

E OPERATING LEASE

Rentals are expensed with reference to lease terms and other considerations. However, rentals pertaining to the period upto the date of commissioning of the assets are capitalised.

F DEPRECIATION AND AMORTISATION

(i) Tangible Assets

Depreciation and Amortisation is calculated using straight line basis on the estimated useful lives of the related assets and starts when the assets is available for use as intended by Management . Capital Work in Progress in not depreciated until ready for service .

(i) The depreciation has been charged on the following basis:

S No.	Head	Useful Life
1	Computer Equipment	4 years

G IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

SIGNIFICANT ACCOUNTING POLICIES

H REVENUE RECOGNITION

Revenue from services is recognized only when risks and rewards are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection as and when services are provided. The revenue is recognised net of discounts and service tax.

I EMPLOYEE BENEFITS

All employees are eligible to participate in Company sponsored 401(k) savings plan, which is voluntary defined contribution plan. The plan is designed to help employees accumulate and augment savings for retirement. Company makes a matching contributions on a portion of eligible contributions by employees and employees are vested in Company contribution per terms of the 401k plan.

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Employees are eligible to participate in Company sponsored insurance programs that covers welfare of the employees and their eligible family members. Company bears the expense of premium in entirety or in portion depending on the type of insurance program and as per Company policy on employee welfare.

J INCOME TAXES

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

Notes to Financial Statements for the period ended 31st December, 2015

2 SHARE CAPITAL

	As at 31st December 2015
Issued, Subscribed and Paid up:	
50000 Equity units of USD 0.002 each fully paid up	100
Additional Paid in capital	44,99,116
TOTAL	44,99,216

2.1 Reconciliation of number of units outstanding at the beginning and at the end of the period :

Particulars	Ordinary units As at 31st Dec 2015	
	No. of units	Amount (USD)
Units issued during the period	5,000	100
Add : Additional paid in capital	-	44,99,116
No. of units at the end of the period	<u>5,000</u>	<u>44,99,216</u>

2.2 Details of Shareholders holding more than 5% units in the company including those held by holding company:

	Ordinary units As at 31st Dec 2015	
	No of units	% holding
Reliance Jio Infocomm USA Inc (Holding Company)	5,000	100%
	Additional Paid in capital As at 31st Dec 2015	
	Amount	% holding
Reliance Jio Infocomm USA Inc (Holding Company)	44,99,116	100%

3 RESERVES AND SURPLUS

	As at 31st Dec 2015
Surplus in the Statement of Profit and Loss	
As per last Balance Sheet	-
Add: Profit for the period	3,13,664
TOTAL	3,13,664

4 Other Current Liabilities

	As at 31st Dec 2015
Other accruals	1,58,890
TOTAL	1,58,890

Notes to Financial Statements for the period ended 31st December, 2015

5. TANGIBLE ASSETS

(Amount in USD)

Description	Gross Block		Depreciation		Net Block
	Additions	As at 31-12-2015	For the Period	Upto 31-12-2015	As at 31-12-2015
OWN ASSETS					
Computer Equipment	11,503	11,503	1,459	1,459	10,044
TOTAL	11,503	11,503	1,459	1,459	10,044

(Amount in USD)

As at

31st Dec 2015

6 Trade Receivables

(Unsecured and Considered Good)

Outstanding for period exceeding six months

Others

TOTAL

-

35,81,814**35,81,814**

7 Cash and Bank Balance

Balances with Banks

8,66,191**8,66,191**

8 Short Term Loans and Advances

(Unsecured and Considered Good)

Withholding tax receivable

Prepaid expense

TOTAL**4,97,435****16,286****5,13,721**

(Amount in USD)

For the period Jan15,
2015 to Dec31, 2015

9 Revenue from operations:

Sale of Services

TOTAL**53,72,244****53,72,244**

Notes to Financial Statements for the period ended 31st December, 2015

(Amount in USD)
For the period Jan15,
2015 to Dec31, 2015

10 Employee Benefits Expense

Salaries and wages	44,60,092
Payroll taxes and benefits	2,60,846
TOTAL	47,20,938

11 OTHER EXPENSES

Legal and Professional Fees	605
Telephone	20,149
Travel	1,07,857
General administration expenses	16,021
Rent	1,91,392
Bank Charges	159
TOTAL	3,36,183

As per our report of even date
For Deloitte Haskins and Sells LLP

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