FINANCIAL STATEMENT OF SUBSIDARIES 2017-18

1. **Reliance Jio Infocomm PTE. Ltd.**
2. **Reliance Jio Infocomm UK Limited**
3. **Reliance Jio Infocomm USA Inc.**
4. **Reliance Jio Global Resources LLC**

Reliance Jio Infocomm Pte. Ltd.

Independent Auditor's Report

TO THE MEMBER OF
RELIANCE JIO INFOCOMM PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Jio Infocomm Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at December 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 27.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at December 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants

Singapore
April 20, 2018

Statement of Financial Position December 31, 2017

	Note	2017 US$	2016 US$
ASSETS			
Current assets			
Cash and cash equivalents	6	687,941	1,929,642
Trade and other receivables	7	9,886,012	9,998,938
Prepayments		212,755	93,947
Inventories	8	-	11,117,170
Total current assets		10,786,708	23,139,697
Non-current assets			
Plant and equipment	9	75,583,707	54,467,124
Intangible assets	10	47,006,034	41,384,913
Total non-current assets		122,589,741	95,852,037
Total assets		133,376,449	118,991,734
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	21,947,002	21,038,264
Deferred revenue		9,607,388	3,179,978
Total current liabilities		31,554,390	24,218,242
Capital and reserves			
Share capital	12	104,000,000	98,000,000
Accumulated losses		(2,177,941)	(3,226,508)
Total equity		101,822,059	94,773,492
Total liabilities and equity		133,376,449	118,991,734

See accompanying notes to financial statements.

Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2017

	Note	2017 US$	2016 US$
Revenue from operations	13	42,856,405	46,252,897
Other operating income	14	561	58,624
Changes in inventories		(11,117,170)	(9,628,517)
Purchases and related cost		(67,675)	(27,571,274)
Depreciation and amortisation		(6,554,416)	(2,068,424)
Employee benefits expense		(273,335)	(186,544)
Bandwidth charges		(11,730,615)	(4,121,035)
Repair and maintenance expenses		(4,277,007)	(1,968,184)
Voice charges		(6,324,832)	(52,242)
Other operating expenses	15	(1,463,348)	(712,218)
Profit before tax	16	1,048,567	3,083
Income tax	17	-	-
Profit for the year, representing total comprehensive profit for the year		1,048,567	3,083

See accompanying notes to financial statements.

Statement of Changes in Equity for the year ended December 31, 2017

	Share capital US$	Accumulated Losses US$	Total US$
At January 1, 2016	91,000,000	(3,229,591)	87,770,409
Profit for the year, representing total comprehensive income for the year	-	3,083	3,083
Shares issued during the year, representing transactions with owners recognised directly in equity	7,000,000	-	7,000,000
At December 31, 2016	98,000,000	(3,226,508)	94,773,492
Profit for the year, representing total comprehensive income for the year	-	1,048,567	1,048,567
Shares issued during the year, representing transactions with owners recognised directly in equity	6,000,000	-	6,000,000
At December 31, 2017	104,000,000	(2,177,941)	101,822,059

See accompanying notes to financial statements.

Statement of Cash Flows for the year ended December 31, 2017

	2017 US$	2016 US$
Cash flows from operating activities		
Profit before income tax	1,048,567	3,083
Adjustment for:		
Depreciation and amortisation	6,554,416	2,068,424
Operating cash flows before working capital changes	7,602,983	2,071,507
Trade and other receivables	112,926	(7,730,155)
Inventory	11,184,839	20,058,730
Prepayments	(118,808)	316,951
Trade payables and accruals	7,336,148	6,444,715
Net cash from operating activities	26,118,088	21,161,748
Cash flows from investing activities		
Purchase of plant and equipment	(26,364,636)	(21,543,859)
Transfer of plant and equipment to immediate holding company	2,057,890	1,116,542
Payment for intangible assets	(9,053,043)	(6,173,276)
Net cash used in investing activities	(33,359,789)	(26,600,593)
Cash flows from financing activity		
Proceeds from issuance of ordinary shares, representing net cash from financing activity	6,000,000	7,000,000
Net (decrease) increase in cash and cash equivalents	(1,241,701)	1,561,155
Cash and cash equivalents at the beginning of the year	1,929,642	368,487
Cash and cash equivalents at the end of the year	687,941	1,929,642

See accompanying notes to financial statements.

Notes on Financial Statements year ended December 31, 2017

1 GENERAL

The Company (Registration No. 201303361N) is incorporated in the Republic of Singapore with its principal place of business and registered office at 250 North Bridge Road, # 16-02A, Raffles City Tower, Singapore 179101.

The principal activities of the Company is to establish international connectivity and provision of services related to international and domestic Bandwidth, IP Transit, IP Peering, Internet Exchange, Voice and Data Roaming and Dark Fibre. The Company was granted a Licence on July 8, 2013 to provide Facilities - Based Operations ("FBO") by the Info-Communications Development Authority of Singapore (now known as Info-communications Media Development Authority of Singapore).

The financial statements of the Company for the financial year ended December 31, 2017 were authorised for issue by the Board of directors on April 20, 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - The Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from the date of incorporation and are relevant to its operations.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not effective:

- FRS 109 *Financial Instruments* [1]
- FRS 115 *Revenue from Contracts with Customers* (with clarifications issued) [1]
- FRS 116 *Leases* [2]

[1] Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

[2] Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Notes on Financial Statements year ended December 31, 2017

Key requirements of FRS 109 relevant to the Company:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The management does not expect any material impact of FRS 109 on the financial statements of the Company.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue,* FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

The management is currently evaluating the potential impact of the FRS 115 on the financial statements of the Company.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

As at December 31, 2017, the Company has non-cancellable operating lease commitments of US$62,280 (2016 : US$110,160). FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases. A preliminary assessment indicates that these arrangements will meet the definition of a lease under FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Company’s financial statements and the management is currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the management completes the review.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Notes on Financial Statements year ended December 31, 2017

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Loans and receivables

Trade and other receivables are initially recognised at fair values plus transaction costs and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It is probable that the borrower or debtor will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers or 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 an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes on Financial Statements year ended December 31, 2017

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis. Cost comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

PLANT AND EQUIPMENT – Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses. Plant and equipment in the course of construction for production, supply and administrative purpose is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalised in accordance with Company's accounting policy. Depreciation commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Plant and equipment - 5 to 15 years

The estimated useful lives, residual values and depreciation method are reviewed year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortization (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether

Notes on Financial Statements year ended December 31, 2017

events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flow shave not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivables. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised over the period services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Notes on Financial Statements year ended December 31, 2017

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when it relates to items charged or credited to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company are presented in United States dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. All exchange differences are recognised in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements except for those involving estimates as indicated below.

Impairment of plant and equipment and intangible assets

The Company assesses annually whether plant and equipment and intangible assets have any indication of impairment in accordance with the accounting policy. If an indication of impairment is identified, the carrying amounts of the plant and equipment and intangible assets are determined on the basis of the net recoverable amounts. The net recoverable amount is determined based on higher of fair value less cost to sell and value-in-use. The carrying amount of plant and equipment and intangible assets are disclosed in Note 9 and 10 to the financial statements. The management is of the view that there is no indication of impairment in the carrying amount of these assets.

Notes on Financial Statements year ended December 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	2017	2016
	US$	US$
Financial assets		
Loans and receivables (including cash and cash equivalent)	**10,786,708**	11,928,580
Financial liabilities		
Trade and other payables	**21,947,002**	21,038,264

a) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting a loss to the Company.

Except for amount owing to immediate holding Company, the Company has no significant concentration of credit risk with third parties. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Cash is held with a reputable financial institution. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as the cash and cash equivalents are placed on a short-term basis and the Company does not have any financial liabilities which are subject to interest payments at any time during the financial period.

c) Foreign exchange risk management

Foreign exchange risk is the risk that the values of a financial instrument will fluctuate due to changes in foreign exchange rates. Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

At the end of reporting period, the carrying amount of monetary assets and monetary liabilities denominated in currency other than the Company's functional currency is as follow:

	Assets		Liabilities	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Singapore Dollar	**-**	340,515	**28**	-
Great Britain Pound	**-**	-	**1,444,189**	-

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss and equity arising from the effects of reasonably possible changes to foreign exchange rates at the end of the reporting period.

d) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required. The management expects to remain liquid through positive operating cash flows in the next 12 months and increase in equity injection from the immediate holding company (Note 20).

e) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables, other payables and other accruals approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Notes on Financial Statements year ended December 31, 2017

f) Capital management policies and objectives

The Company's ultimate holding Company will provide continuous financial support so as to enable the Company to finance its capital expenditure. The Company's objectives while managing capital are to safeguard its ability to continue as a going concern. The Company is not a debt geared company and the equity is attributable to the parents of the Company. The capital management process is determined and managed at the ultimate holding company level. The Company's overall strategy remains unchanged from 2016.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Reliance Jio Infocomm Limited, incorporated in India. The ultimate holding Company is Reliance Industries Limited, also incorporated in India. Related companies in these financial statements refer to members of the ultimate holding Company's group of companies.

Many of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand, unless otherwise stated.

The following are the related parties to the Company and the transactions among them.

	2017 US$	2016 US$
Immediate holding company		
Sale of goods and services	**36,683,913**	45,983,751
Transfer of Fixed Assets	**2,057,890**	1,116,542
Voice charges	**(6,083,199)**	(24,031)
Related companies		
Purchase of Intangible Assets	**-**	(234,300)
IP Transit charges	**(5,178,640)**	(2,628,973)
Professional services received	**(15,642)**	-
Rent expense	**-**	(16,336)

Compensation of Key Managerial Personnel

There are no Key Managerial Personnel apart from the Company's directors. Directors' remuneration is disclosed in Note 16 to the financial statements.

6 CASH AND CASH EQUIVALENTS

	2017 US$	2016 US$
Cash at bank	**687,941**	1,929,642

7 TRADE AND OTHER RECEIVABLES

	2017 US$	2016 US$
Outside parties	**8,641,786**	2,000,089
Amount due from immediate holding company	**1,235,392**	7,976,920
Rent deposit	**8,834**	21,929
	9,886,012	9,998,938

Notes on Financial Statements year ended December 31, 2017

8 INVENTORIES

	2017	2016
	US$	US$
Cable systems	**-**	9,148,786
Internet Protocol addresses	**-**	1,968,384
	-	11,117,170

9 PLANT AND EQUIPMENT

	Plant and machinery	Construction work-in progress	Total
	US$	US$	US$
Cost:			
At January 1, 2016	723,995	44,969,974	45,693,969
Additions	-	21,543,859	21,543,859
Transfer to Plant and machinery	21,447,982	(21,447,982)	-
Transfer to Inventories (Note 8)	-	(11,095,089)	(11,095,089)
Transfer to immediate holding company	-	(1,116,542)	(1,116,542)
At December 31, 2016	22,171,977	32,854,220	55,026,197
Additions	-	26,364,636	26,364,636
Transfer to Plant and machinery	57,030,683	(57,030,683)	-
Transfer to Inventories (Note 8)	-	(67,669)	(67,669)
Transfer to immediate holding company	-	(2,057,890)	(2,057,890)
At December 31, 2017	79,202,660	62,614	79,265,274
Accumulated depreciation:			
At January 1, 2016	88,766	-	88,766
Depreciation for the year	470,307	-	470,307
At December 31, 2016	559,073	-	559,073
Depreciation for the year	3,122,494	-	3,122,494
At December 31, 2017	3,681,567	-	3,681,567
Carrying amount:			
At December 31, 2017	75,521,093	62,614	75,583,707
At December 31, 2016	21,612,904	32,854,220	54,467,124

The Company has participated in consortium arrangements with various telecommunication companies for joint laying of cable systems and development of network infrastructure necessary for providing telecommunication services in Singapore. The amounts paid by the Company as part of the consortium arrangements are included under 'Construction work-in-progress'.

Notes on Financial Statements year ended December 31, 2017

10 INTANGIBLE ASSETS

	Rights-to-use capacity	Intangible assets under development	Total
	US$	US$	US$
Cost:			
At January 1, 2016	22,212,377	-	22,212,377
Additions	234,300	22,997,932	23,232,232
At December 31, 2016	22,446,677	22,997,932	45,444,609
Additions	-	9,053,043	9,053,043
Transfer to Rights-to-use capacity	32,050,975	(32,050,975)	-
At December 31, 2017	54,497,652	-	54,497,652
Accumulated amortisation:			
At January 1, 2016	2,461,579	-	2,461,579
Charge for the year	1,598,117	-	1,598,117
At December 31, 2016	4,059,696	-	4,059,696
Charge for the year	3,431,922	-	3,431,922
At December 31, 2017	7,491,618	-	7,491,618
Carrying amount:			
At December 31, 2017	47,006,034	-	47,006,034
At December 31, 2016	18,386,981	22,997,932	41,384,913

The “Rights-to-use” capacity has a useful life of 15 years from the date of agreement and is amortised over the balance useful life from the commencement of usage.

The amortisation expense has been included in the line item “depreciation and amortisation expense” in profit or loss.

11 TRADE AND OTHER PAYABLES

	2017	2016
	US$	US$
Outside parties	**16,592,661**	18,853,311
Amount due to holding company	**3,083,451**	-
Amount due to related companies	**2,230,437**	2,174,453
Accruals	**40,453**	10,500
	21,947,002	21,038,264

12 SHARE CAPITAL

	Number of ordinary shares	US$
Balance at January 1, 2016	91,000,000	91,000,000
Shares issued during the year	7,000,000	7,000,000
Balance at December 31, 2016	98,000,000	98,000,000
Shares issued during the year	6,000,000	6,000,000
Balance at December 31, 2017	104,000,000	104,000,000

The Company has one class of ordinary shares with no par value which carry no right to fixed income.

Notes on Financial Statements year ended December 31, 2017

13 REVENUE FROM OPERATIONS

	2017	2016
	US$	US$
Rendering of services	**30,815,929**	6,792,758
Sale of goods	**12,040,476**	39,460,139
	42,856,405	46,252,897

14 OTHER OPERATING INCOME

	2017	2016
	US$	US$
Interest income	**561**	470
Others	**-**	58,154
	561	58,624

15 OTHER OPERATING EXPENSE

	2017	2016
	US$	US$
Colocation charges	**1,158,835**	549,881
License fees	**82,588**	56,967
Professional fees	**99,373**	39,421
Rent expense	**33,971**	42,107
Others	**88,581**	23,842
	1,463,348	712,218

16 PROFIT BEFORE INCOME TAX

Profit before income tax includes the following charges:

	2017	2016
	US$	US$
Directors’ remuneration	**158,215**	160,756
Employee benefits expenses (including directors’ remuneration)	**273,335**	186,544
Depreciation of plant and equipment	**3,122,494**	470,307
Amortisation of intangible assets	**3,431,922**	1,598,117
Net foreign exchange losses	**16,338**	8,350

Notes on Financial Statements year ended December 31, 2017

17 INCOME TAX

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2016 : 17%) to loss before tax as a result of the following differences:

	2017 US$	2016 US$
Profit before tax	**1,048,567**	3,083
Income tax expense at statutory rate of 17% (2016 : 17%)	**178,256**	524
Effect of taxes on expenses that was capitalised	**(2,659)**	(139,956)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets in prior years	**(177,688)**	137,050
Others	**2,091**	2,382
Total income tax expense	**-**	-

The Company has deductible temporary differences arising from unutilised capital allowance, tax losses and excess of tax written down value over net book value of plant and equipment and intangible assets of approximately US$3,094,171 (2016 : US$5,511,764) in respect of which no deferred tax benefit has been recognised due to uncertainty as to when the benefit will be realised. The use of these balances is subject to the agreement of the tax authorities and compliance with certain provisions of tax legislation.

18 OPERATING LEASE COMMITMENTS

The Company as lessee

At the reporting date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2017 US$	2016 US$
Minimum lease payments paid under operating leases	**33,971**	42,107
Obligation on non-cancellable leases:		
Within one year	**33,971**	33,048
In the second to fifth year inclusive	**28,309**	77,112
	62,280	110,160

Operating lease commitments are for rental of office space for 3 years (2016 : 3 years) and rentals are fixed at the inception of the lease.

19 CAPITAL COMMITMENTS

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2017 US$	2016 US$
Commitments for the acquisition of plant and equipment	**3,373,829**	11,787,057

20 EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, Reliance Jio Infocomm Limited, the immediate holding company, has subscribed 13,000,000 ordinary shares amounting to US$ 13,000,000 of the Company.

Reliance Jio Infocomm UK Limited

Independent Auditor's Report to the members of Reliance Jio Infocomm UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Reliance Jio Infocomm UK Limited (the 'company') which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Independent Auditor's Report to the members of Reliance Jio Infocomm UK Limited (continued)

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

  In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small Companies regime and take advantage of the small Companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Peter McDermott FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
6 April 2018

Income Statement for the year ended 31st December 2017

	Note	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Revenue from operations		4,262,737	993,394
Cost of Indefeasible Right of Use Asset for sale		-	(162,207)
Other operating expenses	3	(4,082,958)	(848,848)
Profit/(Loss) before taxation		179,779	(17,661)
Income tax	5	(18,302)	-
Profit/(Loss) for the year		161,477	(17,661)

All amounts relate to continuing operations. There were no recognised gains and losses for 2017 and 2016 other than those included in the Income Statement.

Balance Sheet As at 31st December 2017

	Note	2017 £	2016 £
Non-current assets			
Property, plant and equipment	6	3,706,899	2,763,353
Intangible assets	7	657,028	782,488
		4,363,927	3,545,841
Current assets			
Trade receivables	8	2,146,779	555,683
Other current assets	8	74,123	648,537
Cash and bank balances		404,731	469,174
		2,625,633	1,673,394
Total assets		6,989,560	5,219,235
Deferred tax liabilities		(18,302)	-
Current liabilities			
Trade and other payables	9	(1,394,732)	(2,304,186)
Net current assets		1,230,901	(630,792)
Net assets		5,576,526	2,915,049
Equity			
Share capital	10	5,500,000	3,000,000
Retained earnings/(losses)	11	76,526	(84,951)
Equity attributable to owners of the Company		5,576,526	2,915,049

These financial statements have been prepared in accordance with the provisions applicable to Companies subject to the small Companies' regime.

The financial statements of Reliance Jio Infocomm UK Limited (registered number 08630000) were approved by the Board and authorised for issue on 6 April 2018. They were signed on its behalf by

Saji Varghese
Director

Statement of changes in Equity For the year ended 31st December 2017

	Note	Share capital £	Retained earnings £	Total £
Balance at 1 January 2016		800,000	(67,290)	732,710
Loss for the year ended 31 December 2016		-	(17,661)	(17,661)
Total comprehensive income for the year			(17,661)	(17,661)
Issue of share capital		2,200,000	-	2,200,000
Balance at 31 December 2016		3,000,000	(84,951)	2,915,049
Profit for the year ended 31 December 2017	11	-	161,477	161,477
Total comprehensive income for the year		-	161,477	161,477
Issue of share capital	10	2,500,000	-	2,500,000
Balance at 31 December 2017		5,500,000	76,526	5,576,526

Notes to the Financial Statements for the year ended 31st December 2017

1. Significant accounting policies

Reliance Jio Infocomm UK Limited (the Company) is a Company incorporated in the United Kingdom with its principal place of business and registered office at 8th Floor, 105 Wigmore Street, London W1U 1QY under the Companies Act. The group accounts of Reliance Industries Limited are available to the public and can be obtained as set out in note 13.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 December 2017.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, the equivalent disclosures are given in the group accounts of Reliance Industries Limited whose consolidated financial statements include those of the Company and are publicly available and can be obtained as set out in note 13.

The financial statements have been prepared under the historical cost convention.

Going concern

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in Accounting policies and disclosures

There are no IFRS or IFRIC interpretations that are effective for the first time this financial year which have a material impact on the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services, including IP Transit and Voice is recognised over the period services are rendered.

Property, plant and equipment

Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses. Plant and equipment in the course of construction for production, supply and administrative purpose is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalised in accordance with company's accounting policy. Depreciation commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

Depreciation of property, plant and equipment

Depreciation of tangible fixed assets is charged so as to write off the cost of assets, other than assets under construction, using the straight line method over their estimated useful lives, as follows:

Plant and machinery	15 years

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the contractual life to which we can use that Asset.

Notes to the Financial Statements for the year ended 31st December 2017

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Indefeasible Right of Use asset	15 years

Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Foreign currency

The company's accounting records are maintained in Pounds Sterling (GBP) and transactions in foreign currencies during the year have been translated into GBP at rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the income statement.

Pension costs

For defined contribution schemes the amount attributable to pension cost payable is capitalised in the books to the extent it is provided as on 31 May 2016 where the respective recipients were working on capital projects. With effect from 1 June 2016, all pension costs have been charged to Income Statement. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

<u>Loans and receivables</u>

Trade and other receivables are initially recognised at fair values plus transaction costs and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term balances when the effect of discounting is immaterial.

<u>Impairment of financial assets</u>

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or

Notes to the Financial Statements for the year ended 31st December 2017

- Default or delinquency in interest or principal payments; or
- It is probable that the borrower or debtor will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers or 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 an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets and liabilities are not offset in the balance sheet. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The only significant judgement made by the Director relates to the useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the director determined that there should be no changes in the useful lives of property, plant and equipment.

There are no other judgement that the director consideres to be on a critical nature. The Company does not have and key sources of estimation uncertainity.

Notes to the Financial Statements for the year ended 31st December 2017

3. Other Operating expenses

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Employee Benefit Expenses	133,794	93,642
Depreciation and amortisation	305,327	49,068
IP Transit Cost	1,294,324	281,226
Voice charges	1,746,965	60,785
Professional fees	15,581	5,701
Payment to Auditor	15,000	10,000
Insurance	12,321	5,806
Colocation Charges	434,938	318,550
Repairs & Maintenance	53,188	10,498
Foreign Exchange losses	47,600	-
General expenditure	23,920	13,572
	4,082,958	848,848

Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £15,000 (2016: £10,000).

4. Directors' Emoluments and Staff costs

The average monthly number of employees (excluding the directors) during the year was 1 (2016: 1).

His aggregate remuneration comprised:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Wages and salaries	111,000	115,625
Social security costs	14,469	14,837
Pension costs	8,325	10,625
	133,794	141,087

The director did not receive any remuneration from the company during the year (2016: £nil).

5. Tax

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Corporation tax:		
UK corporation tax at 19.00% (2016: 20.00%)	-	-
Deferred tax	18,302	-
	18,302	-

Notes to the Financial Statements for the year ended 31st December 2017

Corporation tax is calculated at 19.00% (2016: 20.00%) of the profit for the year. The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Profit / (Loss) before tax	179,779	(17,660)
Tax at the UK corporation tax rate of 19.00 % (2016: 20.00 %)	34,158	(3,532)
Tax effect of expenses that are not deductible in determining taxable profit	-	(31,526)
Change in unrecognised deferred tax assets	-	35,058
Brought forward unrecognised deferred tax assets	(21,231)	-
Adjustment to prior year Deferred Tax Assets	5,375	-
Tax expense for the year	18,302	-

At 31 December 2016, the company had accumulated tax losses in excess of other temporary timing differences resulting in a net deferred tax asset of £21,231. This was not recognised because it was uncertain that there would be future taxable profits against which the losses could be set off. At 31 December 2017, other temporary timing differences exceed losses available, resulting in a net deferred tax liability of £18,302.

On 8 July 2015 the UK chancellor made an announcement to reduce the rate of corporation tax to 19% from April 2017 and ultimately to 18% by April 2019. The effects of these substantively enacted rate changes have beenreflected in these financial statements. The full impact of the further changes proposed have yet to be fully ascertained but it is expected that the Company will have a lower UK effective tax rate on future profits

6. Property, plant and equipment

	Plant and machinery £	Construction work-in-progress £	Total £
Cost:			
At 1 January 2016	-	831,614	831,614
Additions	-	1,974,863	1,974,863
Transfers to Plant and Machinery	2,806,477	(2,806,477)	-
At 31 December 2016	2,806,477	-	2,806,477
Additions/Adjustments	-	1,201,518	1,201,518
Transfers to Plant and Machinery	1,201,518	(1,201,518)	-
At 31 December 2017	4,007,995	-	4,007,995
Accumulated depreciation:			
At 1 January 2016	-	-	-
Depreciation for the year	(43,124)	-	(43,124)
At 31 December 2016	(43,124)	-	(43,124)
Depreciation for the year	(257,972)	-	(257,972)
At 31 December 2017	(301,096)	-	(301,096)
Carrying amount:			
At 31 December 2017	3,706,899	-	3,706,899
At 31 December 2016	2,763,353	-	2,763,353

Notes to the Financial Statements for the year ended 31st December 2017

7. Intangible assets

	Rights-to-use capacity £	Total £
At 1 December 2016	-	-
Additions	788,432	788,432
At 31 December 2016	788,432	788,432
Additions/Adjustments	(78,105)	(78,105)
At 31 December 2017	710,327	710,327
Accumulated amortisation:		
At 1 December 2016	-	-
Charge for the year	(5,944)	(5,944)
At 31 December 2016	(5,944)	(5,944)
Additions/Adjustments	(47,355)	(47,355)
At 31 December 2017	(53,299)	(53,299)
Carrying amount:		
At 31 December 2017	657,028	657,028
At 31 December 2016	782,488	782,488

The amortisation expense has been included in the line item "depreciation and amortisation expense' in other operating expenses in the Income Statement. The intangible assets represent 'Indefeasible Right to Use' optical fibre cable. The remaining amortisation period is approximately 14 years.

8 Trade and Other Receivables

	2017 £	2016 £
Trade Receivables (payable within 30 to 45 days from invoice date)		
Holding company	300,273	-
Fellow Subsidiary	1,064,303	555,683
Others	782,303	-
Other Current Assets		
VAT Receivable	71,883	483,313
Amount owed by group undertakings	-	164,068
Prepayments	2,241	1,156
Total Current assets	2,220,903	1,204,220

9. Current liabilities

	2017 £	2016 £
Trade payables	760,011	261,677
Other Payables	367,515	151,227
Creditors for social security costs	1,417	-
Accruals	265,789	1,891,282
Amounts falling due within one year	1,394,732	2,304,186

Notes to the Financial Statements for the year ended 31st December 2017

10. Authorised share capital

	2017	2016
	£	£
Authorised, Issued and fully paid:		
5,500,000 ordinary shares of £1 each (2016: 3,000,000 ordinary shares of £1 each)	5,500,000	3,000,000

2,500,000 shares were issued to Reliance Jio Infocomm Limited and fully paid in the year ending 31 December 2017. These were approved by the Board on 30 Mar 2017 and 21 April 2017.

The Company has one class of ordinary shares which carry no right to fixed income.

11. Retained earnings

	£
Balance at 1 January 2016	(67,290)
Net profit for the year ended 31 December 2016	(17,661)
Balance at 31 December 2016	(84,951)
Net Profit for the year ended 31 December 2017	161,477
Balance at 31 December 2017	76,526

12. Capital Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2017	2016
	£	£
Commitments for the acquisition of plant and equipment	987,144	1,256,292

13. Immediate parent and ultimate controlling party

The Company's immediate parent Company and controlling party is Reliance Jio Infocomm Limited, a Company incorporated in India and having registered address at 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400021,India. The ultimate parent company which includes the Company and for which group accounts are prepared, is Reliance Industries Limited, a Company incorporated in India. The group accounts for Reliance Industries Limited can be obtained from 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India.

Reliance Jio Infocomm USA Inc.

Independent Auditors' Report

Independent Auditors' Report
To Board of Directors
Reliance Jio Infocomm USA Inc

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of Reliance Jio Infocomm USA, Inc ("the Company"), which comprise the Balance Sheet as at December 31, 2017, 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the 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 Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 ("the Act").

This responsibility also includes maintenance of adequate accounting records 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.

Auditors' Responsibility

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs of the Company as at December 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity 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 18, 2018

Balance Sheet as at 31st December, 2017

(in USD 000's)

Particulars	Notes	As at 31st December, 2017	As at 31st December, 2016
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2	15,620	14,948
Financial Assets			
Investments	3	16,952	14,009
Other Non - Current Assets	4	671	71
Deferred Tax Assets (net)	5	75	
Total Non-Current assets		**33,318**	**29,028**
Current assets			
Financial Assets			
Trade receivables	6	3,144	2,304
Cash and cash equivalents	7	1,434	127
		4,578	**2,431**
Other Current Assets	8	226	539
Total Current assets		**4,804**	**2,970**
Total Assets		**38,122**	**31,998**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	38,548	34,548
Other Equity	10	(1,776)	(2,848)
Total equity		**36,772**	**31,700**
Liabilities			
Current Liabilities			
Financial Liabilities			
Trade payables		1,263	227
Other Current liabilities	11	87	71
Total current liabilities		**1,350**	**298**
Total liabilities		**1,350**	**298**
Total Equity and Liabilities		**38,122**	**31,998**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-22		

As per our report of even date

For Deloitte Haskins & Sells LLP Chartered Accountants	**For and on behalf of the board**
Abhijit A. Damle **Partner** **Membership No.102912**	**Manish Mangal** **Director**
Mumbai **Dated : 18th April, 2018**	**Frisco** **Dated: 16th April, 2018**

Statement of Profit and Loss for the year ended 31st December, 2017

(in USD 000's)

	Notes	2017	2016
INCOME			
Revenue from Operations	12	12,943	3,060
Other Income	13	9	0
Total Income		**12,952**	**3,060**
EXPENSES			
Employee Benefits Expense	14	3,328	1,567
Depreciation and Amortisation Expense		1,210	644
Operating and Other expenses	15	7,395	1,238
Total Expenses		**11,933**	**3,449**
Profit /(Loss) before tax		**1,019**	(389)
Tax expense			
Current Tax		**22**	-
Deferred Tax		**(75)**	-
Profit /(Loss) for the year		**1,072**	(389)
Earnings per equity share of USD 0.01 each	16		
Basic (in USD)		**0.0003**	**(0.0001)**
Diluted (in USD)		**0.0003**	**(0.0001)**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2 - 22		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 18th April, 2018

For and on behalf of the board

Manish Mangal
Director

Frisco
Dated: 16th April, 2018

Cash Flow Statement for the year ended 31st December, 2017

						(USD)
				2017		2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit/(Loss) before tax as per Statement of Profit and Loss			**1,019**		(389)
	Adjusted for:					
	Depreciation and Amortization Expense			**1,210**		644
	Operating Profit before Working Capital Changes			**2,229**		255
	Adjusted for					
	Trade and Other Receivebles		**(1,149)**		(2,678)	
	Trade and Other Payables		**1,052**		(23)	
				(97)		(2,701)
	Net cash generated from/(used) in Operating Activities (A)			**2,132**		(2,446)
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property,Plant and Equipment			**(1,882)**		(483)
	Purchase of Non Current Investments			**(1,500)**		(502)
	Investment in subsidiary			**(1,443)**		1,495
	Net Cash (used in)/generated from Investing Activities (B)			**(4,825)**		510
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from issuance of share capital			**4,000**		2,050
	Net Cash from Financing Activities (C)			**4,000**		2,050
	Net Increase in Cash and Cash Equivalents (A+B+C)			**1,307**		114
	Opening Balance of Cash and Cash Equivalents			**127**		13
	Closing Balance of Cash and Cash Equivalents (Refer Note 7)			**1,434**		127
	Significant Accounting Policies		1			
	Notes to the Financial statements		2-22			

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 18th April, 2018

For and on behalf of the board

Manish Mangal
Director

Frisco
Dated: 16th April, 2018

Statement of Changes In Equity for the year ended 31st December, 2017

(A) Equity Share Capital

	(in USD 000's)
Balance at 1st January, 2016 (USD 10)	**0**
Changes in equity share capital during the year	34,548
Balance at 31st December, 2016	**34,548**
Changes in equity share capital during the year	4,000
Balance at 31st December, 2017	**38,548**

(B) Other Equity

Particulars	**Reserves and Surplus**		**Total**
	Additional Paid in Capital	**Retained Earnings**	
As on 31st December 2016			
Balance at the beginning of the year	32,498	(2,459)	30,039
Total Comprehensive Income for the year	-	(389)	(389)
Changes in additional paid in capital during the year	(32,498)	-	(32,498)
	-	**(2,848)**	**(2,848)**
As on 31st December, 2017			
Balance at the beginning of the year	-	(2,848)	(2,848)
Total Comprehensive Income for the year	-	1,071	1,071
	-	**(1,776)**	**(1,776)**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 18th April, 2018

For and on behalf of the board

Manish Mangal
Director

Frisco
Dated: 16th April, 2018

Notes on Financial Statements for the year ended 31st December, 2017

A CORPORATE INFORMATION

Reliance Jio Infocomm USA Inc. (the Company) was incorporated on 5 June 2013 with The Office of the Secretary of State, Texas. The corporate office of the Company is located at 3010 Gaylord Parkway, Suite 150, Frisco, TX – 75034. The Company is a 100% subsidiary of Reliance Jio Infocomm Limited (RJIL), India and is incorporated for the execution and development of the International Long Distance (ILD) and content business of RJIL, the holding Company.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015.

B.2 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting polices below.Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property Plant and Equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Depreciation on Property Plant and Equipments is provided when the assets are ready for their intended use, on straight line method (SLM) based on the management estimated useful lives which are as under

Plant and Equipment - 15 years

Computer and Equipment - 4 years

Furniture and Fixtures - 7 years

(b) Impairment of non financial Assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

(c) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(d) Leases:

Payment made under operating leases, net of lease incentives or premium received, are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease .

Notes on Financial Statements for the year ended 31st December, 2017

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(e) Employee benefits

(i) **Short Term 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.

(ii) **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.

(f) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax assets and Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilties and deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

• Revenue can be measured reliably,

• It is probable that the economic benefit associated with the transaction will flow to the Company,

• The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Notes on Financial Statements for the year ended 31st December, 2017

(g) **Financial Instruments**

i) **Financial Assets**

A. **Initial recognition and measurement:**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. **Subsequent measurement**

a) **Financial assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

ii) **Financial liabilities**

A. **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables,net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. **Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair alue due to the short maturity of these instruments.

C **Critical accounting judgements and key sources of estimation uncertainty:**

The preparation of the Company’s financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) **Depreciation and useful lives of property plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company’s historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) **Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Notes on Financial Statements for the year ended 31st December, 2017

c) **Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

D New and revised Ind AS in issue but not effective yet

The Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:IND AS 115 - Revenue from Contracts with Customers (Effective for accounting periods beginning on or after April 01, 2018)

Ind AS 115 Revenue from Contracts with Customers

In April 2017, the ICAI issued an Exposure Draft on Clarifications to Ind AS 115, applicable for accounting periods beginning on or after April 01, 2018. On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 01, 2018. Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more perspective guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosure requirements are required by Ind AS 115.

The Company anticipate that the application of Ind AS 115 in the future may have a significant impact on the amounts reported and disclosures made in these Ind AS financial statements. However, it is not practicable to provide a reasonable estimate of the effect of Ind AS 115 until the Company performs a detailed review.

Notes on Financial Statements for the year ended 31st December, 2017

(in USD 000's)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-Jan-17	Additions	**As at 31-Dec-17**	**As at 01-Jan-17**	For the year	**As at 31-Dec-17**	**As at 31-Dec-17**	**As at 31-Dec-16**
2. Property, Plant and Equipment								
Tangible Assets :								
Own Assets :								
Office Equipments	53	-	53	12	13	25	28	41
Plant and Equipments	15,463	1,855	17,318	672	1,175	1,847	15,471	14,791
Furniture and Fixtures	135	27	162	19	22	41	121	116
Total (A)	**15,651**	**1,882**	**17,533**	**703**	**1,210**	**1,913**	**15,620**	**14,948**
Previous year	154	15,497	15,651	59	644	703	14,948	95

2. Capital work in progress includes Project Development expenditure as detailed below

		(In USD)
	2017	**2016**
Opening balance	-	14,086
Add:-		
Additions during the year	-	190
Less :- Transferred to Plant and Equipment	-	14,276
Closing balance	-	-

Notes on Financial Statements for the year ended 31st December, 2017

(in USD 000's)

3	Non-Current Investments	As at 31st December, 2017 Units	As at 31st December, 2017 Amount	As at 31st December, 2016 Units	As at 31st December, 2016 Amount
	In Units of company - Unquoted Fully Paid up				
	*Series D Preferred Stock of USD @ $1,000 per share of Airspan Networks Inc	10,000	10,000	10,000	10,000
	Series B Preferred Stock of USD @ $0.0001per share of Airhop Corporation Inc	863,856	1,500	575,904	1,000
	***8% Promissory note of Airhop Corporation Inc	-	1,000	-	-
	**Series B Preferred Stock USD @ 0.0001 USD of Airhop Corporation Inc	403,132	4	403,132	4
	In Equity Units of wholly owned subsidiary companies - Investments				
	Unquoted, fully paid up				
	Reliance Jio Global Resources LLC (including additional paid in capital of USD 4,448,415, P.Y 3,004,515)	50,000	4,448	50,000	3,005
	Total		**16,952**		**14,009**

*The Company has got an option to convert the above Series D preferred stock into common stock of the investee company @ 16.2601626 shares of each unit of preferred stock held by the Company.

** Pursuant to conversion of share warrants .

*** convertible into 575,904 units of Series B Preferred Stock upon satisfaction of certain conditions.

		As at 31st December, 2017	As at 31st December, 2016
4	**Other Non Current Assets**		
	Security Deposit	64	-
	Advance Income tax (net of Provision)	607	71
	Total	**671**	**71**

5 **Deferred tax assets (net)**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate prevalent in the jurisdiction the Company operates in. The movement on the deferred tax account is as follows:

	As at 31st December, 2017	As at 31st December, 2016
At the start of the year	-	-
Credit to Profit or Loss	75	-
Charge to Other Comprehensive Income	-	-
At the end of year	**75**	**-**

Notes on Financial Statements for the year ended 31st December, 2017

Deferred tax assets at the end of the reporting period and deferred tax credit in profit or loss and other comprehensive income.

Deferred tax assets (net) in relation to:		
Property, plant and equipment	(271)	-
Carried Forward Loss	346	-
Total	**75**	**-**

6 Trade Receivables

(Unsecured and considered good)	As at 31st December, 2017 Amount	As at 31st December, 2016 Amount
Others	3,144	2,304
Total	**3,144**	**2,304**

7 Cash and cash equivalents

	As at 31st December, 2017 Amount	As at 31st December, 2016 Amount
Balances with Banks*	1,434	127
Total	**1,434**	**127**

*Includes deposit against credit card of USD 25016

8 Other Current Assets

	As at 31st December, 2017 Amount	As at 31st December, 2016 Amount
(i) Security Deposits	32	143
(ii) Prepaid expenses	194	262
(iii) Others	-	134
Total	**226**	**539**

9 Equity Share Capital

(in USD 000's)

Authorised Share Capital :		As at 31st December, 2017	As at 31st December, 2016
10,000,000,000 (10,000,000,000)	Equity Shares of USD 0.01 each fully paid up	100,000	100,000
		100,000	**100,000**
Issued, Subscribed and Paid up:			
3,854,766,449 (3,454,766,449)	Equity Shares of USD 0.01 each fully paid up	38,548	34,548
	TOTAL	**38,548**	**34,548**

9.1 Terms/rights attached to equity shares :

The Company has one class of ordinary shares which carry equal voting rights.In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all liabilities in proportion to the number of equity shares held by them.

Notes on Financial Statements for the year ended 31st December, 2017

9.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year :

Particulars	Equity Shares 31st December, 2017 No.of Shares	31st December, 2017 in USD	31st December, 2016 No.of Shares	31st December, 2016 in USD
No. of shares at the beginning of the year (Balance as on 1st Jan 2016 amounts to 10 USD)	3,454,766,449	34,548	1,000	0
Add: Issue of Shares	400,000,000	4,000	3,454,765,449	34,548
No. of shares at the end of the year	**3,854,766,449**	**38,548**	**3,454,766,449**	**34,548**

9.3 Details of Shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company

Name of Shareholders	Equity Shares As at 31st December, 2017 No of Shares	As at 31st December, 2017 % holding	As at 31st December, 2016 No of Shares	As at 31st December, 2016 % holding
Reliance Jio Infocomm Ltd	**3,854,766,449**	**100.00%**	3,454,766,449	100.00%

(in USD 000's)

		As at 31st December, 2017	As at 31st December, 2016
10	**Other Equity**		
	Retained Earnings	(1,776)	(2,848)
	TOTAL	**(1,776)**	**(2,848)**
	Retained Earnings		
	As per last Balance Sheet	(2,848)	(2,459)
	Add: Profit for the year	1,072	(389)
	Balance at end of year	**(1,776)**	**(2,848)**
11	**Other current liabilities**		
	(a) Other Payables*	87	71
	TOTAL	**87**	**71**

*includes statutory dues

(in USD 000's)

		2017	2016
12	**Revenue from Operations**		
	Sale of Services (Refer no 17)	12,943	3,060
	TOTAL	**12,943**	3,060

		2017	2016
13	**Other Income**		
	Interest Income (Previous year USD 7)	9	0
	TOTAL	**9**	0

Notes on Financial Statements for the year ended 31st December, 2017

14	**Employee Benefits Expense**	**2017**	2016
	Salaries and Wages	3,328	1,567
	TOTAL	**3,328**	1,567

15	**Operating and Other expenses**	**2017**	2016
	Other Expenses		
	Colocation charges	667	271
	Bandwidth charges	830	213
	Voice Charges (Refer note 17)	4,344	27
	Legal and Professional Fees	119	136
	Telephone	17	16
	Travel	267	68
	Audit Fees	14	13
	General administration expenses	463	292
	Operating lease rentals	665	194
	Insurance	9	7
	TOTAL	**7,395**	**1,238**

16	**Earnings Per Share (EPS)**	**2017**	2016
	Basic Earning Per Share		
	i. Profit/ (Loss) for the year as per Statement of Profit and loss (in USD 000's)	1,072	(389)
	The financial statements are approved for the issue by the Board of Directors at their meeting conducted on April 16, 2018.		
	denominator for calculating EPS	3,679,232,202	3,454,766,449
	iii. Basic and Diluted Earnings per share (USD)	0.0003	(0.0001)
	iv. Face Value per equity share (USD)	0.01	0.01

17 Related Party Disclosures

List of related parties where control exists and related parties with whom transactions have taken place and relationship

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited (control exists)	Ultimate Holding Company
2	Reliance Jio Infocomm Limited (control exists)	Holiding Company
3	Reliance Jio Global Resources LLC (control exists)	Subsidiary Company
5	Reliance Jio Infocomm UK Ltd	Fellow Subsidiary
4	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary

Notes on Financial Statements for the year ended 31st December, 2017

Transactions during the year with related parties - Jan'17 - Dec'17

(in USD 000's)

Sr. No	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel / Relative	Total
	(excluding reimbursements)					
1	Purchase / Subscription of Investment	**-**	**1,443**	**-**	**-**	**1,443**
		-	1,495	-	-	1,495
2	Equity Shares issued and allotted	**4,000**	**-**	-	-	**4,000**
		(2,050)	-	-	-	(2,050)
3	IP Transit billing	**-**	**-**	**1,985**	**-**	**1,985**
		-	-	(1,870)	-	(1,870)
4	Voice billing	**1,865**	**-**	**-**	**-**	**1,865**
		(2,163)	-	-	-	(2,163)
5	Voice charges	**4,338**	**-**	**-**	**-**	**4,338**
		(25)	-	-	-	(25)
6	Services Rendered	**4,595**	**-**	**-**	**-**	**4,595**
		(1,184)	-	-	-	**(1,184)**
	Balances as at 31st December, 2017	(in USD)				
7	Trade Receivable	**2,120**	**-**	**771**	**-**	**2,891**
		(583)	-	(1,713)	-	(2,296)
8	Trade Payable	**748**	**-**	**-**	-	**748**
		-	-	-	-	-
9	Equity Share Capital	**38,548**	**-**	**-**	**-**	**38,548**
		(34,548)	-	-	-	(34,548)
10	Investment	**-**	**4,448**	**-**	**-**	**4,448**
		-	(3,005)	-	-	(3,005)

Note : Figures in brackets represent previous year's amounts.

Disclosure in Respect of Material Related Party Transactions during the year :

(in USD 000's)

	Particulars	Relationship	2017	2016
1	**Purchase / Subscription of Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	1,443	(1,495)
	Sub total		**1,443**	**(1,495)**
2	**Equity Shares issued and allotted**			
	Reliance Jio Infocomm Limited	Holding Company	4,000	2,050
	Sub total		**4,000**	**2,050**
3	**IP Transit billing**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	1,985	1,870
	Sub total		**1,985**	**1,870**

Notes on Financial Statements for the year ended 31st December, 2017

4	**Voice billing**			
	Reliance Jio Infocomm Limited	Holding Company	1,865	2,163
	Sub total		**1,865**	**2,163**
5	**Voice charges**			
	Reliance Jio Infocomm Limited	Holding Company	4,338	25
	Sub total		**4,338**	**25**
6	**Busines Support Services**			
	Reliance Jio Infocomm Limited	Holding Company	4,595	1,184
	Sub total		**4,595**	**1,184**

Balances as at 31st December, 2017

(in USD 000's)

	Particulars	**Relationship**	**2017**	**2016**
7	**Trade Receivable**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	771	1,713
	Reliance Jio Infocomm Limited	Holding Company	2,120	583
	Sub total		**2,891**	**2,296**
8	**Trade Payable**			
	Reliance Jio Infocomm Limited	Holding Company	748	-
	Sub total		**748**	**-**
9	**Equity Share Capital**			
	Reliance Jio Infocomm Limited	Holding Company	38,548	34,548
	Sub total		**38,548**	**34,548**
10	**Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	4,448	3,005
	Sub total		**4,448**	**3,005**

18 Leases

Opearating lease relate to lease of Office building on cancellable basis . The company does not have an option to purchase the leased office building at the expiry of lease period.

(in USD 000's)

	2017	**2016**
Lease Payment Due:		
Within one year	555	250
Later than one year and not later than five years	1,354	1,707
	1,909	1,957

The Company has entered into operating lease arrangements for office premises. The lease is non-cancellable for a period upto 5 years.

Amount of Lease Rentals charged to Statement of Profit and Loss in respect of non - cancellable operating leases:

(in USD 000's)

	2017	**2016**
Lease Rent - Office Premises	665	194
	665	**194**

Notes on Financial Statements for the year ended 31st December, 2017

19 CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.

c) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

Capital structure is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

20 FINANCIAL INSTRUMENTS

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

Fair Value Measurement Hierarchy:

(In USD 000’s)

Particulars	As at 31st December, 2017				As at 31st December, 2016			
	Carrying	Level of input used in			Carrying	Level of input used in		
	Amount	Level 1	Level 2	Level 3	Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amotised Cost								
Trade Receivables	3,144	-	-	-	2,304	-	-	-
Cash and Bank Balances	1,434	-	-	-	127	-	-	-
At FVTPL								
Investments	11,504	-	-	11,504	11,004	-	11,004	-
Financial Liabilities								
At Amortised Cost								
Trade Payables	1,263	-	-	-	227	-	-	-

The financial instruments are categorized into two levels based on inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable for the asset or liability. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Valuation techniques available were Net Asset value under cost approach, Market Prices method and Price of Recent Investment method under Market pproach and Comparable Companies Multiples and Comaprable Transaction Multiples under Market Approach and discounted cash flow under Income Approach. Valuation techniques used by the Company to value investments are price of recent investment method and Discounted Cash Flow Model.

Notes on Financial Statements for the year ended 31st December, 2017

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

Except for the amount owing to immediate holding company, the company has no significant concentration of credit risk with third parties. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history.Cash is held with a reputable financial institution. The carrying amount of financial asset recorded in the financial statement represents the Company's maximum exposure to credit risk .

Liquidity Risk

Considering the fact that the Company does not have material amounts of non current assets (consist of Withholding tax credit) coupled with the fact that the services are rendered exclusively to Holding Company, the Company is not exposed to a significant liquidity risk.

21 Segment information

The company is in the business of execution and developmentof international long distance and content business of Reliance Jio Infocomm Limited, the holding company. Consequently there is a single business segment.

22 The financial statements are approved for the issue by the Board of Directors at their meeting conducted on April 16, 2018.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 18th April, 2018

For and on behalf of the board

Manish Mangal
Director

Frisco
Dated: 16th April, 2018

Reliance Jio Global Resources LLC

Independent Auditors' Report

Independent Auditors' Report

To the Board of Directors

Reliance JioInfocomm USA Inc

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Reliance Jio Global Resources LLC** ("the Company"), which comprise the Balance Sheet as at December 31, 2017, 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the 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 Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 ("the Act").

This responsibility also includes maintenance of adequate accounting records 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 Ind AS 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 Ind AS financial statements based on our audit.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs of the Company as at December 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity 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 18, 2018

Balance Sheet as at 31st December, 2017

(in USD 000's)

Particulars	Notes	As at 31st December, 2017	As at 31st December, 2016
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2	**14**	10
Other Non - Current Assets	3	**2,172**	1,192
Total Non-Current assets		**2,186**	1,202
Current assets			
Financial Assets			
Trade receivables	4	**3,862**	1,382
Cash and cash equivalents	5	**137**	648
		3,999	2,030
Other Current Assets	6	**8**	301
Total Current assets		**4,007**	2,331
Total Assets		**6,193**	3,533
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	**0**	0
Other Equity	8	**5,967**	3,427
Total equity		**5,967**	3,427
Liabilities			
Current Liabilities			
Trade Payables		**226**	106
Total current liabilities		**226**	106
Total liabilities		**226**	106
Total Equity and Liabilities		**6,193**	3,533
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-18		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated :

For and on behalf of the board

Director

Frisco
Dated :

Statement of Profit and Loss for the year ended 31st December, 2017

(in USD 000's)

	Notes	2017	2016
INCOME			
Revenue from Operations	9	**9,169**	8,809
Total Income		**9,169**	8,809
EXPENSES			
Employee Benefits Expense	10	**7,836**	8,343
Depreciation Expense		**4**	3
Operating and Other expenses	11	**232**	354
Total Expenses		**8,072**	8,700
Profit before tax		**1,097**	109
Earnings per equity share of USD 0.01 each			
Basic (in USD)	13	**21.94**	**2.18**
Diluted (in USD)		**21.94**	**2.18**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2 - 18		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated :

For and on behalf of the board

Director

Frisco
Dated :

Statement of Changes In Equity for the period ended 31st December, 2017

(A) Equity Share Capital (in USD 000's)

Balance at 1st January, 2016 (USD 100)	**0**
Changes in equity share capital during the year	
Balance at 31st December, 2016 (USD 100)	**0**
Changes in equity share capital during the year	
Balance at 31st December, 2017 (USD 100)	**0**

(B) Other Equity

Particulars	**Reserves and Surplus**		**Total**
	Additonal Paid in Capital	**Retained Earnings**	
As on 31st December 2016			
Balance at the beginning of the year	4,499	314	4,813
Withdrawal of Additional Paid in Capital	(1,495)	-	(1,495)
Total Comprehensive Income for the year	-	109	109
	3,004	**423**	**3,427**
As on 31st December, 2017			
Balance at the beginning of the year	3,004	423	3,427
Total Comprehensive Income for the year	-	1,097	1,097
Additions to Additional Paid in Capital	1,443	-	1,443
	4,447	**1,520**	**5,967**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated :

For and on behalf of the board

Director

Frisco
Dated :

Cash Flow Statement for the year ended 31st December 2017

(in USD 000's)

			2017		2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and loss		**1,097**		109
	Adjusted for:				
	Depreciation Expense		**4**		3
	Operating profit before Working Capital Changes		**1,101**		112
	Adjusted for				
	Trade and Other Receivebles	**(3,167)**		1,220	
	Trade and Other Payables	**120**		(52)	
			(3,047)		1,168
	Net cash (used in)/generated from Operating Activities (A)		**(1,946)**		1,280
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property Plant and Equipment		**(8)**		(3)
	Net Cash (used in) Investing Activities (B)		**(8)**		(3)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Withdrawal of additional paid in capital		**-**		(1,495)
	Proceeds from additional paid in capital		**1,443**		-
	Net Cash from/(used in) Financing Activities (C)		**1,443**		(1,495)
	Net (Decrease) in Cash and Cash Equivalents (A+B+C)		**(511)**		(218)
	Opening Balance of Cash and Cash Equivalents		**648**		866
	Closing Balance of Cash and Cash Equivalents (Refer Note 5)		**137**		648
	Significant Accounting Policies	1			
	Notes to the Financial statements	2-16			

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated :

For and on behalf of the board

Director

Frisco
Dated :

Notes to the Standalone Financial Statements for the year ended 31 December 2017

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 3010 Gaylord Parkway, Suite 150, Frisco, TX-75034. 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 ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B.2 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting polices below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property Plant and Equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Depreciation on Property Plant and Equipments is provided when the assets are ready for intented use, on straight line method (SLM) based on the management estimate useful lives which are as under

Computer and Equipment 4 years

(b) Leases:

Payment made under operating leases, net of lease incentives or premium received, are charged to the Profit and Loss Statement on a straight line basis over the period of the lease .

(c) Impairment of non financial Assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

(d) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Standalone Financial Statements for the year ended 31 December 2017

(e) Employee benefits

(i) **Short Term 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.

(ii) **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.

(f) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the 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, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following conditions are satisfied:

- Revenue can be measured reliably,
- It is probable that the economic benefit associated with the transaction will flow to the Company,
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Revenue on account of telephony services is recognised net of discount, rebates, service tax, etc. on rendering of services.

Revenue from passive infrastructure is recognised on accrual basis as per contractual terms on a systematic basis over the contract period.

Notes to the Standalone Financial Statements for the year ended 31 December 2017

(j) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

Notes to the Standalone Financial Statements for the year ended 31 December 2017

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(iii) Long Term Foreign Currency Monetary Items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items.

(iv) Investments in subsidiaries and associates

The Company has elected to measure investment in subsidiaries and associate at cost.

D New and revised Ind AS in issue but not effective yet

The Company has not applied the following new and revised Ind AS that have been issued but are not yet effective: IND AS 115 - Revenue from Contracts with Customers (Effective for accounting periods beginning on or after April 01, 2018)

Ind AS 115 Revenue from Contracts with Customers

In April 2017, the ICAI issued an Exposure Draft on Clarifications to Ind AS 115, applicable for accounting periods beginning on or after April 01, 2018. On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified that Ind AS 115 will be effective for accounting periods beginning on or after April 01, 2018. Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

• Step 1: Identify the contract(s) with a customer.

• Step 2: Identify the performance obligations in the contract.

• Step 3: Determine the transaction price.

• Step 4: Allocate the transaction price to the performance obligations in the contract.

• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more perspective guidance has been added in Ind AS 115 to deal with specific scenarios. Furthermore, extensive disclosure requirements are required by Ind AS 115.

The Company anticipate that the application of Ind AS 115 in the future may have a significant impact on the amounts reported and disclosures made in these Ind AS financial statements. However, it is not practicable to provide a reasonable estimate of the effect of Ind AS 115 until the Company performs a detailed review.

Notes on Financial Statements for the year ended 31st December, 2017

2. Property, Plant and Equipment (in USD 000's)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-Jan-17	Additions	As at 31-Dec-17	As at 01-Jan-17	For the year	As at 31-Dec-17	As at 31-Dec-17	As at 31-Dec-16
Tangible Assets :								
Own Assets :								
Office Equipments	15	8	23	5	4	9	14	10
Total (A)	**15**	**8**	**23**	**5**	**4**	**9**	**14**	**10**
Previous Year Figures	12	3	15	1	3	5	10	-

(in USD 000's)

		As at 31st December, 2017	As at 31st December, 2016
3	**Other Non Current Assets**		
	Withholding Tax Receivable	2,172	1,192
	TOTAL	**2,172**	**1,192**

		As at 31st December, 2017	As at 31st December, 2016
4	**Trade Receivables** (Unsecured and considered good)		
	Others	3,862	1,382
	Total	**3,862**	**1,382**

		As at 31st December, 2017	As at 31st December, 2016
5	**Cash and cash equivalents**		
	Balances with Banks	137	648
	Total	**137**	**648**

		As at 31st December, 2017	As at 31st December, 2016
6	**Other Current Assets**		
	(i) Prepaid expenses	4	3
	(ii) Withholding tax Receivable from Employees	-	298
	(iii) Others*	4	-
	Total	**8**	**301**

*Advance to employees

Notes on Financial Statements for the year ended 31st December, 2017

7 Equity Share Capital **(in USD 000's)**

Authorised Share Capital :		**As at 31st December, 2017**	**As at 31st December, 2016**
50,000	Equity Shares of USD 0.002	0	0
(50,000)	each fully paid up (USD 100)		
		0	**0**
Issued, Subscribed and Paid up:			
50,000	Equity Shares of USD 0.002	0	0
(50,000)	each fully paid up (USD 100)		
TOTAL		**0**	**0**

7.1 Terms/rights attached to equity shares :

The Company has only one class of equity units having a par value of USD 0.02 per share. The Company has received an amount aggregating USD 4,448,415 towards additional paid in capital from Reliance Jio Infocomm USA the parent company. The Company has one class of ordinary shares which carry equal voting rights. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all liabilities in proportion to the number of equity shares held by them.

7.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year :

	Equity Shares			
Particulars	**31st December, 2017**		**31st December, 2016**	
	No.of Shares	**in USD**	**No.of Shares**	**in USD**
No. of shares at the beginning of the year (USD 100)	50,000	0	50,000	0
Add: Issue of Shares	-	-	-	-
No. of shares at the end of the year	**50,000**	**0**	**50,000**	**0**

7.3 Details of Shareholders holding more than 5% shares in the Company including those held by holding company and Subsidiaries of holding company

	Equity Shares			
Name of Shareholders	**As at 31st December, 2017**		**As at 31st December, 2016**	
	No of Shares	**% holding**	**No of Shares**	**% holding**
Reliance Jio Infocomm USA Inc	**50,000**	**100.00%**	50,000	100.00%

(In USD 000')

8 Other Equity	**As at 31st December, 2017**	**As at 31st December, 2016**
Additional Paid in Capital	4,447	3,004
Retained Earnings	1,520	423
TOTAL	**5,967**	3,427
Retained Earnings		
As per last Balance Sheet	423	314
Add: Profit for the year	1,097	109
Balance at end of year	**1,520**	423

Notes on Financial Statements for the year ended 31st December, 2017

9	**Revenue from Operations**		
	Sale of Services (Refer note no 14)	9,169	8,809
	TOTAL	**9,169**	8,809
10	**Employee Benefits Expense**		
	i Salaries and Wages	6,238	7,894
	ii Payroll taxes and benefits	1,598	449
	TOTAL	**7,836**	8,343
11	**Operating & Other expenses**		
	Bank Charges (Current year USD 237, previous year 211)	0	0
	Legal and Professional Fees	33	19
	Telephone	4	8
	Travel	155	150
	Payment to Auditors	14	22
	General administration expenses	14	3
	Rent	12	152
	TOTAL	**232**	354

12 No tax expense has been provided as the Company is a disregarded entity under USA Tax laws in view of the single membership status of the Company. Activities of the Company and related profit would be reflected in owners return i.e Reliance Jio Infocomm USA Inc., the Holding Company.

13	**Earnings Per Share (EPS)**	**2017**	2016
i.	Earnings attributable to members (in USD 000's)	1,097	109
ii.	Weighted Average number of equity units used as denominator for calculating EPS	50,000	50,000
iii.	Basic and Diluted Earnings per unit (USD)	21.94	2.18
iv.	Face Value per equity unit (USD)	0.002	0.002

14 Related Party Disclosures

List of related parties where control exists and related parties with whom transactions have taken place and relationship

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited (control exists)	Ultimate Holding Company
2	Reliance Jio Infocomm Limited (control exists)	Intermediate Holding Company
3	Reliance Jio Infocomm USA Inc. (control exists)	Holding Company
4	Reliance Corporate IT Park Limited	Fellow Subsidiary

Notes on Financial Statements for the year ended 31st December, 2017

Transactions during the year with related parties (in USD 000's)

Sr. No	Nature of Transactions (excluding reimbursements)	Holding Company	Fellow Subsidiary	Total
1	Issue of Equity Share Capital	-	**-**	**-**
		-	-	-
2	Additional Paid in Capital	**1,443**	**-**	**1,443**
		-	-	-
3	Withdrawal of Additional Paid in Capital	-	**-**	**-**
		(1,495)	-	(1,495)
4	Services Rendered	-	**9,169**	**9,169**
		-	(8,809)	(8,809)
Balances as at 31st December, 2017				
5	Members Equity	**0**	**-**	**0**
		(0)	-	(0)
6	Trade Receivable	**-**	**3,862**	**3,862**
		-	(1,382)	(1,382)
7	Additional Paid in Capital	**4,447**	**-**	**4,447**
		(3,004)	-	(3,004)

Note : Figures in brackets represent previous year's amounts.

Disclosure in Respect of Material Related Party Transactions during the year : (in USD 000's)

	Particulars	Relationship	2017	2016
1	**Issue of Share Capital**			
	Reliance Jio Infocomm USA Inc		-	-
	Sub total		-	**-**
2	**Issue of Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	1,443	**-**
	Sub total		**1,443**	**-**
3	**Withdrawal of Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	-	(1,495)
	Sub total		**-**	**(1,495)**
4	**Services Rendered**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	9,169	8,809
	Sub total		**9,169**	**8,809**

Balances as at 31st December, 2017 (in USD 000's)

	Particulars	Relationship	2017	2016
5	**Trade Receivable**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	3,862	1,382
	Sub total		**3,862**	**1,382**
6	**Members Equity**			
	Reliance Jio Infocomm USA Inc (USD 100)	Holding	0	0
	Sub total		**0**	**0**
7	**Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	4,447	3,004
	Sub total		**4,447**	**3,004**

Notes on Financial Statements for the year ended 31st December, 2017

15 SEGMENT REPORTING

The Company is in the business of providing manpower services, onshore and offshore, in the area of information, telephony and wireless technology in USA. Consequently there is a single business and geographical segment.

16 CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.

c) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

Capital structure is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

17 FINANCIAL INSTRUMENTS

Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair Value Measurement Hierarchy:

Particulars	As at 31st December, 2017 Carrying Amount	As at 31st December, 2016 Carrying Amount
Financial Assets		
At Amortised Cost		
Trade Receivables	3,862	1,382
Cash and Bank Balances	137	648
Financial Liabilities		
At Amortised Cost		
Trade Payables	226	106

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

Except for the amount owing to immediate holding company, the company has no significant concentration of credit risk with third parties. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Cash is held with a reputable financial institution. The carrying amount of financial asset recorded in the financial statement represents the Company's maximum exposure to credit risk .

Notes on Financial Statements for the year ended 31st December, 2017

Liquidity Risk

Considering the fact that the Company does not have material amounts of non current assets (consist of Withholding tax credit) coupled with the fact that the services are rendered exclusively to a fellow subsidiary, the Company is not exposed to a significant liquidity risk.

18 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by Board of Members on 16th April, 2018.

As per our report of even date

For Deloitte Haskins & Sells LLP Chartered Accountants	**For and on behalf of the board**
Abhijit A. Damle **Partner** **Membership No.102912**	**Director**
Mumbai Dated :	**Frisco** Dated :