FINANCIAL STATEMENT OF SUBSIDARIES 2014-15

1. **Reliance Jio Infocomm PTE. Ltd.**
2. **Reliance Jio Infocomm UK Limited**
3. **Reliance Jio Infocomm USA Inc.**

Reliance Jio Infocomm Pte. Ltd.

Independent Auditors' Report

To the members of

RELIANCE JIO INFOCOMM PTE LTD

Report on the Financial Statements

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, 2014, 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 year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 6 to 29.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at December 31, 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Other matters

The financial statements of the company for the period ended from February 1, 2013 to December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated April 7, 2014.

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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

April 15, 2015

Statement of Financial Position December 31, 2014

	Note	2014	2013
		US$	US$
ASSETS			
Current assets			
Cash and cash equivalents	6	2,437,834	35,729
Other receivables	7	771,922	171,738
Prepayments		98,975	68,827
Total current assets		3,308,731	276,294
Non-current assets			
Plant and equipment	8	42,562,746	13,815,840
Intangible assets	9	20,813,195	16,994,182
Capital advance for purchase of plant and equipment		2,093,214	-
Total non-current assets		65,469,155	30,810,022
Total assets		68,777,886	31,086,316
LIABILITIES AND EQUITY			
Current liabilities			
Other payables and accruals	10	3,570,082	6,266,927
Advance billing to holding company		485,000	-
Application money pending allocation	11	-	3,291,552
Total current liabilities		4,055,082	9,558,479
Capital and reserves			
Share capital	12	66,000,000	21,600,000
Accumulated losses		(1,277,196)	(72,163)
Total equity		64,722,804	21,527,837
Total liabilities and equity		68,777,886	31,086,316

See accompanying notes to financial statements.

Statement of Profit or Loss and other Comprehensive Income year ended December 31, 2014

	Note	January 1, 2014 to December 31, 2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
		US$	US$
Revenue from operations		679,000	-
Other operating income	13	290	-
Depreciation and amortisation		(931,755)	-
Employee benefits expense		(82,858)	-
Other operating expenses		(869,710)	(72,163)
Loss before tax	14	(1,205,033)	(72,163)
Income tax	15	-	-
Net Loss for the year/period, representing total comprehensive loss for the year/period		(1,205,033)	(72,163)

See accompanying notes to financial statements.

Statement of Changes in Equity year ended December 31, 2014

	Share Capital	Accumulated losses	Total
	US$	US$	US$
At February 1, 2013 (date of incorporation)	-	-	-
Loss for the period, representing total comprehensive lossfor the period	-	(72,163)	(72,163)
Shares issued during the period, representing transactions with owners recognised directly in equity	21,600,000	-	21,600,000
At December 31, 2013	21,600,000	(72,163)	21,527,837
Loss for the year, representing total comprehensive loss for the year	-	(1,205,033)	(1,205,033)
Shares issued during the period, representing transactions with owners recognised directly in equity	44,400,000	-	44,400,000
At December 31, 2014	66,000,000	(1,277,196)	64,722,804

See accompanying notes to financial statements.

Statement of Cash Flows year ended December 31, 2014

	2014	For the financial period from Feb 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Cash flows from operating activities		
Loss before income tax	(1,205,033)	(72,163)
Adjustment for:		
Depreciation and amortisation	931,755	-
Operating cash flows before working capital changes	(273,278)	(72,163)
Other receivables	108,431	(171,738)
Prepayments	(30,148)	(68,827)
Other payables and accruals	863,555	26,357
Net cash from (used in) operating activities	668,560	(286,371)
Cash flows from investing activities		
Purchase of plant and equipment	(34,657,233)	(7,848,302)
Additions to intangible assets	(4,717,670)	(16,721,150)
Net cash used in investing activities	(39,374,903)	(24,569,452)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	41,108,448	21,600,000
Proceeds from application money pending allotment received	-	3,291,552
Net cash from financing activities	41,108,448	24,891,552
Net increase in cash and cash equivalents	2,402,105	35,729
Cash and cash equivalents at the beginning of the year/period	35,729	-
Cash and cash equivalents at the end of the year/period	2,437,834	35,729

See accompanying notes to financial statement.

Notes to Financial Statements December 31, 2014

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, # 16-01, 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 has been granted a Licence on July 8, 2013 to provide Facilities- Based Operations ("FBO") by the Info-Communications Development Authority of Singapore ("IDA") and telecom services have commenced during the current year.

The financial statements of the company for the financial period ended December 31, 2014 were authorised for issue by the Board of directors on April 15, 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

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 Singapore Financial Reporting Standards ("FRS").

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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

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.

b) ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior year.

At the date of authorization of these financial statements, the following FRSs, INT FRSs and amendments to FRS that arerelevant to the company was issued but not effective:

- FRS 109 Financial Instruments[4]
- FRS 115 Revenue from Contracts with Customers[3]
- Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative
- Improvements to Financial Reporting Standards (January 2014)[1]
- Improvements to Financial Reporting Standards (February 2014)[1]
- Improvements to FRSs (November 2014)[2]

Notes to Financial Statements December 31, 2014

[1] Applies to annual periods beginning on or after July 1, 2014, with early application permitted.

[2] Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

[3] Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

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

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

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS that were issued but effective in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

c) 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.

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.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loan and receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loan and receivables". Loan and receivables (including other receivable, bank balance and cash) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables 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 considered to be impaired when 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 investment have been impacted.

For financial assets carried at 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.

For financial assets measured at amortised cost, 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 asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets

The company derecognizes 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 nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognizes 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 collateralized borrowing for the proceeds received.

Notes to Financial Statements December 31, 2014

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 are recorded at the proceeds received, net of direct issue costs.

Other payables

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 balances when the effect of discounting is immaterial.

De-recognition of financial liabilities

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

d) PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Plant and equipment in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, 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 bases:

Plant and equipment - 5 to 15 years

The estimated useful lives 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 sale proceed and the carrying amount of the asset and is recognised in statement of profit or loss and other comprehensive income.

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

e) INTANGIBLE ASSETS

Intangible assets acquired separately are reported at cost less accumulated amortisation (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 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 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

Notes to Financial Statements December 31, 2014

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 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 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.

f) <u>PROVISIONS</u>

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.

g) <u>LEASES</u>

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 lease are classified as operating leases.

Rental 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 recognised 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.

h) <u>REVENUE RECOGNITION</u>

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.

<u>Sale of goods</u>

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.

<u>Rendering of services</u>

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.

i) 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 year. Taxable profit differs from profit as reported in the statement of profit or loss and 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, and is accounted for using the balance sheet liability method. 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 utilized.

The carrying amount of deferred tax asset is reviewed at the end of the 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 realized based on the tax rates (and tax laws) that have been enacted or substantively been 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.

j) FOREIGN CURRENCY TRANSACTIONS

The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollar, which is the functional currency of the company.

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rate 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 at the end of the reporting period.Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. 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 judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are no 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 judgments in applying the company's accounting policies and key sources of estimation uncertainty

Management is of the opinion that there are no critical judgments in applying the company's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements.There are no key sources of estimation uncertainty at the end of the reporting period except as discussed below.

Notes to Financial Statements December 31, 2014

Impairment of plant and equipment

The company assesses annually whether plant and equipment 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 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 is disclosed in Note 8 to the financial statements.The management is of the view that there is no indication of impairment in the carrying amount of intangible assets.

Impairment of intangible assets

The company assesses annually whether there is any indication of impairment for its intangible assets. If an indication of impairment is identified, the management estimates the recoverable amount using value-in-use calculation to estimate the future cash flows expected to rise and a suitable discount rate to calculate present value. The carrying amount of intangible assets is disclosed in Note 9.The management is of the view that there is no indication of impairment in the carrying amount of intangible assets.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	2014	2013
	US$	US$
Financial assets		
Loans & receivables (including cash and cash equivalent)	3,209,756	207,467
Financial liabilities		
Amortised cost	3,570,082	6,266,927

(b) Financial risk management policies and objectives

The Company is exposed to a variety of financial risks in the normal course of its business activities. The key financial risks for the Company include interest rate risk, credit risk, and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks.

(i) Credit risk management

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

(ii) 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.

(iii) 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:

Notes to Financial Statements December 31, 2014

	Assets		Liabilities	
	2014	2013	2014	2013
	$	$	$	$
Singapore dollars	105,376	22,732	11,918	-

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.

(iv) 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, with the support of its ultimate holding 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.

(v) 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.

(vi) Capital risk 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 2013.

5 HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

In 2013, the company was a subsidairy of Infotel Telecom Limited,incorporated in India. Infotel Telecom Limited was a subsidiary of Reliance Jio Infocomm Limited, also incorporated in India. With effective from September 1, 2014, Infotel Telecom Limited has been amalgamated with Reliance Jio Infocomm Limited whose ultimate holding company is Reliance Industries Limited also incorporated in India. Related parties 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.

	2014	2013
	US$	US$
Immediate holding company		
Sale of services	679,000	-
Transfer of fixed assets	708,615	-
Commission expense	9,075	-
Related companies		
Professional services received	47,335	-
Rent expense	46,927	-

6 CASH AND CASH EQUIVALENTS

	2014	2013
	US$	US$
Cash at bank	2,437,834	35,729

Notes to Financial Statements December 31, 2014

7 OTHER RECEIVABLES

	2014	2013
	US$	US$
Outside parties	34,911	155,724
Amount due from holding company	708,615	-
Rent deposit due from related company	12,382	-
Fixed deposits with bank	16,014	16,014
	771,922	171,738

8 PLANT AND EQUIPMENT

	Plant and Machinery	Construction work-in-progress	Total
	US$	US$	US$
Cost:			
At February 1, 2013 (date of incorporation)			
Additions	-	13,815,840	13,815,840
At December 31, 2013	-	13,815,840	13,815,840
Addition	-	29,488,619	29,488,619
Transfers to Plant and Machinery	723,995	(723,995)	-
Transfers to holding company	-	(708,615)	(708,615)
At December 31, 2014	723,995	41,871,849	42,595,844
Accumulated depreciation:			
At February 1, 2013 (date of incorporation)	-	-	-
Charge for the period	-	-	-
At December 31, 2013	-	-	-
Charge for the year	33,098	-	33,098
At December 31, 2014	33,098	-	33,098
Carrying amount:			
At December 31, 2014	690,897	41,871,849	42,562,746
At December 31, 2013	-	13,815,840	13,815,840

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 to Financial Statements December 31, 2014

9 INTANGIBLE ASSETS

	Rights-to-use capacity	Intangible assets under development	Total
	US$	US$	US$
Cost:			
At February 1, 2013 (date of incorporation)	-	-	-
Additions	-	16,994,182	16,994,182
At December 31, 2013	-	16,994,182	16,994,182
Addition	1,180,000	3,537,670	4,717,670
Transfers	19,531,852	(19,531,852)	-
At December 31, 2014	20,711,852	1,000,000	21,711,852
Accumulated amortisation:			
At February 1, 2013 (date of incorporation)	-	-	-
Charge for the year	-	-	-
At December 31, 2013	-	-	-
Charge for the year	898,657	-	898,657
At December 31, 2014	898,657	-	898,657
Carrying amount:			
At December 31, 2014	19,813,195	1,000,000	20,813,195
At December 31, 2013	-	16,994,182	16,994,182

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.

10 OTHER PAYABLES AND ACCRUALS

	2014	2013
	US$	US$
Outside parties	3,032,674	3,492,827
Amount due to holding company	9,075	-
Amount due to related company	47,335	-
Accruals	480,998	2,774,100
	3,570,082	6,266,927

11 APPLICATION MONEY PENDING ALLOTMENT

Application money pending allotment relates to amounts received from Infotel Telecom Limited, the immediate holding company, for which allotment was pending as at December 31, 2013.

12 SHARE CAPITAL

	Number of ordinary shares	US$
Issued and fully paid:		
Balance at 1 February 2013 (date of incorporation)	-	-
Shares issued during the period	21,600,000	21,600,000
Balance at 31 December 2013	21,600,000	21,600,000
Shares issued during the year	44,400,000	44,400,000
Balance at 31 December 2014	66,000,000	66,000,000

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

Notes to Financial Statements December 31, 2014

13 OTHER OPERATING INCOME

	January 1, 2014 to December 31,2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Interest income	290	-

14 PROFIT BEFORE INCOME TAX

Profit before income tax includes the following charges:

	January 1, 2014 to December 31,2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Director remuneration, representing staff cost	82,858	-
Depreciation of plant and equipment	33,098	-
Amortisation of intangible assets	898,657	-
Net foreign exchange losses	9,194	352
License fees	63,349	31,171
Legal and professional fees	67,952	39,928

15 INCOME TAX EXPENSE

	January 1, 2014 to December 31,2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Income tax	-	-

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2013: 17%) to loss before tax as a result of the following differences:

	January 1, 2014 to December 31,2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Loss before tax	(1,205,033)	(72,163)
Income tax expense at statutory rate of 17% (2013: 17%)	204,856	12,268
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(204,856)	(12,268)
Total income tax expense	-	-

Notes to Financial Statements December 31, 2014

Subject to the agreement by the tax authorities, at the end of the reporting period, the company has unutilised tax losses and deferred capital allowances of US$1,303,657 (2013: US$107,819) available for offset against future profits. Deferred tax asset of US$221,622 (2013: US$18,329) has not been recognised in respect of this amount due to unpredictability of future profit streams.

16 OPERATING LEASE COMMITMENTS

	2014	For the financial period from February 1, 2013 (date of incorporation) to December 31, 2013
	US$	US$
Minimum lease payments paid under operating leases	46,927	-

At the end of the reporting period, there is no commitment in respect of operating leases for the lease of office building as the lease agreement was entered with the related company.

17 CAPITAL COMMITMENTS

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

	2014	2013
	US$	US$
Commitments for the acquisition of plant and equipment	50,842,452	32,044,070

18 SUBSEQUENT EVENTS

With effect from 6 January 2015 Info-Communications Development Authority of Singapore(“IDA”) has approved an amendment to expand the scope of the Facilities- Based Operations (FBO) by virtue of which the company is also entitled to provide International voice and transit services.

19 COMPARATIVE FIGURES

The financial year covers the period of 52 weeks ended December 31, 2014. The preceding financial year covered the period of 47 weeks from February 1, 2013 to December 31, 2013.

Reliance Jio Infocomm UK Limited

Independent auditor's report to the members of Reliance Jio Infocomm UK Limited

We have audited the financial statements of Reliance Jio Infocomm UK Limited for the 17 months ended 31 December 2014 which comprise of the Profit and Loss Account, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a strategic report or in preparing the Directors' report.

David Griffin FCA (Senior Statutory auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

27 March 2015

Profit and Loss Account
For the 17 months ended 31 December 2014

	Note	2014 £
Gross profit		-
Other operating expenses (net)	**3**	32,808
Operating loss		(32,808)
Loss on ordinary activities before taxation		(32,808)
Tax on profit on ordinary activities	**4**	-
Loss on ordinary activities after taxation		(32,808)
Loss for the financial period		(32,808)

All amounts relate to continuing operations. There are no recognised gains or losses for the period other than the loss stated above, therefore no separate statement of recognised gains or losses is presented.

The accompanying notes form an integral part of the financial statements.

Balance Sheet as at 31 December 2014 — Company No. 08630000

	Note	2014 £
Fixed assets	**5**	455,770
		455,770
Current assets		
Stocks		
Debtors		
– due within one year	**6**	47,357
Cash at bank and in hand		37,937
Total Current assets		85,294
Creditors: Amounts falling due within one year	**7**	(273,872)
Net current assets		(188,578)
Total assets less current liabilities		267,192
Net assets		267,192
Capital and reserves		
Called-up share capital	**8**	300,000
Profit and loss account	**9**	(32,808)
Shareholders’ funds		267,192

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved by the Board of Directors and signed on its behalf on 27 March 2015.

Saji Varghese

Director

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the 17 month period ended 31 December 2014.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP).

The company has taken advantage of the exemption from the requirement of Financial Reporting Standard No. 01 (revised) to prepare a cash flow statement as during the year it was a wholly owned subsidiary of Reliance Jio Infocomm Limited, which in turn is a subsidiary of Reliance Industries Limited whose consolidated financial statements include those of the Company and are publicly available.

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

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairments.

Included within the cost of network infrastructure systems are materials awaiting installation which are valued at cost less a provision for excess and obsolete items. The materials are used in the construction and maintenance of new and existing infrastructure and, when issued, are charged either to the cost of specific infrastructure or to the profit and loss account.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation of tangible fixed assets

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	13-15 years
Furniture and fittings	5-10 years
Network infrastructure	5-15 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 transalated 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 transalation is recognised in the profit and loss account.

Leases

Lease payments are currently being capitalised to the balance sheet as they are wholly attributable to getting the assets for its intended use.

Notes to the Financial Statements

2. Director's emoluments and staff costs

Neither director received any remuneration by the Company during the 17 months ended 31 December 2014.

The Company employed one person for the months of October to December during the year. All his costs have been capitalised as he has been used wholly in the construction of the fixed assets. No other employees were employed by the company during the year.

	2014
	£
Wages and salaries	29,125
Social security costs	3,745
Other pension costs incurred	139
	33,009

3. Operating loss

	2014
	£
Professional fees	17,193
Audit fees	8,000
Insurance	1,726
General expenses	5,889
	32,808

4. Tax on loss on ordinary activities

(a) The tax charge comprises:

	2014
	£
Current tax	
UK corporation tax	-
Double tax relief	-
Foreign tax	-
Total tax on profit on ordinary activities	-

(b) Corporation tax is payable at 21.94% on taxable profits:

	2014
	£
Loss on ordinary activities before taxation	(32,808)
Loss on ordinary activities multiplied by standard tax rate of corporation tax in the UK of 21.94%	(7,199)
Expenses not deductible for tax purposes	439
Unrelieved tax losses and other deductions arising in the period	6,760
Total current tax for the period	-

The Company has an unrecognised deferred tax asset in respect of losses of £ 6,162 as there is insufficient evidence that the asset will be recovered

Notes to the Financial Statements

5. Fixed assets

	Payments on account and assets in the course of construction £	Total £
Cost or valuation		
Opening balance	-	-
Additions	455,770	455,770
Disposals	-	-
At 31 December 2014	455,770	455,770
Depreciation		
Opening balance	-	-
Charge for the year	-	-
Reversal of past impairment losses	-	-
Adjustments on revaluations	-	-
Disposals	-	-
At 31 December 2014	-	-
Net book value		
At 31 December 2014	455,770	455,770

The company is in the process of implementing the infrastructure for providing international telecommunications services and expenditure incurred towards the same has been classified under "Assets in the course of construction".

6. Debtors

	2014 £
Amounts falling due within one year:	
VAT	46,548
Prepayments and accrued income	809
	47,357

7. Creditors – amounts falling due within one year

	2014 £
Other creditors	273,872
	273,872

8. Called up share capital

	2014 £
Allotted, called up and paid up	
333,333 ordinary shares of £ 1 each (£ 0.90 partly paid up)	300,000
	300,000

Notes to the Financial Statements

9. Reserves

	Profit and loss account £
Opening balance	-
Loss for the period	(32,808)
Dividends paid on equity shares	-
At 31 December 2014	(32,808)

10. Reconciliation of movements in shareholders' funds

	2014 £
Loss for the 17 months ended 31 December 2014	(32,808)
Other recognised gains and losses relating to the year (net)	-
	(32,808)
Dividends paid on equity shares	-
New shares issued	300,000
Net addition to shareholders' funds	267,192

11. Financial Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014 Other £
Expiry date	
- within one year	108,146
- between two and five years	313,333
- after five years	51,058
	472,537

12. Ultimate parent and controlling related party

The Company's immediate parent company and controlling related party is Reliance Jio Infocomm Limited, India. The Company's ultimate parent and controlling related party is Reliance Industries Limited, India.

Reliance Industries Limited is the parent company of the group of which Reliance Jio Infocomm UK Limited is a member and for which group accounts are drawn and can be obtained from 3rd floor, Maker Chambers IV, 222, Nariman Point, Mumbai – 400021, India.

13. Related Party transactions

The company has taken advantage of the exemption contained within the Financial Reporting Standard No 8 "Related Party Disclosures" as during the year it was a wholly owned subsidiary of Reliance Jio Infocomm Limited, which in turn is a subsidiary of Reliance Industries Limited whose consolidated financial statements include those of the Company and are publicly available. Therefore the Company has not disclosed transactions with wholly owned group companies. There were no other related party transactions in the year.

Reliance Jio Infocomm USA Inc.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Reliance Jio Infocomm USA, Inc.

We have audited the accompanying financial statements of Reliance Jio Infocomm USA, Inc., which comprise the statement of financial position as at December 31, 2014, and the related statements of Profit or loss and Other Comprehensive Income, Statement of Changes in equity and statement of cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reliance Jio Infocomm USA, Inc. Limited as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. : 117366W/W-100018)

Abhijit A. Damle
Partner
Membership No. 102912

Mumbai, dated: April 7, 2015

Statement of profit or loss and other comprehensive income for the year ended 31 December 2014

	Notes	Year Ended 31 December 2014	Period from 5 June 2013 to 31 December 2013
		(In USD)	
Expenses			
General and administrative expenses	**4**	**1,316,736**	223,429
Finance costs	**6**	**-**	390
Loss before taxation		**1,316,736**	223,819
Income tax expense		**-**	-
Total comprehensive loss for the year / period		**1,316,736**	223,819

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of financial position at 31 December 2014

	Notes	2014	2013
		(In USD)	
Assets			
Non-current assets:			
Property, plant and equipment, net	**7**	**10,881,041**	2,178,188
Intangible assets, net	**8**	**231,206**	-
Available for sale investment	**11**	**5,000,000**	-
Total non-current assets		**16,112,247**	2,178,188
Current assets:			
Other current assets	**9**	**229,113**	44,929
Cash and cash equivalents	**10**	**278,828**	362,202
Total current assets		**507,941**	407,131
Total assets		**16,620,188**	2,585,319
Equity and liabilities			
Equity:			
Share capital	**12**	**10**	10
Additional paid-in capital	**12**	**17,642,654**	2,649,990
Accumulated Deficit		**(1,540,555)**	(223,819)
Total equity		**16,102,109**	2,426,181
Current liabilities:			
Accounts payable and accrued liabilities	**13**	**518,079**	159,138
Total liabilities		**518,079**	159,138
Total equity and liabilities		**16,620,188**	2,585,319

The accompanying accounting policies and explanatory information form an integral part of the financial statements

For and on behalf of the Board

Mathew Oommen
Director
Date: April 7, 2015

Statement of Changes in Equity for the year ended 31 December 2014

	Share Capital	Additional Paid-In Capital	Accumulated Deficit	Total
		(In USD)		
Balance At 5 June 2013	-	-	-	-
Shareholders' contributions	10	2,649,990		2,650,000
Total comprehensive loss for the period	-	-	(223,819)	(223,819)
Balance At 31 December 2013	**10**	**2,649,990**	**(223,819)**	**2,426,181**
Shareholders' contributions	-	14,992,664	-	14,992,664
Total comprehensive loss for the period	-	-	(1,316,736)	(1,316,736)
Balance at 31 December 2014	**10**	**17,642,654**	**(1,540,555)**	**16,102,109**

The accompanying accounting policies and explanatory information form an integral part of the financial statements

Statement of Cash Flow for the year ended 31 December 2014

	2014	Period from 5 June 2013 to 31 December 2013
	(In USD)	
Operating activities		
Loss before income taxes	**(1,316,736)**	(223,819)
Adjustments for:		
Depreciation and amortisation	**178,830**	192
Finance cost	-	(390)
Operating cash flow before movement in working capital	**(1,137,906)**	(224,017)
Working capital adjustment:		
Increase in other current assets	**(184,184)**	(44,929)
Increase in accounts payable and accrued liabilities	**358,941**	159,138
	174,757	114,208
Finance Cost paid	-	390
Net cash used in operating activities	**(963,149)**	(109,418)
Investing activities		
Payment towards property, plant and equipment (including Capital Work in Progress)	**(8,719,870)**	(2,178,380)
Net cash outflow on account of business combination (Refer Note 19)	**(393,019)**	-
Purchase of available for sale investments	**(5,000,000)**	-
Net cash used in investing activities	**(14,112,889)**	(2,178,380)
Financing activities		
Proceeds from additional paid in capital	**14,992,664**	2,650,000
Net cash generated from financing activities	**14,992,664**	2,650,000
Net cash flow	**(83,374)**	362,202
Cash and cash equivalents at the beginning of year	**362,202**	-
Cash and cash equivalents at the end of year / period	**278,828**	362,202

The accompanying accounting policies and explanatory information form an integral part of the financial statements

Notes to the Financial Statements
For the year ended 31 December 2014

1. 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 registered office of the Company is located at 5600 Tennyson Parkway, Suite 120, Plano, TX – 75024. 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.

The Network Infrastructure for ILD traffic is still under build up phase, the capacities are still being procured from vendors for connectivity and partially activated on limited scale for trial runs and testing. The commercial application of these capacities is directly linked to launch of services in India by parent RJIL.

The financial statements of the Company for the year ended 31 December 2014 were authorized for issue in accordance with a resolution of the directors on 7 April 2015.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Company has applied a number of new and revised IFRSs issued by International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

2.1 New and revised IFRS applied with no material effect on financial statements

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The company has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments of IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set off’ and ‘simultaneous realization and settlement’.

The amendments have been applied retrospectively. The company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognized in the company’s financial statements. The company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognized in the company’s financial statements.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The company has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 *Fair value Measurements.*

The application of these amendments has had no material impact on the disclosures in the Company’s financial statements.

IFRIC 21 *Levies*

The company has applied IFRIC 21 *Levies* for the first time in the current year. IFRIC 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognized in the company’s financial statements.

Notes to the Financial Statements
For the year ended 31 December 2014

2.2 New and revised IFRSs in issue but not yet effective

The company has not applied the following new and revised IFRSs that has been issued but are not yet effective.

IFRS 9	: Financial Instruments
Amendments to IAS 16 and IAS 38	: Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to IAS 19	: Defined Benefit Plans: Employee Contributions

3. Summary of Significant Accounting Policies

Basis of Preparation

The Company's financial statements have been prepared in accordance with IFRS, International Accounting Standards and Interpretations as issued by IASB. The financial statements have been presented in United States Dollars (USD), which is the functional currency of the Company. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Going Concern

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

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, if any. Costs include expenditures that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Costs of day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets and starts when the asset is available for use as intended by management. Capital work in progress is not depreciated until ready for service. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

The useful lives of fixed assets are as follows:

Computer / Mobile equipment - 4 years
Furniture & equipment - 7 years
Office equipment – 4 years

Intangible assets

<u>Intangible assets acquired in a business combination</u>

Intangible assets are recognised in business combinations if they are separable from the other assets of the acquired company or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques

Finite-lived intangible assets that were acquired in a business combination, such as software and developed technology are amortised on a straight-line basis over their estimated useful life as follows:

Software – 5 years

The period of amortisation only starts at the point at which the asset becomes available to produce economic returns; amortisation is allocated to production costs and operating expenses.

Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable

Notes to the Financial Statements
For the year ended 31 December 2014

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 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 recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Business combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interests issued by the company in exchange for control of the acquiree. Acquisition related costs are generally recognised in statement of profit or loss and other comprehensive income as incurred.

Leasing

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Statement of Profit or Loss and other comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Taxation and deferred tax

Income tax expense represents the sum of income tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the period. 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 periods, and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable 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, and is accounted for using the balance sheet liability method. 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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date 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.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Notes to the Financial Statements
For the year ended 31 December 2014

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available for sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and related party receivables, less any impairment and cash and cash equivalents are measured at amortized cost using effective interest method.

Cash and cash equivalents comprise bank balances in current accounts and are subject to an insignificant risk of changes in value.

Available for sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impaired losses at the end of each reporting period.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as advances, assets are assessed for impairment on an individual basis.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's 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 trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered 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 statement of profit or loss and other comprehensive income.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Other financial liabilities

Other financial liabilities comprise trade payables and accruals for which the accounting policy is described below:

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Accruals relates to amount to be paid in future for goods or services received, whether billed by the supplier or not.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period and amounts of revenues and expenses

Notes to the Financial Statements
For the year ended 31 December 2014

recognized during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

Employee Benefits & Welfare

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.

Payment to defined contribution

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.

4. General and administrative expenses

	Year ended 31 December 2014	Period from 5 June 2013 to 31 December 2013
	(In USD)	(In USD)
Depreciation and amortization	**178,830**	192
Employee benefits expense (Note 5)	**295,547**	55,237
Legal and professional fees	**62,118**	21,821
Communication expenses	**42,612**	13,192
Travelling expenses	**167,762**	44,629
Rent and utilities	**350,125**	67,933
Other expenses	**219,742**	20,425
	1,316,736	223,429

5. Employee benefits expense

	Year ended 31 December 2014	Period from 5 June 2013 to 31 December 2013
	(In USD)	(In USD)
Salaries	**262,729**	53,347
Payroll tax and benefits	**32,818**	1,890
	295,547	55,237

The Company has made a contribution of USD 132,416 during the year towards 401(k) plan for the employees. The Company has debited USD 19,871 to the statement of profit or loss and other comprehensive income and the balance has been capitalized under capital work in progress.

Notes to the Financial Statements
For the year ended 31 December 2014

6. Finance Cost

	Year ended 31 December 2014	Period from 5 June 2013 to 31 December 2013
	(In USD)	(In USD)
Interest Expense	-	390
	-	390

7. Property, plant and equipment

	Computer Equipment	**Mobile Equipment**	**Furniture & Equipment**	**Office equipment**	**Capital Work in progress**	**Total**
			(In USD)			
Cost:						
At 1st January 2014	**2,133**	**2,026**	**1,786**	**-**	**2,172,435**	**2,178,380**
Additions	**86,818**	**5,256**	**32,731**	**9,339**	**8,585,726**	**8,719,870**
Acquisition through business combination (Refer note 19)	**3,775**	**36**	**4040**	**-**	**-**	**7,851**
At 31 December 2014	**92,726**	**7,318**	**38,557**	**9,339**	**10,758,161**	**10,906,101**
Accumulated depreciation:						
At 1st January 2014	**59**	**87**	**46**	**-**	**-**	**192**
Charge for the year	**18,634**	**482**	**4,028**	**1,724**	**-**	**24,868**
At 31 December 2014	**18,693**	**569**	**4,074**	**1,724**	**-**	**25,060**
Net carrying value at 31 December 2014	**74,033**	**6,749**	**34,483**	**7,615**	**10,758,161**	**10,881,041**

	Computer Equipment	**Mobile Equipment**	**Furniture & Equipment**	**Office equipment**	**Capital Work in progress**	**Total**
			(In USD)			
Cost:						
Opening Balance	**-**	**-**	**-**	**-**	**-**	**-**
Additions	**2,133**	**2,026**	**1,786**	**-**	**2,172,435**	**2,178,380**
At 31 December 2013	**2,133**	**2,026**	**1,786**	**-**	**2,172,435**	**2,178,380**
Accumulated depreciation:						
Opening Balance	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the period	**59**	**87**	**46**	**-**	**-**	**192**
At 31 December 2013	**59**	**87**	**46**	**-**	**-**	**192**
Net carrying value at 31 December 2013	**2,074**	**1,939**	**1,740**	**-**	**2,172,435**	**2,178,188**

Notes to the Financial Statements
For the year ended 31 December 2014

8. Intangible Assets

	Software
Cost:	
At 1st January 2014	-
Acquisition through business combination (Refer note 19)	**385,168**
At 31 December 2014	**385,168**
Accumulated amortization:	
At 1st January 2014	-
Charge for the year	**153,962**
At 31 December 2014	**153,962**
Net carrying value at 31 December 2014	**231,206**

9. Other Current Assets

	At December 31, 2014	At December 31, 2013
	(In USD)	(In USD)
Other receivables	-	16,030
Prepayments	**199,612**	11,022
Deposits	**29,501**	17,877
	229,113	44,929

10. Cash and Cash Equivalents

	At December 31, 2014	At December 31, 2013
	(In USD)	(In USD)
Bank balance	**278,828**	362,202
	278,828	362,202

11. Available for Sale Investments

	At December 31, 2014	At December 31, 2013
	(In USD)	(In USD)
At Cost :		
At beginning of the year	-	-
Additions for the year (5,000 shares of Series D preferred stock of USD 1,000 each of Airspan Networks Inc.)	**5,000,000**	-
	5,000,000	-

Notes to the Financial Statements
For the year ended 31 December 2014

Fair Value adjustment:		
Unrealised (loss) / gain	-	-
Initial recognition	**5,000,000**	-
At the end of the year	**5,000,000**	-

Basis for fair value

Book value of the investments has been considered as fair value under level 2 fair value hierarchy since the investment has only been made during the year on 23 June 2014 (Refer Note 16).

Basis for conversion

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

12. Issued Capital

The Company had the following authorized and allotted shares at and as of the years ended:

	At December 31, 2014		At December 31, 2013	
	(In USD)	**Number**	(In USD)	Number
Authorized:				
Equity share capital (of US $ 0.01 each share)	**10**	**1,000**	10	1,000
Allotted:				
Allotted, issued and fully paid up	**10**	**1,000**	10	1,000
Additional paid-in capital	**17,642,654**	**-**	2,649,990	-

Equity Share Capital	**Number of shares**	**Share Capital (in USD)**
Balance at 5 June 2013	-	-
Shares issued during the period	1,000	10
Balance at 31 December 2013	1,000	10
Shares issued during the year	-	-
Balance at 31 December 2014	1,000	10

Additional paid in Capital	**Paid in Capital (in USD)**
Balance at 5 June 2013	-
Additions during the period	2,649,990
Balance at 31 December 2013	2,649,990
Additions during the year	**14,992,664**
Balance at 31 December 2014	**17,642,654**

The Company has received an amount aggregating USD 17,642,654 towards additional paid in capital from Reliance Jio Infocomm Limited, the parent company. The Company has one class of ordinary shares which carry equal voting rights, equal rights to income and distribution of assets on liquidation or otherwise.

Notes to the Financial Statements
For the year ended 31 December 2014

13. Accounts Payable and Accrued Liabilities

	At December 31, 2014	At December 31, 2013
	(In USD)	(In USD)
Other liabilities and accruals	**518,079**	159,138
	518,079	159,138

14. Capital Commitment

	At December 31, 2014	At December 31, 2013
	(In USD)	(In USD)
Capital commitment for open purchase orders	-	379,190

15. Deferred Tax

Deferred Tax Asset has not been recognized in the financials as the Company does not consider it probable to realize the said asset. It will be recognized in the financials and will be carried forward only when it is considered probable that the same will be realized in future.

16. Fair Values of Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements:

	2014	
	Carrying Amount	**Fair Value**
	(In USD)	
Financial assets:		
Available for sale investments	**5,000,000**	**5,000,000**
Cash and cash equivalents	**278,828**	**278,828**
Financial liabilities:		
Accounts payable and accrued liabilities	**517,579**	**517,579**

At the end of the reporting period, the carrying amounts of the cash and cash equivalents and financial liabilities not carried at fair values are reasonable approximation of their fair values, either due to their short-term nature or that they are re-priced to market interest rates on or near the end of the reporting period.

In respect of Available for sale investment the fair value has been determined based on the confirmation received from the issuer about the price of further issues made up to 31st December 2014.

Notes to the Financial Statements
For the year ended 31 December 2014

17. Related-Party Disclosures

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

Related Parties

Name of the Company	Country of Incorporation	Relation	Equity Interest
Reliance Industries Limited	India	Ultimate Parent	-
Reliance Jio Infocomm Limited	India	Parent	100%
Reliance Holdings USA Inc.	USA	Fellow Subsidiary	-

Related-Party Transactions

Transactions with related party

Name of the Company	Nature of Transaction (Refer to Company Statements of Financial Positions)	For the year ended 31 December 2014 Amount in USD	Period from 5 June to 31 December 2013 Amount in USD
Reliance Jio Infocomm Limited	Share Capital	-	10
	Additional paid in capital	**14,992,664**	2,649,990
	Purchase of fixed assets	**73,951**	-
	Security Deposit	**(25,904)**	25,904
	Reimbursement of expenses	**(95,763)**	95,763
Reliance Industries Limited	Purchase of fixed assets	**41,592**	-
Reliance Holdings USA Inc.	Acquisition of Omni Symmetry	**412,664**	-

Balances as on 31 December 2014

Name of the Company	Nature of Transaction (Refer to Company Statements of Financial Positions)	As of 31December 2014 Amount in USD	As of 31December 2013 Amount in USD
Reliance Jio Infocomm Limited	Share Capital	**10**	10
	Additional paid in capital	**17,642,654**	2,649,990
	Security Deposit	-	25,904
	Reimbursement of expenses	-	95,763

18. Financial Risk Management Objectives and Policies

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company, with the support of its parent, will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required.

Capital Management

The Company's parent company will provide continuous financial support so as to enable the Company to finance its project. 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 parent company level.

Notes to the Financial Statements
For the year ended 31 December 2014

19. Business Combination

The Company vide plan and agreement of merger dated 27th March, 2014 has purchased all the assets of Omni Symmetry LLC comprising of intangible assets (purchased software) aggregating $ 385,168 and other tangible fixed assets aggregating $ 7,851 and bank balance aggregating $ 19,645 totaling to $ 412,664 from Reliance Holding USA Inc., a group Company at their book value.

The Company has considered the book value of the assets as the fair value for the purpose of accounting of the aforesaid business combination as the transfer is being made from a fellow subsidiary within the same group and the amounts involved are not material.

20. Leasing Arrangements

Operating lease relate to lease of office building with lease term of 1-3 years. The company does not have an option to purchase the leased office building at the expiry of lease period.

	2014	2013
	USD	USD
Payments recognised as an expense:		
Minimum lease payments	**350,125**	67,933
	350,125	67,933

21. Subsequent Events

Subsequent to the year end, the Company has formed a 100% subsidiary Reliance Jio Global Resources LLC in January 2015 with an investment aggregating USD 400,100.