FINANCIAL STATEMENT OF SUBSIDARIES 2016-17

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, 2016, 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, 2016 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

Date: 22nd April, 2017

Statement of Financial Position December 31, 2016

	Note	2016 US$	2015 US$
<u>**ASSETS**</u>			
Current assets			
Cash and cash equivalents	6	1,929,642	368,487
Trade and other receivables	7	9,998,938	2,268,783
Prepayments		93,947	410,898
Inventories	8	11,117,170	20,745,687
Total current assets		23,139,697	23,793,855
Non-current assets			
Plant and equipment	9	54,467,124	45,605,203
Intangible assets	10	41,384,913	19,750,798
Total non-current assets		95,852,037	65,356,001
Total assets		118,991,734	89,149,856
<u>**LIABILITIES AND EQUITY**</u>			
Current liabilities			
Trade and other payables	11	21,038,264	818,822
Deferred revenue		3,179,978	560,625
Total current liabilities		24,218,242	1,379,447
Capital and reserves			
Share capital	12	98,000,000	91,000,000
Accumulated losses		(3,226,508)	(3,229,591)
Total equity		94,773,492	87,770,409
Total liabilities and equity		118,991,734	89,149,856

See accompanying notes to financial statements.

Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2016

	Note	2016 US$	2015 US$
Revenue from operations	13	46,252,897	1,269,875
Other operating income	14	58,624	215
Changes in inventories		(9,628,517)	-
Purchases and related cost		(27,571,274)	-
Depreciation and amortisation		(2,068,424)	(1,618,590)
Employee benefits expense		(186,544)	(150,808)
Other operating expenses	15	(6,853,679)	(1,453,087)
Profit(loss) before tax	16	3,083	(1,952,395)
Income tax	17	-	-
Profit(loss) for the year, representing total comprehensive profit(loss) for the year		3,083	(1,952,395)

See accompanying notes to financial statements.

Statement of Changes in Equity for the year ended December 31, 2016

	Share capital US$	Accumulated Losses US$	Total US$
At January 1, 2015	66,000,000	(1,277,196)	64,722,804
Loss for the year, representing total comprehensive loss for the year	-	(1,952,395)	(1,952,395)
Shares issued during the year, representing transactions with owners recognised directly in equity	25,000,000	-	25,000,000
At December 31, 2015	91,000,000	(3,229,591)	87,770,409
Profit for the year, representing total comprehensive profit 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

Statement of Cash Flows for the year ended December 31, 2016

	2016 US$	2015 US$
Cash flows from operating activities		
Profit (loss) before income tax	3,083	(1,952,395)
Adjustment for:		
Depreciation and amortisation	2,068,424	1,618,590
Operating cash flows before working capital changes	2,071,507	(333,805)
Trade and Other receivables	(7,730,155)	(1,496,861)
Inventory	20,723,606	(20,745,687)
Prepayments	316,951	(311,923)
Trade payables and accruals	6,444,715	(175,339)
Net cash from/(used in) Operating activities	21,826,621	(23,063,615)
Cash flows from investing activities		
Purchase of plant and equipment	(21,092,191)	(4,005,732)
Additions to intangible assets (Note A)	(6,173,276)	-
Net cash used in investing activities	(27,265,466)	(4,005,732)
Cash flows from financing activity		
Proceeds from issuance of ordinary shares, representing net cash from financing activity	7,000,000	25,000,000
Net increase/(decrease) in cash and cash equivalents	1,561,155	(2,069,347)
Cash and cash equivalents at the beginning of the year	368,487	2,437,834
Cash and cash equivalents at the end of the year	1,929,642	368,487

Note A:
During the year ended December 31, 2016 the Company acquired intangible assets amounting to $23,232,232 (2015: Nil). As at year end, payables of $17,058,957 (2015: Nil) relating to these acquisition have not been paid.

See accompanying notes to financial statement.

Notes on Financial Statements December 31, 2016

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 (now known as Info-communications Media Development Authority of Singapore)

The financial statements of the company for the financial year ended December 31, 2016 were authorised for issue by the Board of directors on April 22, 2017.

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 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 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* [2]
- FRS 115 *Revenue from Contracts with Customers* (with clarifications issued)[2]
- FRS 116 *Leases*[3]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*[1]

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

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

[3] 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:

Notes on Financial Statements December 31, 2016

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.

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 is currently evaluating the potential impact of the 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, 2016, the Company has non-cancellable operating lease commitments of US$110,610. 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.

Notes on Financial Statements December 31, 2016

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. 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 December 31, 2016

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 ofinventories 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 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.

Notes on Financial Statements December 31, 2016

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.

<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 thegoods;
- The company retains neither continuing managerial involvement to the degree usually associatedwith 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.

<u>Interest income</u>

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.

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

Notes on Financial Statements December 31, 2016

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

<u>Impairment of plant and equipment and intangible assets</u>

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 9 to the financial statements. The management is of the view that there is no indication of impairment in the carrying amount of these assets.

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.

<u>Impairment of intangible assets not yet available for use</u>

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 10. The management is of the view that there is no indication of impairment in the carrying amount of intangible assets not yet available for use.

Notes on Financial Statements December 31, 2016

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

	2016	2015
	US$	US$
Financial assets		
Loans & receivables (including cash and cash equivalent)	**11,928,580**	2,637,270
Financial liabilities		
Trade and other payables	**21,038,264**	818,822

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	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Singapore dollars	**340,515**	74,103	**-**	46,398

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.

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.

f) 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 2015.

Notes on Financial Statements December 31, 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.

	2016 US$	2015 US$
Immediate holding company		
Sale of goods and services	**45,983,751**	1,269,875
Transfer of Fixed Assets	**11,16,542**	4,919,263
Voice charges	**(24,031)**	-
Related companies		
Purchase of Intangible Assets	**(234,300)**	-
IP Transit charges	**(2,628,973)**	-
Professional services received	**-**	(53,516)
Rent expense	**(16,336)**	(51,653)

Compensation of Key Management Personnel

There are no key management personnel apart from the Company's directors. Directors' remuneration is disclosed in Note 15 to the financial statements.

6 **CASH AND CASH EQUIVALENTS**

	2016 US$	2015 US$
Cash at bank	**1,929,642**	368,487

7 **TRADE AND OTHER RECEIVABLES**

	2016 US$	2015 US$
Outside parties	2,000,089	24,413
Amount due from immediate holding company	7,976,920	2,233,303
Rent deposit	21,929	11,067
	9,998,938	2,268,783

8 **INVENTORIES**

	2016 US$	2015 US$
Cable systems	9,148,786	19,039,557
Internet Protocol addresses	1,968,384	1,706,130
	11,117,170	20,745,687

Notes on Financial Statements December 31, 2016

9 PLANT AND EQUIPMENT

	Plant and machinery US$	Construction work-in progress US$	Total US$
Cost:			
At January 1, 2015	723,995	41,871,849	42,595,844
Additions	-	27,557,470	27,557,470
Transfer to Intangible assets under development (Note 10)	-	(500,525)	(500,525)
Transfer to Inventories(Note 8)	-	(19,039,557)	(19,039,557)
Transfer to immediate holding company	-	(4,919,263)	(4,919,263)
At December 31, 2015	723,995	44,969,974	45,693,969
Additions	-	21,543,859	21,543,859
Transfer to Plant and Machinery (Note 10)	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
Accumulated depreciation:			
At January 1, 2015	33,098	-	33,098
Depreciation for the year	55,668	-	55,668
At December 31, 2015	88,766	-	88,766
Depreciation for the year	470,307	-	470,307
At December 31, 2016	559,073	-	559,073
Carrying amount:			
At December 31, 2016	21,612,904	32,854,220	54,467,124
At December 31, 2015	635,229	44,969,974	45,605,203

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'.

10 INTANGIBLE ASSETS

	Rights-to-use capacity US$	Intangible assets under development US$	Total US$
Cost:			
At January 1, 2015	20,711,852	1,000,000	21,711,852
Transfer from Plant and Equipment (Note 9)	-	500,525	500,525
Transfer to Rights-to-use capacity	1,500,525	(1,500,525)	-
At December 31, 2015	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

Notes on Financial Statements December 31, 2016

10 **INTANGIBLE ASSETS** (Continued)

	Rights-to-use capacity US$	Intangible assets under development US$	Total US$
Accumulated amortization:			
At January 1, 2015	898,657	-	898,657
Charge for the year	1,562,922	-	1,562,922
At December 31, 2015	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
Carrying amount:			
At December 31, 2016	18,386,981	22,997,932	41,384,913
At December 31, 2015	**19,750,798**	-	19,750,798

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**

	2016 US$	2015 US$
Outside parties	18,853,311	745,731
Amount due to holding company	-	9,075
Amount due to related companies	2,174,453	53,516
Accruals	10,500	10,500
	21,038,264	818,822

12 **SHARE CAPITAL**

	2016 US$	2015 US$
Number of ordinary shares		
Balance at January 1, 2015	66,000,000	66,000,000
Shares issued during the year	25,000,000	25,000,000
Balance at December 31, 2015	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

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

13 **REVENUE FROM OPERATIONS**

	2016 US$	2015 US$
Rendering of services	6,792,758	1,269,875
Sale of Goods	39,460,139	-
	46,252,897	**1,269,875**

Notes on Financial Statements December 31, 2016

		2016	2015
14	**OTHER OPERATING INCOME**	2016	2015
		US$	US$
	Interest income	470	215
	Others	58,154	-
		58,624	**215**

15	**OTHER OPERATING EXPENSE**	2016	2015
		US$	US$
	Bandwidth charges	4,121,035	97,397
	Colocation charges	549,881	202,033
	Repair and maintenance	1,968,184	923,920
	Voice charges	52,242	-
	License fees	56,967	61,384
	Professional fees	39,421	84,038
	Rent expense	42,107	51,653
	Others	23,844	32,662
		6,853,679	1,453,087

16 **PROFIT/(LOSS) BEFORE INCOME TAX**

Profit before income tax includes the following charges:

	2016	2015
	US$	US$
Directors' remuneration	160,756	150,808
Employee benefits expenses (including directors' remuneration)	186,544	150,808
Depreciation of plant and equipment	470,307	55,668
Amortisation of intangible assets	1,598,117	1,562,922
Net foreign exchange losses	8,350	8,365

16	**INCOME TAX**	2016	2015
		US$	US$

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2015: 17%) to loss before tax as a result of the following differences:

	2016	2015
	US$	US$
Profit(Loss) before tax	3,083	(1,952,395)
Income tax expense(benefit) at statutory rate of 17% (2015: 17%)	524	(331,907)
Effect of taxes on expenses that was capitalised	(139,956)	(63,791)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	137,050	400,991
Others	2,382	(5,293)
Total income tax expense	-	-

Notes on Financial Statements December 31, 2016

The Company has deductible temporary differences arising from unutilised capital allowance, tax losses and excess of net book value over tax written down value of plant and equipment and intangible assets of approximately US$5,511,764(2015 : US$4,705,586) 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.

17 **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:

	2016 US$	2015 US$
Minimum lease payments paid under operating leases	42,107	51,653
Obligation on non-cancellable leases:		
Within one year	33,048	-
In the second to fifth year inclusive	77,112	-
	110,160	-

Operating lease commitments are for rental of office space for 3 years (2015: Nil) and rentals are fixed at the inception of the lease.

The Company as lessor

The Company entered into non-cancellable lease arrangements to provide dark fibre on indefeasible right of use (IRU) basis. At the end of the reporting period, the Company has the following future minimum lease payments.

	2016 US$	2015 US$
Within one year	199,333	-
In the second to fifth year inclusive	797,333	-
After five years	398,667	-
	1,395,333	-

18 **CAPITAL COMMITMENTS**

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

	2016 US$	2015 US$
Commitments for the acquisition of plant and equipment	11,787,057	26,941,611

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 year ended 31 December 2016which comprise of 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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 the director and auditor

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. 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 director; 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 31st December 2016 and of its profit/(Loss) for the year 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, 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 Director's Report.

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; 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 exemption from preparing a strategic report or in preparing the Director's report.

Peter McDermott (Senior Statutory auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Dated: 21st April, 2017

Income Statement for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Revenue from operations		993,394	-
Cost of Indefeasible Right of Use Asset for sale		(162,207)	-
Other operating expenses	3	(848,848)	(34,482)
Loss before taxation		(17,661)	(34,482)
Income tax	5	-	-
Loss for the year		(17,661)	(34,482)

All amounts relates to continuing operations. There were no recognised gains and losses for 2016 and 2015 other than those included in the Income Statement.

Balance Sheet As at 31 December 2016

	Note	2016 £	2015 £
Non-current assets			
Property, plant and equipment	6	2,763,353	831,614
Intangible assets	7	782,488	-
		3,545,841	831,614
Current assets			
Trade receivables	8	555,683	-
Cash and bank balances		469,174	211,374
Other current assets	8	648,537	9,183
		1,673,394	220,557
Total assets		5,219,235	1,052,171
Current liabilities			
Trade and other payables	9	2,304,186	(319,461)
Net current assets		(630,792)	(98,904)
Net assets		2,915,049	732,710
Equity			
Share capital	10	3,000,000	800,000
Retained earnings	11	(84,951)	(67,290)
Equity attributable to owners of the Company		29,15,049	732,710

The financial statements of Reliance Jio Infocomm UK Limited(registered number 08630000) were approved by the board and authorised for issue on 21st April, 2017. They were signed on its behalf by

Saji Varghese
Director

Statement of changes in equity For the year ended 31 December 2016

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January2015	300,000	(32,808)	267,192
Loss for the yearended 31 December 2015	-	(34,482)	(34,482)
Total comprehensive income for the year	-	(34,482)	(34,482)
Issue of share capital	500,000	-	500,000
Balance at 31 December 2015	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

Notes to the financial statements For the year ended 31 December 2016

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 1QYunder 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 2016.

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 12.

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. The Company has received a letter of support from its parent, Reliance Jio Infocomm Limited confirming that it will assist the Company to meet its obligations as and when required. Thus, the directors continues to adopt the going concern basis of accounting in preparing the annual financial statements as a result of continued support from the parent company.

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 goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. 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 including IP Transit and voice is recognised over the period services are rendered.

Fixed assets

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 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.

Notes to the financial statements For the year ended 31 December 2016

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	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.

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 profit and loss accounts.

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 31st May 2016 where the respective recipients were working on capital projects. With effect from 1st June, 2016, all pension costs have been charge 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 statement of financial position 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.

Notes to the financial statements For the year ended 31 December 2016

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.

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 judgement, 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.

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.

Notes to the financial statements For the year ended 31 December 2016

3. Other Operating expenses

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Employee Benefit Expenses	93,642	-
Depreciation and Amortisation	49,068	-
IP Transit Cost	281,226	-
Voice charges	60,785	-
Professional fees	5,701	13,070
Payment to auditor	10,000	8,000
Insurance	5,806	2,357
Colocation Charges	318,550	-
Repairs & Maintenance	10,498	-
Foreign Exchange losses	-	744
General expenditure	13,572	10,311
	848,848	34,482

Auditor's remuneration

Fees payable to Deloitte UK and their associates for the audit of the Company's annual accounts were £10,000 (2015: £8,000).

4. Directors' Emoluments and Staff costs

The average monthly number of employees (excluding the directors) during the year was 1 (2015: 1).

His aggregate remuneration comprised:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Wages and salaries	115,625	104,062
Social security costs	14,837	13,490
Pension costs	10625	9,825
	141,087	127,377

The directors did not receive any remuneration from the company during the year(2015: £nil).

5. Tax

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Corporation tax:		
UK corporation tax at 20.00% (2015: 20.25%)	-	-
	-	-

Notes to the financial statements For the year ended 31 December 2016

Corporation tax is calculated at 20 per cent (2015: 20.25 per cent) 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 2016 £	Year ended 31 December 2015 £
Profit / (Loss) before tax	(17,660)	(34,482)\
Tax at the UK corporation tax rate of 20% (2015:20.25 %)	(3,532)	(6,982)
Tax effect of expenses that are not deductible in determining taxable profit	(31,526)	-
Change in unrecognised deferred tax assets	35,058	6,982
Tax expense for the year	-	-

The company has an unrecognised deferred tax asset in respect of loss of £21,231 (2015: £13,066) as it is not considered probable that there will be future taxable profits available.

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 been reflected 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 2015	-	455,770	455,770
Additions	-	375,844	375,844
Transfers to Plant and Machinery	-	-	-
Transfers to immediate holding company	-	-	-
At 31 December 2015	-	831,614	831,614
Additions	-	1,974,863	1,974,863
Transfers to Plant and Machinery	2,806,477	(2,806,477)	-
Transfer to Inventory	-	-	-
Transfer to immediate holding company	-	-	-
At 31 December 2016	2,806,477	-	2,806,477
Accumulated depreciation:			
At 1 January 2015	-	-	-
Depreciation for the year	-	-	-
At 31 December 2015	-	-	-
Depreciation for the year	(43,124)	-	(43,124)
At 31 December 2016	(43,124)	-	(43,124)
Carrying amount:			
At 31 December 2016	2,763,353	-	2,763,353
At 31 December 2015	-	831,614	831,614

Notes to the financial statements For the year ended 31 December 2016

7. Intangible assets

	Rights-to-use capacity £	**Total £**
At 31 December 2015	-	-
Additions	788,432	788,432
At 31 December 2016	788,432	788,432
Accumulated amortization:		
At 31 December 2015	-	-
Charge for the year	(5,944)	(5,944)
At 31 December 2016	(5,944)	(5,944)
Carrying amount:		
At 31 December 2016	782,488	782,488
At 31 December 2015	-	-

The amortisation expense has been included in the line item "depreciation and amortisation expense" in Other Operating Expenses in the Income Statement.

8 Trade and Other Receivables

	2016 £	2015 £
Trade Receivables		
Trade Receivables from related parties	555,683	-
Other Current Assets		
VAT Receivable	483,313	5,381
Amount owed by group undertakings	164,068	3,802
Prepayments	1,156	-
Total Current assets	1,204,220	9,183

9 Current liabilities

	2016 £	2015 £
Trade payables	261,677	304,134
Other payables	151,227	-
Creditors for social security costs	-	3,526
Accruals	1,891,282	11,801
Amounts falling due within one year	2,304,186	319,461

10 Authorised share capital

	2016 £	2015 £
Issued and fully paid:		
3,000,000 ordinary shares of £1 each	3,000,000	800,000

2,200,000 shares were issued to Reliance Jio Infocomm Limited and fully paid in the year ending 31st December, 2016. These were approved by the board on 7th July, 2016, 20th September, 2016 and 23rd December, 2016.

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

Notes to the financial statements For the year ended 31 December 2016

11 Retained earnings

	£
Balance at 1st January, 2015	(32,808)
Net profit for the yearended 31 December 2015	(34,482)
Balance at 1st January, 2016	(67,290)
Net loss for the year ended 31 December 2016	(17,661)
Balance at 31st December, 2016	(84,951)

12 CAPITAL COMMITMENTS

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

	2016	2015
	GBP	GBP
Commitments for the acquisition of plant and equipment	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. 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

To the Board of Directors
Reliance Jio Infocomm USA Inc

Report on the 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, 2016,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 Financial Statements

The Company's Board of Directors is responsible for thepreparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 financial statements based on our audit.

We conducted our audit of thefinancial 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS,of the state of affairs (financial position) of the Company as at December 31, 2016, and its loss (financial performance including other comprehensive income),its cash flows andthe 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 Statementof 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: 22nd April, 2017

Balance Sheet as at 31st December, 2016

(in USD)

Particulars	Notes	As at 31st December, 2016	As at 31st December, 2015	As at 1st January, 2015
ASSETS				
Non - Current assets				
Property, Plant and Equipment	1	1,49,48,411	95,290	1,22,880
Capital work-in-progress	2	-	1,50,14,531	1,07,58,161
Intangible assets	3	-	-	2,31,206
Financial Assets				
Investments	4	1,40,08,546	1,50,01,231	50,00,000
Total Non-Current assets		**2,89,56,957**	**3,01,11,052**	**1,61,12,247**
Current assets				
Financial Assets				
Trade receivables	5	23,04,225	-	-
Cash and cash equivalents	6	1,27,039	12,847	2,78,828
Other Financial Assets	7	1,34,430	-	-
		25,65,694	**12,847**	**2,78,828**
Other Current Assets	8	4,76,461	2,37,312	2,29,113
Total Current assets		**30,42,155**	**2,50,159**	**5,07,941**
Total Assets		**3,19,99,112**	**3,03,61,211**	**1,66,20,188**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	9	3,45,47,664	3,24,97,664	1,76,42,664
Other Equity	10	(28,48,111)	(24,59,363)	(15,40,555)
Total equity		**3,16,99,553**	**3,00,38,302**	**1,61,02,109**
Liabilities				
Current Liabilities				
Financial Liabilities				
Other financial liabilities	11	2,28,594	2,92,821	5,15,377
		2,28,594	**2,92,821**	**5,15,377**
Other Current liabilities	12	70,965	30,088	2,702
Total current liabilities		**2,99,559**	**3,22,909**	**5,18,079**
Total Equity and Liabilities		**3,19,99,112**	**3,03,61,211**	**1,66,20,188**
Corporate Information and Significant Accounting Policies				
Notes to the Financial Statement	1-22			

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22nd April, 2017

For and on behalf of the board

Director

Texas
Dated: 21st April, 2017

Statement of Profit and Loss for the year ended 31st December, 2016

(in USD)

	Notes	2016	2015
INCOME			
Revenue from Operations	13	**30,59,703**	-
Other Income	14	**7**	-
Total Income		**30,59,710**	-
EXPENSES			
Employee Benefits Expense	15	**15,66,648**	1,93,548
Depreciation and Amortisation Expense		**6,43,754**	2,65,136
Operating and Other expenses	16	**12,38,057**	4,60,123
Total Expenses		**34,48,459**	**9,18,807**
Loss for the year		**(3,88,749)**	(9,18,807)
Other Comprehensive Income			
Total Other Comprehensive Income		**-**	-
Total Comprehensive Income for the year		**(3,88,749)**	(9,18,807)
Earnings per equity share of USD 0.01 each	18		
Basic (in USD)		**(0.0001)**	(0.0003)
Diluted (in USD)		**(0.0001)**	(0.0003)
Corporate Information and Significant Accounting Policies Notes to the Financial Statement	1-22		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22nd April, 2017

For and on behalf of the board

Director

Texas
Dated: 21st April, 2017

Cash Flow Statement for the year ended 31st December, 2016

(in USD)

			2016		**2015**
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Loss before tax as per Statement of Profit and Loss		**(3,88,749)**		(9,18,807)
	Adjusted for:				
	Depreciation and Amortization Expense		**6,43,754**		2,65,136
	Operating Profit / (Loss) before Working Capital Changes		**2,55,005**		(6,53,671)
	Adjusted for				
	Trade and Other Receivebles	**(26,77,804)**		(8,199)	
	Trade and Other Payables	**(23,350)**		(1,95,170)	
			(27,01,154)		(2,03,369)
	Net cash (used) in Operating Activities (A)		**(24,46,149)**		(8,57,040)
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets (Including Capital Work in progress)		**(4,82,344)**		(42,62,710)
	Purchase of Non Current Investments		**(5,02,016)**		(55,02,015)
	Investment in subsidiary		-		(44,99,216)
	Withdrawal of Additional paid in Capital from Subsidiary		**14,94,701**		-
	Net Cash from/(used in) Investing Activities (B)		**5,10,341**		(1,42,63,941)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issuance of share capital		**20,50,000**		1,48,55,000
	Net Cash from Financing Activities (C)		**20,50,000**		1,48,55,000
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**1,14,192**		(2,65,981)
	Opening Balance of Cash and Cash Equivalents		**12,847**		2,78,828
	Closing Balance of Cash and Cash Equivalents (Refer Note 6)		**1,27,039**		12,847
	Corporate Information and Significant Accounting Policies Notes to the Financial Statement	1-22			

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22nd April, 2017

For and on behalf of the board

Director

Texas
Dated: 21st April, 2017

Statement of Changes in Equity for the year ended 31st December, 2016

(A) Equity Share Capital

	(in USD)
Balance at 1st January, 2015	**10**
Changes in equity share capital during the year	-
Balance at 31st December, 2015	**10**
Changes in equity share capital during the year	3,45,47,654
Balance at 31st December, 2016	**3,45,47,664**

(B) Other Equity

Particulars	**Reserves and Surplus**		
	Additional Paid in Capital	**Retained Earnings**	**Total**
As on 1st January 2015			
Balance at the beginning of the reporting period	26,49,990	(2,23,819)	24,26,171
Changes in additional paid in capital during the year	1,49,92,664	-	1,49,92,664
Total Comprehensive Income for the year	-	(13,16,736)	(13,16,736)
	1,76,42,654	**(15,40,555)**	**1,61,02,099**
As on 31st December 2015			
Balance at the beginning of the reporting period	1,76,42,654	(15,40,555)	1,61,02,099
Changes in additional paid in capital during the year	1,48,55,000	-	1,48,55,000
Total Comprehensive Income for the year	-	(9,18,807)	(9,18,807)
	3,24,97,654	**(24,59,362)**	**3,00,38,292**
As on 31st December, 2016			
Balance at the beginning of the reporting period	3,24,97,654	(24,59,362)	3,00,38,292
Changes in additional paid in capital during the year	(3,24,97,654)	-	(3,24,97,654)
Total Comprehensive Income for the year	-	(3,88,749)	(3,88,749)
	-	**(28,48,111)**	**(28,48,111)**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22nd April, 2017

For and on behalf of the board

Director

Texas
Dated: 21st April, 2017

Notes on Financial Statements for the year ended 31st December, 2016

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 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.

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. Upto the year ended December 31, 2015, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.The date of transition of Ind AS in 1st January, 2015. Refer Note D for the details of first time adoption exemptions availed by the company.

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:

Under the previous GAAP (erstwhile Indian GAAP), Property Plant and Equipments, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at 1st January, 2015 (date of transition to Ind AS).

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 staright line method (SLM) based on the management estimated useful lives which are as under

Plant and Equipment - 15 years Computer and Equipment - 4 yearsFurniture 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.

Notes on Financial Statements for the year ended 31st December, 2016

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 Profit and Loss Statement on a straight line basis over the period of the lease .

(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:

Notes on Financial Statements for the year ended 31st December, 2016

- 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

(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.

Notes on Financial Statements for the year ended 31st December, 2016

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.

D First time adoption of Ind AS:

The Company has adopted Ind AS with effect from 1st January 2016 .However the adoption of IND AS does not have any impact on the recognition and measurement of assets and liabilities recognised under previous GAAP .

Exemptions from retrospective application:

(i) Deemed cost for Property, Plant and equipment

The Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at January 01,2016 measured as per previous GAAP and use that carrying value as its deemed cost as at the transition date.

(ii) Investments in subsidiaries

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

Notes on Financial Statements for the year ended 31st December, 2016

Amount in USD

Description	Gross block					Depreciation/ amortisation					Net block		
	As at 1-Jan-15	Additions/ Adjustment	As at 1-Jan-16	Additions/ Adjustment	As at 31-Dec-16	As at 1-Jan-15	Additions/ Adjustment	As at 1-Jan-16	For the year	As at 31-Dec-16	As at 31-Dec-16	As at 31-Dec-15	As at 1-Jan-15
1. Property, Plant and Equipment													
Tangible Assets :													
Own Assets :													
Plant and Equipments	-	-	-	1,51,86,770	1,51,86,770	-	-	-	5,90,720	5,90,720	1,45,96,050	-	-
Computer and Equipments*	1,09,383	6,340	1,15,723	2,13,566	3,29,289	20,986	28,422	49,408	43,670	93,078	2,36,211	66,315	88,397
Furniture and Fixtures	38,557	-	38,557	96,539	1,35,096	4,074	5,508	9,582	9,364	18,946	1,16,150	28,975	34,483
Total (A)	**1,47,940**	**6,340**	**1,54,280**	**1,54,96,875**	**1,56,51,155**	**25,060**	**33,930**	**58,990**	**6,43,754**	**7,02,744**	**1,49,48,411**	**95,290**	**1,22,880**

* Computer and Equipment includes Office and Telecom Equipment

2. Capital work in progress includes project Development expenditure as detailed below: (In USD)

	2016	**2015**	**2014**
Opening balance	1,40,85,612	99,51,923	21,72,436
Add:-			
Salaries and Wages	60,620	37,23,364	58,32,102
Legal and Professional charges		1,16,809	17,71,023
Colocation charges	1,29,276	2,93,516	1,76,362
Less :- Transferred to Plant and Equipment	1,42,75,508		
Closing balance	**-**	**1,40,85,612**	**99,51,923**

Description	Gross block					Depreciation/ amortisation					Net block		
	As at 1-Jan-15	Additions/ Adjustment	As at 1-Jan-16	Additions/ Adjustment	As at 31-Dec-16	As at 1-Jan-15	Additions/ Adjustment	As at 1-Jan-16	For the year	As at 31-Dec-16	As at 31-Dec-16	As at 31-Dec-15	As at 31-Dec-15
3. Intangible assets :													
Software	3,85,168	-	3,85,168	-	3,85,168	1,53,962	2,31,206	3,85,168	-	3,85,168	-	-	2,31,206
Total (B)	**3,85,168**	**-**	**3,85,168**	**-**	**3,85,168**	**1,53,962**	**2,31,206**	**3,85,168**	**-**	**3,85,168**	**-**	**-**	**2,31,206**

Notes on Financial Statements for the year ended 31st December, 2016

(in USD)

4	Non-Current Investments	As at 31st December, 2016 Units	Amount	As at 31st December,2015 Units	Amount	As at 1st January, 2015 Units	Amount
	In shares of company - Unquoted Fully Paid up						
	*Series D Preferred Stock of USD @ $1,000 per share of Airspan Networks Inc	**10,000**	**1,00,00,000**	10,000	1,00,00,000	5,000	50,00,000
	Series B Preferred Stock of USD @ $0.0001 per share of Airhop Corporation Inc	**5,75,904**	**10,00,000**	2,87,952	5,00,000	-	-
	**Series B Preferred Stock USD @ 0.0001 USD of Airhop Corporation Inc	**4,03,132**	**4,031**	2,01,566	2,015	-	-
	In Equity Shares of wholly owned subsidiary companies -						
	Investments Classification at Cost						
	Unquoted, fully paid up						
	Reliance Jio Global Resources LLC (including additional paid in capital of USD 3,004,415)	**50,000**	**30,04,515**	50,000	44,99,216	-	-
	Total		**1,40,08,546**		**1,50,01,231**		**50,00,000**

*The Company has got an option to convert the above Series D preferred stock into common stock of the investee company at the rate 16.26016 shares of each unit of preferred stock held by the company.

**Pursuant to exercise of share warrant.

(in USD)

5	Trade Receivables (Unsecured and considered good)	As at 31st December, 2016 Amount	As at 31st December,2015 Amount	As at 1st January, 2015 Amount
	Others	23,04,225	-	-
	Total	**23,04,225**	**-**	**-**

(in USD)

6	Cash and cash equivalents	As at 31st December, 2016 Amount	As at 31st December,2015 Amount	As at 1st January, 2015 Amount
	Balances with Banks	1,27,039	12,847	2,78,828
	Total	**1,27,039**	**12,847**	**2,78,828**

(in USD)

7	Other Financial Assets	As at 31st December, 2016	As at 31st December,2015	As at 1st January, 2015
	Receivable from holding company	1,34,430	-	-
	Total	**1,34,430**	-	-

Notes on Financial Statements for the year ended 31st December, 2016

(in USD)

8	Other Current Assets	As at 31st December, 2016 Amount	As at 31st December,2015 Amount	As at 1st January, 2015 Amount
	(i) Security Deposits	1,43,323	29,501	29,501
	(ii) Prepaid expenses	2,54,987	2,03,110	1,89,522
	(iii) Prepaid Insurance	6,662	4,701	10,090
	(iv) Witholding tax receivable	71,489	-	-
	Total	**4,76,461**	**2,37,312**	**2,29,113**

9 Equity Share Capital

(in USD)

Authorised Share Capital :		As at 31st December, 2016	As at 31st December, 2015	As at 1st January,2015
10,00,00,00,000	Equity Shares of USD 0.01 each fully paid up	10,00,00,000	10,00,00,000	10,00,00,000
		10,00,00,000	**10,00,00,000**	**10,00,00,000**
Issued, Subscribed and Paid up:				
3,45,47,66,449	Equity Shares of USD 0.01 each fully paid up	3,45,47,664	10	10
Total		**3,45,47,664**	**10**	**10**

9.1 Terms/rights attached to equity shares :

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.

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

Particulars	Equity Shares Jan-Dec'16 No.of Shares	Jan-Dec'16 in USD	2015-16 No.of Shares	2015-16 in USD	1st January,2015 No.of Shares	1st January,2015 in USD
No. of shares at the beginning of the year	1,000	10	1,000	10	1,000	10
Add: Issue of Shares	3,45,47,65,449	3,45,47,654	-	-	-	-
No. of shares at the end of the year	**3,45,47,66,449**	**3,45,47,664**	**1,000**	**10**	**1,000**	**-**

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, 2016 No. of Shares	% holding	As at 31st December,2015 No. of Shares	% holding	As at 1st January,2015 No. of Shares	% holding
Reliance Jio Infocomm Ltd	**3,45,47,66,449**	**100.00%**	1,000	100.00%	1,000	100.00%

Notes on Financial Statements for the year ended 31st December, 2016

10 Other Equity

(in USD)

	As at 31st December, 2016	As at 31st December, 2015	As at 1st January, 2015
Additional Paid in Capital	-	3,24,97,654	1,76,42,654
Retained Earnings	**(28,48,111)**	(24,59,362)	(15,40,555)
Total	**(28,48,111)**	(3,00,38,292)	(1,61,02,099)
Additional Paid in Capital			
As per last Balance Sheet	**3,24,97,654**	1,76,42,654	26,49,990
Add: Changes during the year	**(3,24,97,654)**	1,48,55,000	1,49,92,664
Balance at end of year	**-**	3,24,97,654	1,76,42,654
Retained Earnings			
As per last Balance Sheet	**(24,59,362)**	(15,40,555)	(2,23,819)
Add: Profit for the year	**(3,88,749)**	(9,18,807)	(13,16,736)
Balance at end of year	**(28,48,111)**	(24,59,362)	(15,40,555)

(in USD)

11 Other financial liabilities	**As at 31st December, 2016 Amount**	**As at 31st December, 2015 Amount**	**As at 1st January, 2015 Amount**
(a) Creditors for Capital Expenditure	2,28,594	2,92,821	5,15,377
Total	**2,28,594**	**2,92,821**	**5,15,377**

(in USD)

12 Other current liabilities	**As at 31st December, 2016 Amount**	**As at 31st December,2015 Amount**	**As at 1st January, 2015 Amount**
(a) Other Payables	70,965	30,088	2,702
Total	**70,965**	**30,088**	**2,702**

(in USD)

13 Revenue from Operations	**2016**	2015
Sale of Services	30,59,703	-
Total	**30,59,703**	-

(in USD)

14 Other Income	**2016**	2015
Interest Income	7	-
Total	**7**	-

Notes on Financial Statements for the year ended 31st December, 2016

		2016	(in USD) 2015
15	**Employee Benefits Expense**		
	Salaries and Wages	15,66,648	1,93,548
	Total	**15,66,648**	1,93,548

		2016	(in USD) 2015
16	**Operating & Other expenses**		
	Other Expenses		
	Colocation charges	2,70,688	-
	Bandwidth charges	2,13,380	-
	Voice Charges	26,977	-
	Legal and Professional Fees	1,36,455	25,714
	Telephone	16,076	20,780
	Travel	68,221	42,986
	Payment to Auditors	13,000	11,000
	General administration expenses	2,92,057	1,81,631
	Rent	1,93,992	1,71,238
	Insurance	7,211	6,774
	Total	**12,38,057**	4,60,123

17 Previous year figures have been reworked, regrouped, re-arranged and reclassified where ever necessary to make them comparable with those of current year.

		2016	2015
18	**Earnings Per Share (EPS)**		
	Basic Earning Per Share		
	i. Loss for the year as per Profit and Loss Statement (in USD)	**(3,88,749)**	(9,18,807)
	ii. Weighted Average number of equity shares used as denominator for calculating EPS	**3,45,47,66,449**	3,45,47,66,449
	iii. Basic and Diluted Earnings per share (USD)	**(0.0001)**	(0.0003)
	iv. Face Value per equity share (USD)	**0.01**	0.01

19 **Related Party Disclosures**

List of related parties with whom transactions have taken place and relationship :-

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Jio Infocomm Limited	Holiding Company
3	Reliance Jio Global Resources LLC (w.e.f. 15th January, 2015)	Subsidiary Company
4	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary

Notes on Financial Statements for the year ended 31st December, 2016

Transactions during the year with related parties - Jan'16 - Dec'16 (in USD)

Sr. No.	Nature of Transactions (excluding reimbursements)	Holding Company	Subsidiary	Fellow Subsidiary	Total
1	Purchase / Subscription of Investment	**-**	**(14,94,701)**	**-**	**(14,94,701)**
		-	(44,99,216)	-	(44,99,216)
2	Equity Shares issued and allotted	20,50,000	**-**	-	**20,50,000**
		(1,48,55,000)	-	-	(1,48,55,000)
3	IP Transit billing	**-**	**-**	**18,70,092**	**18,70,092**
		-	-	-	-
4	Voice billing	**2,163**	**-**	**-**	**2,163**
		-	-	-	-
5	Voice cost	**24,544**	**-**	**-**	**24,544**
		-	-	-	-
6	Services Rendered	**11,84,092**	**-**	**-**	**11,84,092**
		-	-	-	**-**
Balances as at 31st December, 2016					(in USD)
7	Trade Receivable	**5,82,910**	**-**	**17,12,977**	**22,95,887**
		-	-	-	-
8	Equity Share Capital	**3,45,47,664**	**-**	**-**	**3,45,47,664**
		(10)	-	-	(10)
9	Additional paid in Capital	-	-	-	-
		(3,24,97,654)	-	-	3,24,97,654)
10	Investment	**-**	**30,04,515**	**-**	**30,04,515**
		-	(44,99,216)	-	(44,99,216)

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

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

	Particulars	Relationship	2016	2015
1	**Purchase / Subscription of Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	(14,94,701)	44,99,216
	Sub total		**(14,94,701)**	**44,99,216**
2	**Additional Paid in Capital issued and allotted**			
	Reliance Jio Infocomm Limited	Holding	20,50,000	1,48,55,000
	Sub total		**20,50,000**	**1,48,55,000**
3	**IP Transit billing**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	18,70,092	-
	Sub total		**18,70,092**	**-**
4	**Voice billing**			
	Reliance Jio Infocomm Limited	Holding	2,163	-
	Sub total		**2,163**	**-**

Notes on Financial Statements for the year ended 31st December, 2016

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

	Particulars	Relationship	2016	2015
5	**Voice cost**			
	Reliance Jio Infocomm Limited	Holding	24,544	-
	Sub total		**24,544**	**-**
6	**Services Rendered**			
	Reliance Jio Infocomm Limited	Holding	11,84,092	-
	Sub total		**11,84,092**	**-**

Balances as at 31st December, 2016 (in USD)

	Particulars	Relationship	2016	2015
1	**Trade Receivable**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	17,12,977	-
	Reliance Jio Infocomm Limited	Holding	5,82,910	-
	Sub total		**22,95,887**	**-**
2	**Equity Share Capital**			
	Reliance Jio Infocomm Limited	Holding	3,45,47,664	10
	Sub total		**3,45,47,664**	**10**
3	**Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	30,04,515	44,99,216
	Sub total		**30,04,515**	**44,99,216**

20 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.

(Amount in USD)

Payment recognised as an expense	**2016**	2015
Minimum lease payment	1,93,992	1,71,238
Total	**1,93,992**	1,71,238

21 Segment Information

The Company is incorporated for the execution and development of 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 22, 2017.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22nd April, 2017

For and on behalf of the board

Director

Texas
Dated: 21st April, 2017

Reliance Jio Global Resources LLC

Independent Auditors' Report

To the Board of Directors

Reliance Jio Infocomm Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Jio Global Resources LLC**("the Company"), which comprise the Balance Sheet as at December 31, 2016,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 Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 financial statements based on our audit.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the state of affairs (financial position) of the Company as at December 31, 2016, and its profit (financial performance including other 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: 22 April, 2017

Balance Sheet as at 31st December, 2016

(In USD)

Particulars	Notes	As at 31st December, 2016	As at 31st December, 2015
ASSETS			
Non - Current assets			
Property, Plant and Equipment	1	9,769	10,044
Other Non-Current Assets	2	11,92,473	4,97,435
Total Non-Current assets		**12,02,242**	**5,07,479**
Current assets			
Financial Assets			
Trade receivables	3	13,82,223	35,81,814
Cash and cash equivalents	4	6,48,167	8,66,191
Other Current Assets	5	3,01,448	16,286
Total Current assets		**23,31,838**	**44,64,291**
Total Assets		**35,34,080**	**49,71,770**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	100	100
Other Equity	7	34,26,865	48,12,780
Total equity		**34,26,965**	**48,12,880**
Liabilities			
Current Liabilities			
Other Current liabilities	8	1,07,115	1,58,890
Total current liabilities		**1,07,115**	**1,58,890**
Total liabilities		**1,07,115**	**1,58,890**
Total Equity and Liabilities		**35,34,080**	**49,71,770**
Corporate Information and Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-17		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22 April, 2017

For and on behalf of the board

Member

Texas
Dated : 21 April, 2017

Statement of Profit and Loss for the year ended 31st December, 2016

	Notes	2016	(In USD) For the period 15 Jan, 2015 to 31 Dec, 2015
INCOME			
Revenue from Operations	9	88,08,959	53,72,244
Total Income		**88,08,959**	53,72,244
EXPENSES			
Employee Benefits Expense	10	83,43,031	47,20,938
Depreciation Expense		3,301	1,459
Other expenses	11	3,53,841	3,36,183
Total Expenses		**87,00,173**	50,58,580
Profit for the Year/Period		**1,08,786**	3,13,664
Total Comprehensive Income for the Year/Period		**1,08,786**	3,13,664
Earnings per equity units	12		
Basic (in USD)		**2.18**	6.27
Diluted (in USD)		**2.18**	6.27
Corporate Information and Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-17		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22 April, 2017

For and on behalf of the board

Member

Texas
Dated : 21 April, 2017

Statement of Changes In Equity for the year ended 31st December, 2016

(In USD)

(A)	**Equity Share Capital**	-
	Balance at 31st December, 2015	**100**
	Changes in Equity Share Capital	-
	Balance at 31st December, 2016	**100**

(B) Other Equity

Particulars	**Reserves and Surplus**		
	Additonal Paid in Capital	**Retained Earnings**	**Total**
As on 1st January 2015			
Total Comprehensive Income for the year	-	3,13,664	3,13,664
Additional Paid in Capital	44,99,116	-	44,99,116
As on 31st December 2015	**44,99,116**	**3,13,664**	**48,12,780**
Balance at the beginning of the reporting period	44,99,116	3,13,664	48,12,780
Total Comprehensive Income for the year	-	1,08,786	1,08,786
Withdrawal of Additional Paid in Capital	(14,94,701)	-	(14,94,701)
Balance as at 31st December, 2016	**30,04,415**	**4,22,450**	**34,26,865**

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22 April, 2017

For and on behalf of the board

Member

Texas
Dated : 21 April, 2017

Cash Flow statement for the year ended 31st December'16

(Amount in USD)

			2016		For the Period Jan 15, 2015 to Dec 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and Loss		**1,08,786**		3,13,664
	Adjusted for:				
	Depreciation Expense		**3,301**		1,459
	Operating Profit before Working Capital Changes		**1,12,087**		3,15,123
	Adjusted for				
	Trade and Other Receivebles	**12,19,392**		(40,95,535)	
	Trade and Other Payables	**(51,776)**		1,58,890	
			11,67,616		(39,36,645)
	Cash from / (used in) Operations		**12,79,703**		(36,21,522)
	Net cash from / (used in) Operating Activities (A)		**12,79,703**		(36,21,522)
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property Plant and equipment		**(3,026)**		(11,503)
	Net Cash (used in) Investing Activities (B)		**(3,026)**		(11,503)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issuance of Share Capital and Additional Paid in Capital		**-**		44,99,216
	Withdrawal of Additional Paid in Capital		**(14,94,701)**		-
	Net Cash from Financing Activities (C)		**(14,94,701)**		44,99,216
	Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**(2,18,024)**		8,66,191
	Opening Balance of Cash and Cash Equivalents		**8,66,191**		-
	Closing Balance of Cash and Cash Equivalents (Refer note 7)		**6,48,167**		8,66,191
	Corporate Information and Significant Accounting Policies				
	Notes to the financial statement	**1-17**			

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : 22 April, 2017

For and on behalf of the board

Member

Texas
Dated : 21 April, 2017

Notes to the Standalone Financial Statements for the year ended 31 December 2016

A CORPORATE INFORMATION

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

B 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'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Upto the year ended December 31, 2015, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.Refer Note D for the details of first time adoption exemptions availed by the company.

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:

Under the previous GAAP (erstwhile Indian GAAP), Property Plant and Equipments, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at April 1, 2015 (date of transition to Ind AS).

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 when assets are ready for intended use is provided on straight line method and based on useful life of the assets.

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.

Notes to the Standalone Financial Statements for the year ended 31 December 2016

(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.

(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

Notes to the Standalone Financial Statements for the year ended 31 December 2016

(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 andother 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

Notes to the Standalone Financial Statements for the year ended 31 December 2016

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.

D FIRST TIME ADOPTION OF IND AS:

The Company has adopted Ind AS with effect from 1st January 2016. However the adoption of IND AS does not have any impact on the recognition and measurement of assets and liabilities recognised under previous GAAP .

Exemptions from retrospective application:

(i) Deemed cost for Property, Plant and equipment

The Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at January 01, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as at the transition date.

Notes to the Standalone Financial Statements for the year ended 31 December 2016

2. Property Plant and Equipment

(Amount in USD)

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation

Description	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 15-01 2015	Additions/ Adjustment	As at 31-12 - 2015	Additions/ Adjustment	Deduction/ Adjustment	As at 31-12-2016	As at 15-01 2015	Additions/ Adjustment	As at 31-12-2015	For the Year	Deduction/ Adjustment	As at 31-12-2016	As at 31-12-2016	As at 31 12 2015
1. Property, Plant & Equipment														
Tangible Assets :														
Own Assets :														
Computer and Equipment*	-	11,503	11,503	3,026	-	14,529	-	1,459	1,459	3,301	-	4,760	9,769	10,044
Total	**-**	**11,503**	**11,503**	**3,026**	**-**	**14,529**	**-**	**1,459**	**1,459**	**3,301**	**-**	**4,760**	**9,769**	**10,044**
Previous Period	**-**	**-**	**-**	**11,503**	**-**	**11,503**	**-**	**-**	**-**	**1,459**	**-**	**1,459**	**10,044**	**-**

*Computer and Equipment includes office equipment.

Notes to the Standalone Financial Statements for the year ended 31 December 2016

(in USD)

		As at 31st December, 2016	As at 31st December, 2015
2	**Other Non Current Assets**		
	Withholding Tax Receivable	11,92,473	4,97,435
	TOTAL	**11,92,473**	**4,97,435**
3	**Trade Receivables** (Unsecured and considered good)		
	Trade Receivable	13,82,223	35,81,814
	TOTAL	**13,82,223**	**35,81,814**
4	**Cash and cash equivalents**		
	(a) Balances with Banks	6,48,167	8,66,191
	TOTAL	**6,48,167**	**8,66,191**
5	**Other Current Assets**		
	(a) Withholding tax Receivable from Employees	2,98,226	-
	(b) Prepaid expense	3,223	16,286
	TOTAL	**3,01,448**	**16,286**

6 Equity Share Capital

(in USD)

		As at 31st December, 2016	As at 31st December, 2015
Authorised Share Capital :			
50,000 (50,000)	Equity Shares of USD 0.002 each fully paid up	100	100
		100	**100**
		100	**100**
Issued, Subscribed and Paid up:			
50,000 (50,000)	Equity Shares of USD 0.002 each fully paid up	100	100
TOTAL		**100**	**100**

6.1 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 3004415 towards additional paid in capital from Reliance Jio Infocomm USA the parent company. The company has one class of ordinary units which carry equal voting rights , equal rights to income and distribution of assets on liquidation or otherwise .

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

	Equity Shares			
Particulars	**Jan-Dec'16**		**Jan-Dec'15**	
	No.of Shares	**in USD**	**No.of Shares**	**in USD**
No. of shares at the beginning of the year	50,000	100	-	-
Add: Issue of Shares	-	-	50,000	100
No. of shares at the end of the year	**50,000**	**100**	**50,000**	**100**

Notes to the Standalone Financial Statements for the year ended 31 December 2016

6.3 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, 2016 No. of Shares	% holding	As at 31st December,2015 No. of Shares	% holding
Reliance Jio Infocomm USA Inc	50,000	100.00%	50,000	100.00%

7 Other Equity

	As at 31st December, 2016	As at 31st December, 2015
Additional Paid in Capital	30,04,415	44,99,116
Retained Earnings	4,22,450	3,13,664
TOTAL	**34,26,865**	3,13,664
Retained Earnings		
As per last Balance Sheet	3,13,664	-
Add: Profit for the year	1,08,786	3,13,664
Balance at end of year	**4,22,450**	3,13,664

(in USD)

8 Other current liabilities

	As at 31st December, 2016	As at 31st December,2015
Other Payables	1,07,115	1,58,890
Total	**1,07,115**	**1,58,890**

(in USD)

9 Revenue from Operations

	2016	For the period 15 Jan, 2015 to 31 Dec, 2015
Sale of Services	88,08,959	53,72,244
TOTAL	**88,08,959**	**53,72,244**

10 Employee Benefits Expense

i Salaries and Wages	78,94,401	44,60,092
ii Payroll taxes and benefits	4,48,629	2,60,846
TOTAL	**83,43,031**	**47,20,938**

11 Other expenses

Bank Charges	211	159
Legal and Professional Fees	18,808	605
Telephone	8,373	20,149
Travel	1,50,400	1,07,857
Payment to Auditors	22,000	-
General administration expenses	2,498	16,021
Rent	1,51,551	1,91,392
TOTAL	**3,53,841**	**3,36,183**

Notes to the Standalone Financial Statements for the year ended 31 December 2016

12 Previous year figures have been reworked, regrouped, re-arranged and reclassified where ever necessary to make them comparable with those of current year.

13 Current and Deferred Taxes

No tax expenses has been provided as the Company is a disregarded entity under USA Tax Laws in view of the single member 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.

14 Earnings Per Share (EPS)

		2016	2015
i.	Earnings attributable to members	1,08,786	3,13,664
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)	2.18	6.27
iv.	Face Value per equity unit (USD)	0.002	0.002

15 Related Party Disclosures

List of related parties with whom transactions have taken place and relationship :-

Sr. No.	**Name of the Related Party**	**Relationship**
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Jio Infocomm USA Inc.	
3	Reliance Corporate IT Park Limited	Fellow Subsidiary

Transactions during the year with related parties - Jan'16 - Dec'16 (in USD)

Sr. No.	**Nature of Transactions (excluding reimbursements)**	**Holding**	**Subsidiary Company**	**Fellow Subsidiary**	**Total**
1	Issue of Equity Share Capital	**-**	**-**	**-**	**-**
		(100)	-	-	(100)
2	Additional Paid in Capital	**-**	**-**	**-**	**-**
		(44,99,116)	-	-	(44,99,116)
3	Withdrawal of Additional Paid in Capital	**14,94,701**	**-**	**-**	**14,94,701**
		-	-	-	-
4	Services Rendered	-	**-**	**88,80,954**	**88,80,954**
		-	-	(53,91,087)	(53,91,087)
	Balances as at 31st December, 2016				(in USD)
5	Members Equity	**100**	**-**	**-**	**100**
		(100)	-	-	(100)
6	Trade Receivable	**-**	**-**	**13,82,223**	**13,82,223**
		-	-	(35,81,814)	(35,81,814)
7	Additional Paid in Capital	**30,04,415**	**-**	**-**	**30,04,415**
		(44,99,116)	-	-	(44,99,116)

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

Notes to the Standalone Financial Statements for the year ended 31 December 2016

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

	Particulars	Relationship	2016	2015
1	**Issue of Share Capital**			
	Reliance Jio Infocomm USA Inc		-	**100**
	Sub total		-	**100**
2	**Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	-	44,99,116
	Sub total		**-**	**44,99,116**
3	**Withdrawal of Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	(14,94,701)	-
	Sub total		**(14,94,701)**	**-**
4	**Services Rendered**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	88,08,959	53,72,224
	Sub total		**88,80,954**	**53,91,087**

Balances as at 31st December, 2016 (in USD)

	Particulars	Relationship	2016-17	2015-16
5	**Trade Receivable**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	13,82,223	35,81,814
	Sub total		**13,82,223**	**35,81,814**
6	**Members Equity**			
	Reliance Jio Infocomm USA Inc	Holding	100	100
	Sub total		**100**	**100**
7	**Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	30,04,415	44,99,116
	Sub total		**30,04,415**	**44,99,116**

16 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 .

17 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by Board of Members on 22nd April, 2017.

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**	**Member**
Mumbai Dated : 22 April, 2017	Texas Dated : 21 April, 2017