FINANCIAL STATEMENT OF SUBSIDARIES 2018-19

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

Financial Statements

For the Year ended 31st December, 2018

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 financial statements of Reliance Jio Infocomm Pte Ltd (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 32.

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, 2018 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 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
Deloitte & Touche LLP
Singapore

April 15, 2019

Statement of Financial Position December 31, 2018

	Note	**2018**	2017
		US$	US$
ASSETS			
Current assets			
Cash and cash equivalents	6	**9,679,527**	687,941
Trade and other receivables	7	**5,285,989**	9,886,012
Prepayments		**808,512**	212,755
Loan to related company	5	**35,000,000**	-
Total current assets		**50,774,028**	10,786,708
Non-current assets			
Plant and equipment	8	**68,044,772**	75,583,707
Intangible assets	9	**44,148,797**	47,006,034
Prepayments		**3,718,651**	-
Total non-current assets		**115,912,220**	122,589,741
Total assets		**166,686,248**	133,376,449
LIABILITIES AND EQUITY			
Current liabilities			
Contract liabilities	10	**2,344,663**	-
Trade and other payables	11	**8,110,144**	21,947,002
Deferred revenue		**-**	765,475
Total current liabilities		**10,454,807**	22,712,477
Non-current liabilities			
Deferred revenue		**-**	8,841,913
Contract liabilities	10	**27,372,031**	-
Total non-current liabilities		**27,372,031**	8,841,913
Capital and accumulated losses			
Share capital	12	**129,400,000**	104,000,000
Accumulated losses		**(540,590)**	(2,177,941)
Net equity		**128,859,410**	101,822,059
Total liabilities and equity		**166,686,248**	133,376,449

See accompanying notes to financial statements.

Statement of Comprehensive Income Year Ended December 31, 2018

	Note	**2018**	2017
		US$	US$
Revenue from operations	13	**52,360,813**	42,856,405
Other operating income	14	**639,656**	561
Changes in inventories		**-**	(11,117,170)
Purchases and related cost		**(15,066,687)**	(67,675)
Depreciation and amortisation		**(8,813,893)**	(6,554,416)
Employee benefits expense		**(312,089)**	(273,335)
Bandwidth charges		**(9,097,639)**	(11,730,615)
Repair and maintenance expenses		**(5,040,078)**	(4,277,007)
Voice charges		**(11,626,388)**	(6,324,832)
Other operating expenses	15	**(1,406,344)**	(1,463,349)
Profit before income tax	16	**1,637,351**	1,048,567
Income tax	17	**-**	-
Profit for the year, representing total comprehensive income for the year		**1,637,351**	1,048,567

See accompanying notes to financial statements.

Statement of Changes in Equity Year ended December 31, 2018

	Share capital	Accumulated losses	Net
	US$	US$	US$
At January 1, 2017	98,000,000	(3,226,508)	94,773,492
Profit for the year, representing total comprehensive income for the year	-	1,048,567	1,048,567
Shares issued during the year, representing transactions with owners recognised directly in equity	6,000,000	-	6,000,000
At December 31, 2017	104,000,000	(2,177,941)	101,822,059
Profit for the year, representing total comprehensive income for the year	-	1,637,351	1,637,351
Shares issued during the year, representing transactions with owners recognised directly in equity	25,400,000	-	25,400,000
At December 31, 2018	129,400,000	(540,590)	128,859,410

See accompanying notes to financial statements.

Statement of Cash Flows Year ended December 31, 2018

	2018	2017
	US$	US$
Operating activities		
Profit before income tax	**1,637,351**	1,048,567
Adjustments for:		
Depreciation and amortisation	**8,813,893**	6,554,416
Interest income	**(530,863)**	-
Operating cash flows before working capital changes	**9,920,381**	7,602,983
Trade and other receivables	**4,699,611**	112,926
Inventories	**9,167,765**	11,184,839
Prepayments	**(4,314,408)**	(118,808)
Trade and other payables	**(23,444,246)**	7,336,148
Contract liabilities	**29,716,693**	-
Net cash from operating activities	**25,745,796**	26,118,088
Investing activities		
Purchase of plant and equipment	**(6,585,486)**	(26,364,636)
Transfer of plant and equipment to immediate holding company	**-**	2,057,890
Payment for intangible assets	**(1,000,000)**	(9,053,043)
Loan to related company	**(35,000,000)**	-
Interest received	**431,276**	-
Net cash used in investing activities	**(42,154,210)**	(33,359,789)
Financing activity		
Proceeds from issuance of ordinary shares, representing net cash from financing activity	**25,400,000**	6,000,000
Net increase (decrease) in cash and cash equivalents	**8,991,586**	(1,241,701)
Cash and cash equivalents at the beginning of the year	**687,941**	1,929,642
Cash and cash equivalents at the end of the year	**9,679,527**	687,941

See accompanying notes to financial statements.

Notes on Financial Statements December 31, 2018

NOTES TO FINANCIAL STATEMENTS December 31, 2018

1 GENERAL

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

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

The financial statements of the Company for the financial year ended December 31, 2018 were authorised for issue by the Board of directors on April 15, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these 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 – In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after January 1, 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Company applied FRS 109 with an initial application date of January 1, 2018. The Company has not restated the comparative information, which continues to be reported under FRS 39. Effects arising from the adoption of FRS 109 have been recognised directly in retained earnings.

The adoption of FRS 109 did not have a material impact on the Company's Statement of Financial Position for the year ended December 31, 2018.

Notes on Financial Statements December 31, 2018

The significant accounting policies for financial instruments under FRS 109 are disclosed in Note 2.

(a) Classification and measurement of financial assets and financial liabilities

The Company has applied the requirements of FRS 109 to instruments that have not been derecognised as at January 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at January 1, 2018. The classification of financial assets is based on two criteria: the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Company's financial assets and financial liabilities.

(b) 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 the Company 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 of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the Company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and the related Interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The Company has applied FRS 115 using the modified retrospective method with the cumulative effect of initially applying this Standard recognised at the date of initial application (January 1, 2018) as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and the related Interpretations. The Company has elected to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application.

FRS 115 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in FRS 115 to describe such balances. The Company's significant accounting policies for its revenue streams are disclosed in Note 2. Apart from providing more extensive disclosures on the Company's revenue transactions, the amount of adjustment for each financial statement line item affected by the application of FRS 115 for the current year is illustrated below.

The effects of adopting FRS 115 under the modified retrospective approach are presented and explained below:

(A) Impact on the Statement of Financial Position as at January 1, 2018 (date of initial application)

	Previously reported as at December 31, 2017	Adoption of FRS 115	(Note)	Adjusted as at January 1, 2018
	US$	US$		US$
Current liabilities				
Deferred Revenue	765,475	(765,475)	(a)	-
Contract liabilities	-	765,475	(a)	765,475
Non-current liabilities				
Deferred revenue	8,841,913	(8,841,913)	(a)	-
Contract liabilities	-	8,841,913	(a)	8,841,913

Notes on Financial Statements December 31, 2018

(B) Impact of FRS 115 on the Statement of Financial Position as at December 31, 2018 (current reporting period)

	Under previous FRS	Adoption of FRS 115	(Note)	Under new FRS
	US$			US$
Current liabilities				
Deferred revenue	2,344,663	(2,344,463)	(a)	-
Contract liabilities	-	2,344,663	(a)	2,344,663
Non-current liabilities				
Deferred revenue	27,372,031	(27,372,031)	(a)	-
Contract liabilities	-	27,372,031	(a)	27,372,031

(a) Some services rendered are paid upfront as part of the initial sales transaction whereas revenue is recognised when services are provided to the customer. There has been an adjustment to reflect the change in accounting and the amount previously recognised as deferred revenue has been reclassified as a contract liability.

The adoption of FRS 115 did not have a material impact on the Company's operating, investing and financing cash flows, and Statement of Comprehensive Income for the year ended December 31, 2018.

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 116 *Leases*
(Applies to annual periods beginning on or after January 1, 2019)

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 existing framework.

As at December 31, 2018, the Company has non-cancellable operating lease arrangements of US$29,282 (2017 : US$62,280). 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 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.

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

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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets (before January 1, 2018)

<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

Notes on Financial Statements December 31, 2018

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.

Trade and other receivables, cash and bank balances

Trade and other receivables, cash and bank balances are subsequently measured at amortised cost using the effective interest method less impairment losses. 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

The amount of 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 is reduced through the use of an allowance account. When the receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and 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 (from January 1, 2018)

Classification of financial asset

Debt instruments mainly comprise cash and bank balances, loans, trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Notes on Financial Statements December 31, 2018

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 365 days past due and it is established that debts are likely to be irrecoverable or that it is uneconomic to pursue further the debt, whichever occurs sonner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes on Financial Statements December 31, 2018

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financialassets

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 party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and 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 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 recognized on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

Derecognition of financial liabilities

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

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

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

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

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

PLANT AND EQUIPMENT -Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses. Plant and equipment in the course of construction for production, supply and administrative purpose is carried at cost, less any recognised impairment loss.

Notes on Financial Statements December 31, 2018

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 amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

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

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets 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, 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.

Notes on Financial Statements December 31, 2018

REVENUE RECOGNITION (before January 1, 2018) - Revenue is measured at the fair value of the consideration received or receivables. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

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

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

Rendering of services

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

Interest income

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

REVENUE RECOGNITION (from January 1, 2018) - The Company recognises revenue from establishing international connectivity and providing services related to international and domestic Bandwidth, IP Transit, IP Peering, Internet Exchange, Voice and Data Roaming and Dark Fibre. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. The Company has concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Rendering of services

Revenue from a contract to provide voice services and sale of ownership rights in submarine cable capacity is recognised at point in time and revenue from contracts to provide data services (including IP transit, sale of bandwidth on lease / IRU and Operation and Maintenance of network infrastructure) is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration(net of any discounts, rebates, credits, price incentives or similar terms)is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-60 days from the delivery of services.

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

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

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

Notes on Financial Statements December 31, 2018

taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

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

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

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

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

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

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

Impairment of plant and equipment and intangible assets

The Company assesses annually whether plant and equipment and intangible assets have any indication of impairment in accordance with the accounting policy. If an indication of impairment is identified, the carrying amounts of the plant and equipment and intangible assets are determined on the basis of the net recoverable amounts. The net recoverable amount is determined based on higher of fair value less cost to sell and value-in-use. The carrying amount of plant and equipment and intangible assets are disclosed in Note 8 and 9 to the financial statements.

Calculation of loss allowance

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Notes on Financial Statements December 31, 2018

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

	2018	2017
	US$	US$
Financial assets		
Financial assets at amortised cost	**49,965,516**	10,573,953
Financial liabilities		
Financial liabilities at amortised cost	**8,110,144**	21,947,002

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. Further, loan to a related company is to a company within the Ultimate holding company's group of subsidiaries, hence there is minimal risk.

The Company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL -not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL -credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

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 and loans to related company 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	
	2018	2017	**2018**	2017
	US$	US$	**US$**	US$
Singapore dollar	**12,704**	18,752	**14,838**	28
Great Britain Pound	**-**	-	**589,779**	1,444,189

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

Notes on Financial Statements December 31, 2018

d) Liquidity risk management

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

e) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents,loan to related party, 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 management policies and objectives

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 the previous financial year.

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.

Some 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.

Inter company balances are unsecured, interest-free and repayable on due dates as per the credit terms listed in the invoices. The average credit terms are 30 to 45 days (2017 : 30 to 45 days). The loan to Reliance Global Energy Services (Singapore) Pte Limited bears interest at 1 month LIBOR + 0.45% spread. The loan is due earlier of 12 months or repayable on demand.

All significant transactions with holding company and related companies:

	2018	2017
	US$	US$
Immediate holding Company		
Sale of goods and services	**37,435,978**	36,683,913
Transfer of fixed assets	**-**	2,057,890
Voice charges	**(9,579,708)**	(6,083,199)
Bandwidth Cost	**(4,453,250)**	-
Related companies		
IP Transit charges	**(6,281,722)**	(5,178,640)
Professional services received	**(302,490)**	(15,642)

For purpose of impairment assessment, the above loan due from related party is assessed to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on these amounts since initial recognition. Accordingly, for the purpose of impairment assessment for these loan receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the related company, adjusted for factors that are specific to that related company and general economic conditions of the industry in which the respective related company

Notes on Financial Statements December 31, 2018

operates, in estimating the probability of default of the loan as well as the loss upon default. Arising from the assessment, no loss allowance was recognised in profit or loss for the year in respect of loan receivables from related company.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Compensation of key management personnel

There are no key management personnel apart from the Company's directors. Directors' remuneration is disclosed in Note 16 to the financial statements, which comprises of only short-term benefits.

6 CASH AND CASH EQUIVALENTS

	2018	2017
	US$	US$
Cash at bank	**1,679,527**	687,941
Deposits	**8,000,000**	-
	9,679,527	687,941

The interest rate of fixed deposits at the reporting date is 2.67% to 2.78% and for tenures of 3 to 6 months.

7 TRADEAND OTHER RECEIVABLES

	2018	2017
	US$	US$
Outside parties	**2,678,836**	8,641,786
Trade receivables due from immediate holding company	**2,598,390**	1,235,392
Rent deposit	**8,763**	8,834
	5,285,989	9,886,012

The average credit period on trade receivables is 30 to 60 days (2017 : 30 to 60 days). No interest is charged on overdue receivables.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The management concluded that the expected credit loss allowance is immaterial after applying lifetime ECL as the debtors are of good creditability. Thus, no allowance provision for the amounts was recognised.

Previous accounting policy for impairment of trade receivables

In 2017, doubtful debt allowances for trade receivables were determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. No allowances of were made based on collective assessment of receivables.

Included in the Company's trade receivables balance were debtors with a carrying amount of $2,548,079 which were past due at the end of reporting period for which the Company had not provided as there had not been a significant change in credit quality and the amounts were still considered recoverable.

Notes on Financial Statements December 31, 2018

The table below is an analysis of trade and other receivables as at the end of the reporting period:

	2017
	US$
Not past due and not impaired	7,337,933
Past due but not impaired [i]:	
1 to 30 days overdue	74,990
31 to 60 days overdue	9,265
> 90 days overdue	2,463,824
	9,886,012

8 PLANT AND EQUIPMENT

	Plant and machinery	Construction work-in-progress	Total
	US$	US$	US$
Cost:			
At January 1, 2017	22,171,977	32,854,220	55,026,197
Additions	-	26,364,636	26,364,636
Transfer to plant and machinery	57,030,683	(57,030,683)	-
Transfer to inventories[1]	-	(67,669)	(67,669)
Transfer to immediate holding Company	-	(2,057,890)	(2,057,890)
At December 31, 2017	79,202,660	62,614	79,265,274
Additions	-	6,585,486	6,585,486
Transfer to plant and machinery	5,462,801	(5,462,801)	-
Transfer to inventories [1]	(9,486,583)	-	(9,486,583)
At December 31, 2018	75,178,878	1,185,299	76,364,177
Accumulated depreciation:			
At January 1, 2017	559,073	-	559,073
Depreciation for the year	3,122,494	-	3,122,494
At December 31, 2017	3,681,567	-	3,681,567
Depreciation for the year	4,956,656	-	4,956,656
Transfer to inventories[1]	(318,818)	-	(318,818)
At December 31, 2018	8,319,405	-	8,319,405
Carrying amount:			
At December 31, 2018	66,859,473	1,185,299	68,044,772
At December 31, 2017	75,521,093	62,614	75,583,707

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”.

[1] The Company identified certain items of plant and machinery for transfer to inventories. During the respective financial years, all inventories transferred from plant and machinery during the respective reporting periods have been sold as at the end of the respective reporting periods.

Notes on Financial Statements December 31, 2018

9 INTANGIBLE ASSETS

	Rights-to-use capacity	Intangible assets under development	Total
	US$	US$	US$
Cost:			
At January 1, 2017	22,446,677	22,997,932	45,444,609
Additions	-	9,053,043	9,053,043
Transfer to Rights-to-use capacity	32,050,975	(32,050,975)	-
At December 31, 2017	54,497,652	-	54,497,652
Additions	-	1,000,000	1,000,000
Transfer to Rights-to-use capacity	1,000,000	(1,000,000)	-
At December 31, 2018	55,497,652	-	55,497,652
Accumulated amortisation:			
At January 1, 2017	4,059,696	-	4,059,696
Charge for the year	3,431,922	-	3,431,922
At December 31, 2017	7,491,618	-	7,491,618
Charge for the year	3,857,237	-	3,857,237
At December 31, 2018	11,348,855	-	11,348,855
Carrying amount:			
At December 31, 2018	44,148,797	-	44,148,797
At December 31, 2017	47,006,034	-	47,006,034

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.

10 CONTRACT LIABILITIES

The revenue are billed upfront as part of the initial sales transaction whereas revenue is recognized over the period when services are provided to the customers. A contract liability is recognised for revenue relating to the services at the time of the initial sales transaction and is released over the service period.

There were no significant changes in the contract liability balances during the reporting period.

The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is $765,475.

11 TRADE AND OTHER PAYABLES

	2018	2017
	US$	US$
Outside parties	**5,594,823**	16,592,661
Amount due to holding Company (Note 5)	**758,892**	3,083,451
Amount due to related companies(Note 5)	**1,699,250**	2,230,437
Accruals	**57,179**	40,453
	8,110,144	21,947,002

The credit period on purchases of goods range from 30 to 45 days (2017 : 30 to 45 days).
No interest is charged on overdue balances.

Notes on Financial Statements December 31, 2018

12 SHARE CAPITAL

	Number of ordinary shares	US$
Issued and fully paid:		
Balance at January 1, 2017	98,000,000	98,000,000
Shares issued during the year	6,000,000	6,000,000
Balance at December 31, 2017	104,000,000	104,000,000
Shares issued during the year	25,400,000	25,400,000
Balance at December 31, 2018	129,400,000	129,400,000

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

13 REVENUE FROM OPERATIONS

A disaggregation of the Company's revenue for the year is as follows:

	Network Connectivity
	US$
	2018
Types of goods and service	
Proxy Sale	16,334,032
Bandwidth Lease Charges	2,186,187
Bandwidth Services	2,364,784
IRU	1,480,627
NOC & NA	590,553
Voice Charges	12,048,981
Operational and Maintenance Service	2,066,812
IP Transit	15,288,837
	52,360,813

	Network Connectivity
Geographical Markets	US$
Asia & Middle East	49,351,216
Europe	1,395,527
USA	1,614,070
	52,360,813
Timing of revenue recognition	
At a point in time	28,383,013
Over time	23,977,800
	52,360,813

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for services as at the end of the reporting period is US$29,716,694. Management expects that US$2,344,663 will be recognised as revenue during the next reporting period. The remaining amounts would be recognised in future financial periods when all performance obligations have been fulfilled.

Notes on Financial Statements December 31, 2018

14 OTHER OPERATING INCOME

	2018	2017
	US$	US$
Interest income (Note 5)	**530,863**	561
Others	**108,793**	-
	639,656	561

15 OTHER OPERATING EXPENSE

	2018	2017
	US$	US$
Colocation charges	**1,114,913**	1,158,835
License fees	**66,123**	82,588
Professional fees	**39,221**	99,373
Rent expense	**35,138**	33,971
Others	**150,949**	88,582
	1,406,344	1,463,349

16 PROFIT BEFORE INCOME TAX

Profit before income tax includes the following charges:

	2018	2017
	US$	US$
Directors' remuneration	**166,386**	158,215
Employee benefits expenses (including directors' remuneration)	**312,089**	273,335
Net foreign exchange losses	**63,898**	16,338

17 INCOME TAX

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2017 : 17%) to profit before income tax as a result of the following differences:

	2018	2017
	US$	US$
Profit before income tax	**1,637,351**	1,048,567
Income tax expense at statutory rate of 17% (2017 : 17%)	**278,350**	178,256
Effect of non-taxable income	**(365,522)**	(2,659)
Effect of taxes on expenses that was capitalised	**-**	-
Effect of utilisation of tax losses and tax offsets previously not recognised as deferred tax assets	**-**	(177,688)
Effect of unused tax losses not recognised as deferred tax assets	**87,172**	-
Others	**-**	2,091
Total income tax expense	**-**	-

The Company has deductible temporary differences arising from unutilised capital allowance, tax losses and excess of tax written down value over net book value of plant and equipment and intangible assets of approximately US$4,039,856(2017 : US$3,094,171) 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.

Notes on Financial Statements December 31, 2018

18 OPERATING LEASE ARRANGEMENTS

The Company as lessee

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

	2018	2017
	US$	US$
Minimum lease payments paid under operating leases	**35,138**	33,971
Obligation on non-cancellable leases:		
Within one year	**29,282**	33,971
In the second to fifth year inclusive	**-**	28,309
	29,282	62,280

Operating lease arrangements are for rental of office space for 3years (2017 : 3 years) and rentals are fixed at the inception of the lease.

19 CAPITAL COMMITMENTS

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

	2018	2017
	US$	US$
Commitments for the acquisition of plant and equipment	**1,361,652**	3,373,829

RELIANCE JIO INFOCOMM UK LIMITED

Financial Statements

For the Year ended 31st December, 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Reliance Jio Infocomm UK Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ('FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Peter McDermott FCA (Senior Statutory Auditor)

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

Date: 8th April 2019

Income Statement for the year ended 31st December 2018

	Note	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Revenue from operations	14	9,320,561	4,262,737
Other operating expenses	3	(9,162,095)	(4,082,958)
Profit/(Loss) before taxation		158,466	179,779
Income tax	5	(25,545)	(18,302)
Profit/(Loss) for the year		132,921	161,477

All amounts relate to continuing operations. There were no recognised gains and losses for 2018 and 2017 other than those included in the Income Statement.

Balance Sheet As at 31st December 2018

	Note	2018	2017
		£	£
Non-current assets			
Property, plant and equipment	6	4,490,451	3,706,899
Intangible assets	7	986,549	657,028
		5,477,000	4,363,927
Current assets			
Trade receivables	8	2,095,929	2,146,779
Other current assets	8	144,466	74,123
Cash and bank balances		958,814	404,731
		3,199,209	2,625,633
Total assets		8,676,209	6,989,560
Non-current liabilities			
Deferred tax liabilities	5	(43,847)	(18,302)
Current liabilities			
Trade and other payables	9	(2,422,915)	(1,394,732)
Net current assets		776,294	1,230,901
Net assets		6,209,447	5,576,526
Equity			
Share capital	10	6,000,000	5,500,000
Retained earnings/(losses)	11	209,447	76,526
Equity attributable to owners of the Company		6,209,447	5,576,526

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

The financial statements of Reliance Jio Infocomm UK Limited (registered number 08630000) were approved by the Board and authorised for issue on 8th April 2019. They were signed on its behalf by

Saji Varghese
Director

Statement of changes in Equity For the year ended 31st December 2018

	Note	Share capital £	Retained earnings £	Total £
Balance at 1 January 2017		3,000,000	(84,951)	2,915,049
Profit for the year ended 31 December 2017		-	161,477	161,477
Total comprehensive income for the year		-	161,477	161,477
Issue of share capital		2,500,000	-	2,500,000
Balance at 31 December 2017		5,500,000	76,526	5,576,526
Profitfor the year ended 31 December 2018	11	-	132,921	132,921
Total comprehensive income for the year		-	132,921	132,921
Issue of share capital	10	500,000		500,000
Balance at 31 December 2018		6,000,000	209,447	6,209,447

Notes to the financial statements for the year ended 31 December 2018

1. Significant accounting policies

Reliance Jio Infocomm UK Limited (the Company) is a private company limited by shares incorporated in the United Kingdom and registered in England & Wales, with its principal place of business and registered office at 8th Floor, 105 Wigmore Street, London W1U 1QY. The group accounts of Reliance Industries Limited are available to the public and can be obtained as set out in note 15.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 December 2018 and prior year ended 31 December 2017.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, standards not yet effective, certain disclosures in respect of revenue from contracts with customers, impairment of assets and certain 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 15.

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

Going concern

The Director has reviewed the cash flow projections for next 12 months from the date of signing of these accounts. Based on these projections, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in Accounting policies and disclosures

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. The Company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15.C5(a), and (b), or for modified contracts in IFRS 15.C5(c).

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet.

The Company's accounting policies for its revenue streams are disclosed in detail below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

(a) Classification and measurement of financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Notes to the financial statements for the year ended 31 December 2018

As the Company's business model objective is to collect the contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Company's financial assets are subsequently measured at amortised cost.

There are no differences in classification under IFRS 9, therefore there is no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company 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 of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade receivables. Having performed an assessment of the trade debtor's balance and aging the director has concluded that no loss allowance is required therefore there is no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

IFRS 16 Leases

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. As the Company has no leases IFRS 16 will not have an impact on the financial statements on adoption.

Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Rendering of services

Revenue from a contract to provide voice services is recognised at point in time and revenue from contracts to provide data services (including IP transit and bandwidth services) is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-60 days from the delivery of services.

In case of discounts, rebates, credits, price incentives or similar terms, consideration is determined based on its most likely amount, which is assessed at each reporting period.

Property, plant and equipment

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

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

Notes to the financial statements for the year ended 31 December 2018

Depreciation of property, plant and equipment

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

Plant and machinery 15 years

Intangible assets acquired separately

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

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Foreign currency

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

Pension costs

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

Financial Instruments

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

Financial assets

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.

Notes to the financial statements for the year ended 31 December 2018

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.

Impairment of financial assets

The Company recognises a loss allowance for lifetime expected credit losses ('ECL') on trade debtors and contract assets. lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Write-off policy

When a customer fails to pay an undisputed sum within due dates as per the credit period mentioned in the contract then it constitutes a default. If the default continues for a significant period (365 days), the company uses its best judgement and provides for a doubtful receivable taking into account substantial increase in the credit risk (e.g. there is significant uncertainty regarding the ultimate collectability considering the current financial position of the customer, current geographical tensions etc.)

During the financial year once it is established that debts are likely to be irrecoverable or that it is uneconomic to pursue further the debt will be recommended for write-off.

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 liabilities

Initial recognition and measurement

All financial liabilities are recognised at fair value, net of directly attributable cost.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract isdischarged or cancelled or expires.

Notes to the financial statements for the year ended 31 December 2018

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount andit intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously

2. Critical accounting judgements and key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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

There are no other judgements that the director considers to be of a critical nature.

The company does not have any key sources of estimation uncertainty.

3. Other Operating expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Employee Benefit Expenses	156,393	133,794
Depreciation and amortisation	365,285	305,327
IP Transit Cost	1,173,029	1,294,324
Voice charges	6,562,916	1,746,965
Professional fees	51,072	15,581
Payment to Auditor	17,000	15,000
Insurance	21,869	12,321
Colocation Charges	592,526	434,938
Repairs & Maintenance	58,387	53,188
Foreign Exchange losses	138,728	47,600
General expenditure	24,891	23,920
	9,162,096	4,082,958

Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £17,000 (2017: £15,000).

4. Directors' Emoluments and Staff costs

The director did not receive any remuneration from the company during the year (2017: £nil).

The average monthly number of employees (excluding the directors) during the year was 1 (2017: 1).

His aggregate remuneration comprised:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Wages and salaries	129,563	111,000
Social security costs	17,042	14,469
Pension costs	9,788	8,325
	156,393	133,794

Notes to the financial statements for the year ended 31 December 2018

5. Tax

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Corporation tax:		
UK corporation tax at 19.00% (2017: 19.00%)	-	-
Deferred tax	25,545	18,302
	25,545	18,302

Corporation tax is calculated at 19.00% (2017: 19.00%) of the profit for the year. The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2018 £
Profit / (Loss) before tax	158,466	179,779
Tax at the UK corporation tax rate of 19.00 % (2017: 19.00 %)	30,108	34,158
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Change in unrecognised deferred tax assets		
Brought forward unrecognised deferred tax assets	-	(21,231)
Adjustment to prior year deferred tax assets	-	5,375
Effect of change in tax rate	(4,563)	-
Tax expense for the year	25,545	18,302

At 31 December 2018, other temporary timing differences exceed losses available, resulting in a net deferred tax liability of £43,847.

Changes to the UK Corporation Tax system were substantively enacted as part of Finance Bill 2016 on 6 September 2016. These include reduction in the rate of corporation tax to 17% from 1st April 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation £	Total £
At 1 January 2017		
Charge to profit or loss	(18,302)	(18,302)
At 1 January 2018	(18,302)	(18,302)
Charge/(credit) to profit or loss	(27,471)	(27,471)
Effect of change in tax Rate		
– profit or loss	1,926	1,926
– equity	-	-
At 31 December 2018	43,847	43,847

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £	2017 £
Deferred tax liabilities	43,847	18,302
Deferred tax assets	-	-
	43,847	18,302

Notes to the financial statements for the year ended 31 December 2018

6. Property, plant and equipment

	Plant and machinery £	Construction work-in-progress £	Total £
Cost:			
At 1 January 2017	2,806,477	-	2,806,477
Additions	-	1,201,518	1,201,518
Transfers to Plant and Machinery	1,201,518	(1,201,518)	-
At 31 December 2017	4,007,995	-	4,007,995
Additions	-	1,096,156	1,096,156
Transfers to Plant and Machinery	1,096,156	(1,096,156)	-
At 31 December 2018	5,104,151	-	5,104,151
Accumulated depreciation:			
At 1 January 2017	(43,124)	-	(43,124)
Depreciation for the year	(257,972)	-	(257,972)
At 31 December 2017			
	(301,096)	-	(301,096)
Depreciation for the year	(312,604)	-	(312,604)
At 31 December 2018	(613,700)	-	(613,700)
Carrying amount:			
At 31 December 2018	4,490,451	-	4,490,451
At 31 December 2017	3,706,899	-	3,706,899

7. Intangible assets

	Rights-to-use capacity £	Total £
Cost:		
At 1 January 2017	788,432	788,432
Adjustments	(78,105)	(78,105)
At 31 December 2017	710,327	710,327
Additions	382,202	382,202
At 31 December 2018	1,092,529	1,092,529
Accumulated amortisation:		
At 1 January 2017	(5,944)	(5,944)
Charge for the year	(47,355)	(47,355)
At 31 December 2017		
(53,299)	(53,299)	
Charge for the year	(52,681)	(52,681)
At 31 December 2018	(105,980)	(105,980)
Carrying amount:		
At 31 December 2017	657,028	657,028
At 31 December 2018	986,549	986,549

The amortisation expense has been included in the line item 'depreciation and amortisation expense' in other operating expenses in the Income Statement. The intangible assets including the new additions during the year represent 'Indefeasible Right to Use' of capacities on optical fibre cables.

Notes to the financial statements for the year ended 31 December 2018

8. Trade and other receivables

	2018 £	2017 £
Trade receivables		
(payable within 30 to 45 days from invoice date)		
- Holding company	103,125	200,847
- Fellow Subsidiary	56,276	784,598
- Others	682,327	500,725
	841,728	1,486,170
Accrued income		
- Holding Company	124,040	94,594
- Fellow Subsidiary	390,027	284,537
- Others	740,133	281,478
	1,254,200	660,609
Other current assets	144,466	74,123
Total current assets	2,240,394	2,220,902

9. Current liabilities

	2018 £	2017 £
Trade payables		
- Payable to parentcompany	707,860	689,740
- Payable to fellow subsidiary	208,244	-
- Others	342,132	71,688
	1,258,236	761,428
Other Payables	161,955	367,515
Accruals		
- Payable to parent company	712,402	248,921
- Payable to fellow subsidiary	36,900	-
- Others	253,422	16,868
	1,002,724	265,789
Amounts falling due within one year	2,422,915	1,394,732

10. Authorised share capital

	2018 £	2017 £
Authorised, Issued and fully paid:		
6,000,000 ordinary shares of £1 each (2017: 5,500,000 ordinary shares of £1 each)	6,000,000	5,500,000

500,000 ordinary shares of £1 eachfully paid (£ 500,000) were issued to Reliance Jio Infocomm Limited in the year ending 31 December 2018. These were approved by the Board on 12thDecember 2018.

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

11. Retained earnings

	£
Balance at 1 January 2017	(84,951)
Net profit for the year ended 31 December 2017	161,477
Balance at 31 December 2017	76,526
Net Profit for the year ended 31 December 2018	132,921
Balance at 31 December 2018	209,447

Notes to the financial statements for the year ended 31 December 2018

12. Capital Commitments

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

	2018 £	2017 £
Commitments for the acquisition of plant and equipment	33,689	987,144

13. Related party transactions

Trading transactions

During the year, the Company entered into the following trading transactions with related parties:

	Sale of services		Purchase of services	
	2018 £	2017 £	2018 £	2017 £
Reliance Jio Infocomm Limited (Holding Company)	777,623	323,122	5,696,377	1,440,851
Associates (Other Group Undertakings)	2,321,056	2,249,628	239,801	0

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2018 £	2017 £	2018 £	2017 £
Reliance Jio Infocomm Limited (Holding Company)	227,165	295,441	1,420,262	938,661
Associates (other Group Undertakings)	446,303	1,069,135	245,144	0

Reliance Jio Infocomm Limited is a related party of the Company because RJIL holds 100% share capital in RJIUK.

RJIPL and RJIUS are Associate companies for RJIUK as they are also 100% subsidiaries of RJIL.

Sales of services to related parties were made at the cost plus appropriate mark-up. Purchases were made at market price discounted to reflect the quantity of services purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Amounts repayable to Reliance Jio Infocomm Limited carry no interest.

The Company doesn't have any loans outstanding with or from any of the group undertakings.

14. Revenue

Type of services	£
Voice Termination Services	6,556,260
IP Transit Services	2,289,852
Other	474,449
Total	**9,320,561**

Notes to the financial statements for the year ended 31 December 2018

15. Immediate parent and ultimate controlling party

The Company's immediate parent Company and controlling party is Reliance Jio Infocomm Limited, a Company incorporated in India and having registered address at Office -101, Saffron, Near Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad-380006, Gujarat, India. The ultimate parent company, which is also the parent undertaking of the largest group 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 the registered address, being the 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India.

RELIANCE JIO INFOCOMM USA INC.

Financial Statements

For the Year ended 31st December, 2018

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Reliance Jio Infocomm USA Inc ("the Company"), which comprise the Balance Sheet as at December 31, 2018, and the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2018, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

As informed to us, there is no information other than the financial statements. Consequently, in our opinion, the reporting requirements under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act").

The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 by the Directors of the Company as aforesaid.

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.

Those Board of Directors are also responsible for 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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Reporting Requirements

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 of the aforesaid financial statements.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)
Abhijit A. Damle
(Partner)
Membership No. 102912

Mumbai, April 16, 2019

Balance Sheet As at 31st December, 2018

(in USD 000's)

Particulars	Notes	As at 31st December, 2018	As at 31st December, 2017
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2	14,500	15,620
Financial Assets			
Investments	3	17,744	16,952
Other Non - Current Assets	4	1,021	671
Deferred Tax Assets (net)	5	-	75
Total Non-Current assets		**33,265**	**33,318**
Current assets			
Financial Assets			
Trade receivables	6	2,463	2,128
Cash and Bank balances	7	1,309	1,434
Other Financial Assets - Unbilled Revenue		2,065	1,016
		5,837	**4,578**
Other Current Assets	8	145	226
Total Current assets		**5,982**	**4,804**
Total Assets		**39,247**	**38,122**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	38,548	38,548
Other Equity	10	(1,577)	(1,776)
Total equity		**36,971**	**36,772**
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities (Net)	5	117	-
Total Non-Current liabilities		**117**	-
Current Liabilities			
Financial Liabilities			
Trade payables		2,072	1,263
Other Current liabilities	11	87	87
Total current liabilities		**2,159**	**1,350**
Total liabilities		**2,276**	**1,350**
Total Equity and Liabilities		**39,247**	**38,122**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-22		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Robert Pippert
Director

Mumbai
Dated : April 16, 2019

Frisco
Dated : April 16, 2019

Statement of Profit and Loss for the year ended 31st December, 2018

(in USD 000's)

	Notes	2018	2017
INCOME			
Revenue from Operations	12	17,167	12,943
Other Income (US$ 8)	13	0	9
Total Income		**17,167**	**12,952**
EXPENSES			
Employee Benefits Expense	14	3,770	3,328
Depreciation Expense		1,211	1,210
Operating and Other expenses	15	11,784	7,395
Total Expenses		**16,765**	**11,933**
Profit before tax		**402**	1,019
Tax expense			
Current Tax		**11**	22
Deferred Tax		**192**	(75)
Profit for the year		**199**	**1,072**
Earnings per equity share of USD 0.01 each	16		
Basic (in USD)		**0.0001**	**0.0003**
Diluted (in USD)		**0.0001**	**0.0003**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2 - 22		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No. 102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Cash Flow Statement for the year ended 31st December, 2018

(in USD 000's)

		Notes	2018		2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net Profit before tax as per Statement of Profit and Loss			**402**		1,019
	Adjusted for:					
	Loss on sale of Property, Plant and Equipment			**68**		
	Depreciation Expense			**1,211**		1,210
	Operating Profit before Working Capital Changes			**1,681**		2,229
	Adjusted for					
	Trade and Other Receivebles		**(1,664)**		(1,149)	
	Trade and Other Payables		**810**		1,052	
				(854)		(97)
	Net cash generated from Operating Activities (A)			**827**		2,132
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Property,Plant and Equipment			**(161)**		(1,882)
	Proceeds from Sale of Property, Plant and Equipment			**1**		-
	Purchase of Non Current Investments			**-**		(1,500)
	Investment in subsidiary			**(792)**		(1,443)
	Net Cash used inInvesting Activities (B)			**(952)**		(4,825)
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from issuance of share capital			**-**		4,000
	Net Cash from Financing Activities (C)			**-**		4,000
	Net (decrease)/Increase in Cash and Cash Equivalents (A+B+C)			**(125)**		1,307
	Opening Balance of Cash and Cash Equivalents			**1,409**		102
	Closing Balance of Cash and Cash Equivalents (Refer Note 7)			**1,284**		1,409
	Significant Accounting Policies	1				
	Notes to the Financial statements	2-22				

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No. 102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Statement of Changes In Equity for the year ended 31st December, 2018

(A) Equity Share Capital

	(in USD 000's)
Balance at 1st January, 2017 (USD 10)	**34,548**
Changes in equity share capital during the year	4,000
Balance at 31st December, 2017	**38,548**
Changes in equity share capital during the year	-
Balance at 31st December, 2018	**38,548**

(B) Other Equity

Particulars	**Reserves and Surplus** **Retained Earnings**	**Total**
As on 31st December 2017		
Balance at the beginning of the year	(2,848)	(2,848)
Total Comprehensive Income for the year	1,072	1,072
	(1,776)	**(1,776)**
As on 31st December, 2018		
Balance at the beginning of the year	(1,776)	(1,776)
Total Comprehensive Income for the year	199	199
	(1,577)	**(1,577)**

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No. 102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Texas
Dated : April 16, 2019

Notes to the financial statements for the year ended 31 December, 2018

A CORPORATE INFORMATION

Reliance Jio Infocomm USA, Inc. (the Company) was incorporated on 5 June 2013 with The Office of the Secretary of State, Texas. The corporate office of the Company is located at 3010 Gaylord Parkway, Suite 150, Frisco, TX - 75034-8602. The Company is a 100% subsidiary of Reliance Jio Infocomm Limited (RJIL), India and is incorporated for the execution and development of the International Long Distance (ILD) and content business of RJIL, the holding Company.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

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

B.2 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting polices below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

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

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

B.3 CHANGES IN ACCOUNTING POLICIES

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018. Accordingly, the Company has changed its accounting policy on revenue recognition as detailed in note B.4 (h)

There is no impact of above on the opening balance sheet as at 1st January 2018.

B.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

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

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

Plant and Equipment - 15 years

Computer and Equipment - 4 years

Furniture and Fixtures - 7 years

(b) Impairment of non financial Assets

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

Notes to the financial statements for the year ended 31 December, 2018

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

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

(c) Provisions

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

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

(d) Leases:

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

(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.

Notes to the financial statements for the year ended 31 December, 2018

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 recognized based on the delivery of performance obligation and assessment of when control of promised goods / services is transferred to a customer, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods / services. Revenue is measured at the amount of the transaction price allocated to that performance obligation.

(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.

C. Impairment

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

Notes to the financial statements for the year ended 31 December, 2018

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

C Critical accounting judgements and key sources of estimation uncertainty:

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

a) Depreciation and useful lives of property plant and equipment

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

b) Provisions

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

c) Impairment of non-financial assets:

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

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

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

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 to be effective from accounting periods starting from 1st April, 2019. Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17 – Leases. The application of this standard could havel impact on the Balance Sheet of the Group though it is not expected to have significant impact on the profit/loss. The management is in the process of making detailed computations to quantify the said impact.

Notes to the financial statements for the year ended 31 December, 2018

(in USD 000's)

	Gross Block				Description/Amoritisation				Net Block	
	As at 1-Jan-18	Additions	Deduction / Adjustment	**As at 31-Dec-18**	**As at 1-Jan-18**	For the year	Deduction / Adjustment	**As at 31-Dec-18**	**As at 31-Dec-18**	**As at 31-Dec-17**
2. Property, Plant and Equipment										
Tangible Assets :										
Own Assets :										
Office Equipments	53	2	3	52	25	11	0	36	16	28
Plant and Equipments	17,318	158	-	17,476	1,847	1,181	1	3,027	14,449	15,471
Furniture and Fixtures	162	1	90	73	41	19	22	38	35	121
Total (A)	**17,533**	**161**	**93**	**17,601**	**1,913**	**1,211**	**23**	**3,101**	**14,500**	**15,620**
Previous year	15,651	1,882		17,533	703	1,210		1,913	15,620	14,948

3 Non-Current Investments

(in USD 000's)

	As at 31st December, 2018		**As at 31st December, 2017**	
	Units	**Amount**	**Units**	**Amount**
In Units of company - Unquoted Fully Paid up				
*Series D Preferred Stock of USD @ $1,000 per share of Airspan Networks Inc	10,000	10,000	10,000	10,000
Series B Preferred Stock of USD @ $0.0001per share of Airhop Corporation Inc	863,856	1,500	863,856	1,500
***8% Promissory note of Airhop Corporation Inc	1,000	1,000		
**Series B Preferred Stock USD @ 0.0001 USD of Airhop Corporation Inc	403,132	4	403,132	4
In Equity Units of wholly owned subsidiary companies - Investments				
Unquoted, fully paid up				
Reliance Jio Global Resources LLC (including additional paid in capital of USD 5,239,990, PY 4,448,415)	50,000	5,240	50,000	4,448
Total		**17,744**		**16,952**

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

** Pursuant to conversion of share warrants .

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

Notes to the financial statements for the year ended 31 December, 2018

4	**Other Non Current Assets**	**As at 31st December, 2018**	As at 31st December, 2017
	Security Deposit	92	64
	Advance Income tax (net of Provision)	929	607
	Total	**1,021**	**671**

5 Deferred tax Assets/(Liabilities)

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

	As at 31st December, 2018	As at 31st December, 2017
At the start of the year	**75**	-
Charge/ (Credit) to Profit or Loss	**(192)**	75
Charge to Other Comprehensive Income	**-**	-
At the end of year	**(117)**	**75**

Deferred tax Assets/ (Liabilities) at the end of the reporting period and deferred tax credit in profit or loss and other comprehensive income.

Deferred tax liabilities (net) in relation to:

Property, plant and equipment	150	271
Carried Forward Losses	(33)	(346)
Total	**117**	**(75)**

6	**Trade Receivables** (Unsecured and considered good)	**As at 31st December, 2018 Amount**	As at 31st December, 2017 **Amount**
	Others	**2,463**	**2,128**
	Total	**2,463**	**2,128**

7	**Cash and Bank Balances**	**As at 31st December, 2018 Amount**	**As at 31st December, 2017 Amount**
	Cash and Cash equivalents		
	Balances with banks	1,284	1,409
	Other Bank Balances		
	Cash Deposit against Credit card dues	25	25
	Total	**1,309**	**1,434**

Notes to the financial statements for the year ended 31 December, 2018

8	Other Current Assets	As at 31st December, 2018 Amount	As at 31st December, 2017 Amount
	(i) Security Deposits	-	32
	(ii) Prepaid expenses	145	194
	Total	**145**	**226**

9 Equity Share Capital (in USD 000's)

		As at 31st December, 2018	As at 31st December, 2017
Authorised Share Capital :			
10,000,000,000 (10,000,000,000)	Equity Shares of USD 0.01 each fully paid up	100,000	100,000
		100,000	**100,000**
Issued, Subscribed and Paid up:			
3,854,766,449 (3,854,766,449)	Equity Shares of USD 0.01 each fully paid up	38,548	38,548
TOTAL		**38,548**	**38,548**

9.1 Terms/rights attached to equity shares :

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

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

	Equity Shares			
Particulars	**31st December, 2018**		**31st December, 2017**	
	No. of Shares	**in USD 000's**	**No. of Shares**	**in USD 000's**
No. of shares at the beginning of the year (Balance as on 1st Jan 2016 amounts to 10 USD)	3,854,766,449	38,548	3,454,766,449	34,548
Add: Issue of Shares	-	-	400,000,000	4,000
No. of shares at the end of the year	**3,854,766,449**	**38,548**	**3,854,766,449**	**38,548**

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

	Equity Shares			
Name of Shareholders	**As at 31st December, 2018**		**As at 31st December, 2017**	
	No of Shares	**% holding**	**No of Shares**	**% holding**
Reliance Jio Infocomm Ltd	**3,854,766,449**	**100.00%**	3,854,766,449	100.00%

(in USD 000's)

10	Other Equity	As at 31st December, 2018	As at 31st December, 2017
	Retained Earnings	(1,577)	(1,776)
	TOTAL	**(1,577)**	**(1,776)**

Notes to the financial statements for the year ended 31 December, 2018

		As at 31st December, 2018	As at 31st December, 2017
	Retained Earnings		
	As per last Balance Sheet	(1,776)	(2,848)
	Add: Profit for the year	199	1,072
	Balance at end of year	**(1,577)**	**(1,776)**

(in USD 000's)

		As at 31st December, 2018	As at 31st December, 2018
11	**Other current liabilities**		
	(a) Other Payables*	87	87
	TOTAL	**87**	**87**

*includes statutory dues

(in USD 000's)

		2018	2017
12	**Revenue from Operations**		
	Sale of Services (Refer no 17)	17,167	12,943
	TOTAL	**17,167**	12,943

		2018	2017
13	**Other Income**		
	Interest Income (Current year USD 8)	0	9
	TOTAL	**0**	9

		2018	2017
14	**Employee Benefits Expense**		
	Salaries and Wages	3,770	3,328
	TOTAL	**3,770**	3,328

		2018	2017
15	**Operating and Other expenses**		
	Colocation charges	701	667
	Bandwidth charges	903	830
	Voice Charges (Refer note 17)	8,213	4,344
	Legal and Professional Fees	117	119
	Telephone	22	17
	Travel	624	267
	Audit Fees	16	14
	General administration expenses	500	463
	Loss on Sale of Assets	69	-
	Operating lease rentals	606	665
	Insurance	13	9
	TOTAL	**11,784**	**7,395**

Notes to the financial statements for the year ended 31 December, 2018

16	**Earnings Per Share (EPS)**	**2018**	**2017**
	<u>Basic Earning Per Share</u>		
	i. Profit/ (Loss) for the year as per Staetement of Profit and loss (in USD 000's)	199	1,072
	ii. denominator for calculating EPS	3,854,766,449	3,679,232,202
	iii. Basic and Diluted Earnings per share (USD)	0.0001	0.0003
	iv. Face Value per equity share (USD)	0.01	0.01

17 Related Party Disclosures

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

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

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

Sr. No.	**Nature of Transactions (excluding reimbursements)**	**Holding Company**	**Subsidiary**	**Fellow Subsidiary**	**Key Managerial Personnel / Relative**	**Total**
1	Purchase / Subscription of Investment	**-**	**792**	**-**	**-**	**792**
		-	(1,443)	-	-	(1,443)
2	Equity Shares issued and allotted	-	-	-	-	-
		(4,000)	-	-	-	(4,000)
3	IP Transit billing	**-**	**-**	**3,011**	**-**	
		-	-	(1,985)	-	(1,985)
4	Voice billing	**2,764**	**-**	**279**	**-**	**3,044**
		(1,865)	-	-	-	(1,865)
5	Voice charges	**7,082**	**-**	**72**	**-**	**7,154**
		(4,338)	-	-	-	(4,338)
6	Services Rendered	**3,274**	**-**	**-**	**-**	**3,274**
		(4,595)	-	-	-	**(4,595)**
	Balances as at 31st December, 2018					(in USD)
7	Trade Receivable	**1,963**	**-**	**1,059**	**-**	**3,022**
		(2,120)	-	(771)	-	(2,891)
8	Trade Payable	**748**	**-**	**72**	**-**	**820**
		(748)	-	-	-	(748)
9	Equity Share Capital	**38,548**	**-**	**-**	**-**	**38,548**
		(38,548)	-	-	-	(38,548)
10	Investment	**-**	**5,240**	**-**	**-**	**5,240**
		-	(4,448)	-	-	(4,448)

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

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

(in USD 000's)

Particulars		**Relationship**	**2018**	**2017**
1	**Purchase / Subscription of Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	792	1,443
	Sub total		**792**	**1,443**
2	**Equity Shares issued and allotted**			
	Reliance Jio Infocomm Limited	Holding Company	-	4,000
	Sub total		**-**	**4,000**
3	**IP Transit billing**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	3,011	1,985

Notes to the financial statements for the year ended 31 December, 2018

	Sub total		**3,011**	**1,985**
4	**Voice billing**			
	Reliance Jio Infocomm Limited	Holding Company	2,764	1,865
	Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	211	-
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	69	-
	Sub total		**3,044**	**1,865**
5	**Voice charges**			
	Reliance Jio Infocomm Limited	Holding Company	7,082	4,338
	Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	71	-
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	1	-
	Sub total		**7,154**	**4,338**
6	**Busines Support Services**			
	Reliance Jio Infocomm Limited	Holding Company	3,274	4,595
	Sub total		**3,274**	**4,595**
	Balances as at 31st December, 2018			
Particulars		**Relationship**	**2018**	**2017**
7	**Trade Receivable**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	1,059	771
	Reliance Jio Infocomm Limited	Holding Company	1,963	2,120
	Sub total		**3,022**	**2,891**
8	**Trade Payable**			
	Reliance Jio Infocomm Limited	Holding Company	748	748
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	71	-
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	1	-
	Sub total		**820**	**748**
9	**Equity Share Capital**			
	Reliance Jio Infocomm Limited	Holding Company	38,548	38,548
	Sub total		**38,548**	**38,548**
10	**Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	5,240	4,448
	Sub total		**5,240**	**4,448**

18 Leases

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

(in USD 000's)

	2018	**2017**
Lease Payment Due:		
Within one year	761	555
Later than one year and not later than five years	1,994	1,354
	2,755	1,909

Notes to the financial statements for the year ended 31 December, 2018

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

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

(in USD 000's)

	2018	**2017**
Lease Rent - Office Premises	606	665
	606	**665**

19 CAPITAL MANAGEMENT

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

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

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

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

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

20 FINANCIAL INSTRUMENTS

Valuation

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

Fair Value Measurement Hierarchy:

(In USD 000's)

Particulars	**As at 31st December, 2018**				**As at 31st December, 2017**			
	Carrying Amount	**Level of input used in**			**Carrying Amount**	**Level of input used in**		
		Level 1	**Level 2**	**Level 3**		**Level 1**	**Level 2**	**Level 3**
Financial Assets			-	-				
At Amotised Cost								
Trade Receivables	2,463	-			2,128	-	-	
Cash and Bank Balances	1,309	-	-	-	1,434	-	-	
Other Financial Assets	2,065	-	-	-	1,016	-	-	
At FVTPL								
Investments	12,504	-	-	12,504	12,504	-	-	12,504
Financial Liabilities								
At Amortised Cost								
Trade Payables	2,072	-	-	-	1,263	-	-	

Notes to the financial statements for the year ended 31 December, 2018

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

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

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

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

Credit risk

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

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

Liquidity Risk

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

21 Segment information

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

22 The financial statements are approved for the issue by the Board of Directors at their meeting conducted on 16th April, 2019.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No. 102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

RELIANCE JIO GLOBAL RESOURCES LLC

Financial Statements

For the Year ended 31st December, 2018

Independent Auditors' Report

To the Board of Directors

Reliance Jio Infocomm USA Inc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Jio Global Resources LLC ("the Company"), which comprise the Balance Sheet as at December 31, 2018, and the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2018, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

As informed to us, there is no information other than the financial statements. Consequently, in our opinion, the reporting requirement under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act").

The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 by the Directors of the Company as aforesaid.

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.

Those Board of Directors are also responsible for 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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Reporting Requirements

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 of the aforesaid financial statements.

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

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

Abhijit A. Damle
(Partner)
Membership No. 102912

Mumbai, April 16, 2019

Balance Sheet as at 31st December, 2018

(in USD 000's)

	Notes	As at 31st December, 2018	As at 31st December, 2017
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2	19	14
Other Non - Current Assets	3	2,987	2,172
Total Non-Current assets		**3,006**	**2,186**
Current assets			
Financial Assets			
Trade receivables	4	1,910	2,133
Cash and cash equivalents	5	1,128	137
Other Financial Assets - Unbilled Revenue		1,349	1,729
		4,387	**3,999**
Other Current Assets	6	4	8
Total Current assets		**4,391**	**4,007**
Total Assets		**7,397**	**6,193**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7	0	0
Other Equity	8	7,330	5,967
Total equity		**7,330**	**5,967**
Liabilities			
Current Liabilities			
Trade Payables		67	226
Total current liabilities		**67**	**226**
Total liabilities		**67**	**226**
Total Equity and Liabilities		**7,397**	**6,193**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-18		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Statement of Profit and Loss for the year ended 31st December, 2018

(in USD 000's)

	Notes	2018	2017
INCOME			
Revenue from Operations	9	**8,946**	**9,169**
Total Income		**8,946**	**9,169**
EXPENSES			
Employee Benefits Expense	10	**7,859**	7,836
Depreciation Expense		**7**	4
Operating and Other expenses	11	**509**	232
Total Expenses		**8,375**	**8,072**
Profit before tax		**571**	1,097
Earnings per equity share of USD 0.01 each			
Basic (in USD)	13	**11.42**	**21.94**
Diluted (in USD)		**11.42**	**21.94**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2 - 18		

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Cash Flow Statement for the year ended 31st December, 2018

					(in USD 000's)
			2018		**2017**
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and loss		**571**		1,097
	Adjusted for:				
	Depreciation Expense		**7**		4
	Operating profit before Working Capital Changes		**578**		1,101
	Adjusted for				
	Trade and Other Receivebles	**(207)**		(3,167)	
	Trade and Other Payables - refer note below	**582**		120	
			375		(3,047)
	Net cash generated from/ (used) in Operating Activities (A)		**953**		(1,946)
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property Plant and Equipment		**(12)**		(8)
	Net Cash used in Investing Activities (B)		**(12)**		(8)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from additional paid in capital (net) - refer note below		**50**		1,443
	Net Cash from Financing Activities (C)		**50**		**1,443**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		**991**		(511)
	Opening Balance of Cash and Cash Equivalents		**137**		648
	Closing Balance of Cash and Cash Equivalents (Refer Note 5)		**1,128**		137
	Significant Accounting Policies		1		
	Notes to the Financial statements		2-18		

Note - Expenses paid on behalf of the company by the holding company amounting to USD 742,461 have been treated as capital infusion - additional paid in capital, a non cash transaction.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Statement of Changes In Equity for the period ended 31st December, 2018

(A) Equity Share Capital

	(in USD 000's)
Balance at 1st January, 2017 (USD 100)	**0**
Changes in equity share capital during the year	
Balance at 31st December, 2017 (USD 100)	**0**
Changes in equity share capital during the year	
Balance at 31st December, 2018 (USD 100)	**0**

(B) Other Equity

Particulars	**Additonal Paid in Capital**	**Reserves and Surplus**	**Total**
		Retained Earnings	
As on 31st December 2017			
Balance at the beginning of the year	3,004	423	3,427
Additions to Additional Paid in Capital (net)	1,443	-	1,443
Total Comprehensive Income for the year	-	1,097	1,097
	4,447	**1,520**	**5,967**
As on 31st December, 2018			
Balance at the beginning of the year	4,447	1,520	5,967
Total Comprehensive Income for the year	-	571	571
Additions to Additional Paid in Capital (net)	792	-	792
	5,239	**2,091**	**7,330**

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019

Notes on Financial Statements for the year ended 31st December, 2018

A CORPORATE INFORMATION

Reliance Jio Global Resources LLC (the Company) was incorporated on 15th January 2015 with the office of Secretary of State, Texas. The Corporate office of the company is located at 3010 Gaylord Parkway, Suite 150, Frisco, TX 75034-8602. The Company is 100% subsidiary of Reliance Jio USA Inc, which in turn is a subsidiary of Reliance Jio Infocomm Limited and is Incorporated to offer turnkey solutions by providing manpower services - onshore and offshore in the area of information, telephony and wireless technology.

B ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

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

B.2 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting polices below.

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

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

B.3 CHANGES IN ACCOUNTING POLICIES

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018. Accordingly, the Company has changed its accounting policy on revenue recognition as detailed in note B.4(h).

There is no impact of above on the opening balance sheet as at 1st January 2018.

B.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

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

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

Computer and Equipment 4 years

(b) Leases:

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

(c) Impairment of non financial Assets

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

Notes on Financial Statements for the year ended 31st December, 2018

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

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

(d) Provisions

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

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

(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 recognized based on the delivery of performance obligation and assessment of when control of promised goods/ services is transferred to a customer, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods / services. Revenue is measured at the amount of the transaction price allocated to that performance obligation.

Notes on Financial Statements for the year ended 31st December, 2018

(i) 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.

C. Impairment

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(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

Notes on Financial Statements for the year ended 31st December, 2018

these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation and useful lives of property plant and equipment

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

b) Provisions

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

c) Impairment of non-financial assets:

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

(iii) Long Term Foreign Currency Monetary Items

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

(iv) Investments in subsidiaries and associates

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

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

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 to be effective from accounting periods starting from 1st April, 2019. Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17 – Leases. The application of this standard could havel impact on the Balance Sheet of the Group though it is not expected to have significant impact on the profit/loss. The management is in the process of making detailed computations to quantify the said impact.

Notes on Financial Statements for the year ended 31st December, 2018

(in USD 000's)

Description	Gross Block			Depreciation / Amortization			Net Block	
	As at 01-Jan-18	Additions	As at 31-Dec-18	As at 01-Jan-18	For the year	As at 31-Dec-18	As at 31-Dec-18	As at 31-Dec-17
2. Property, Plant and Equipment								
Tangible Assets :								
Own Assets :								
Office Equipments	23	12	35	9	7	16	19	14
Total (A)	**23**	**12**	**35**	**9**	**7**	**16**	**19**	**14**
Previous Year Figures	15	8	23	5	4	9	14	10

(in USD 000's)

		As at 31st December, 2018	As at 31st December, 2017
3	**Other Non Current Assets**		
	Withholding Tax Receivable	2,987	2,172
	TOTAL	**2,987**	**2,172**

		As at 31st December, 2018	As at 31st December, 2017
4	**Trade Receivables** (Unsecured and considered good)		
	Others	1,910	2,133
	Total	**1,910**	**2,133**

		As at 31st December, 2018	As at 31st December, 2017
5	**Cash and cash equivalents**		
	Balances with Banks	1,128	137
	Total	**1,128**	**137**

		As at 31st December, 2018	As at 31st December, 2017
6	**Other Current Assets**		
	(i) Prepaid expenses	-	4
	(ii) Others*	4	4
	Total	**4**	**8**

*Advance to employees

Notes on Financial Statements for the year ended 31st December, 2018

7 Equity Share Capital (in USD 000's)

Authorised Share Capital :	As at 31st December, 2018	As at 31st December, 2017
50,000 (50,000) Equity Shares of USD 0.002 each fully paid up (USD 100)	0	0
	0	**0**
Issued, Subscribed and Paid up:		
50,000 (50,000) Equity Shares of USD 0.002 each fully paid up (USD 100)	0	0
TOTAL	**0**	**0**

7.1 Terms/rights attached to equity shares :

The Company has only one class of equity units having a par value of USD 0.02 per share. The Company has received an amount aggregating USD 5,239,989 towards additional paid in capital from Reliance Jio Infocomm USA the parent company. The Company has one class of ordinary shares which carry equal voting rights. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all liabilities in proportion to the number of equity shares held by them.

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

Particulars	**Equity Shares**			
	31st December, 2018		**31st December, 2017**	
	No. of Shares	**in USD**	**No. of Shares**	**in USD**
No. of shares at the beginning of the year (USD 100)	50,000	0	50,000	0
Add: Issue of Shares	-	-	-	-
No. of shares at the end of the year	**50,000**	**0**	**50,000**	**0**

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

Name of Shareholders	**Equity Shares**			
	As at 31st December, 2018		**As at 31st December, 2017**	
	No of Shares	**% holding**	**No of Shares**	**% holding**
Reliance Jio Infocomm USA Inc	**50,000**	**100.00 %**	50,000	100.00 %

(in USD 000's)

8 Other Equity	**As at 31st December, 2018**	**As at 31st December, 2017**
Additional Paid in Capital	5,239	4,447
Retained Earnings	2,091	1,520
TOTAL	**7,330**	**5,967**
Retained Earnings		
As per last Balance Sheet	1,520	423
Add: Profit for the year	571	1,097
Balance at end of year	**2,091**	**1,520**

Notes on Financial Statements for the year ended 31st December, 2018

		2018	2017
9	**Revenue from Operations**		
	Sale of Services	8,946	9,169
	TOTAL	**8,946**	**9,169**

		2018	2017
10	**Employee Benefits Expense**		
	i Salaries and Wages	6,532	6,238
	ii Payroll taxes and benefits	1,327	1,598
	TOTAL	**7,859**	**7,836**

		2018	2017
11	**Operating & Other expenses**		
(i)	**Other Expenses**		
	Bank Charges (Current year 288 USD, Previous year 201 USD)	0	0
	Legal and Professional Fees	3	33
	Telephone	8	4
	Travel	184	155
	Payment to Auditors	14	14
	General administration expenses	29	14
	Rent	271	12
	TOTAL	**509**	**232**

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

		2018	2017
13	**Earnings Per Share (EPS)**		
	i. Earnings attributable to members (in USD 000's)	571	1,097
	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)	11.42	21.94
	iv. Face Value per equity unit (USD)	0.002	0.002

14 Related Party Disclosures

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

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

Notes on Financial Statements for the year ended 31st December, 2018

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

Sr. No	Nature of Transactions	Holding Company	Fellow Subsidiary	Total
	(excluding reimbursements)			
1	Additional Paid in Capital	**792**	**-**	**792**
		(1,443)	-	(1,443)
2	Services Rendered	-	**8,946**	**8,946**
		-	(9,169)	(9,169)
	Balances as at 31st December, 2018			
3	Members Equity	**0**		**0**
		(0)		(0)
4	Trade Receivable		**1,910**	**1,910**
			(2,133)	(2,133)
5	Additional Paid in Capital	**5,239**	**-**	**5,239**
		(4,447)	-	(4,447)

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

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

	Particulars	Relationship	2018	2017
1	**Issue of Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	792	**1,443**
	Sub total		**792**	**1,443**
2	**Services Rendered**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	8,946	9,169
	Sub total		**8,946**	**9,169**

Balances as at 31st December, 2018

(in USD 000's)

	Particulars	Relationship	2018	2017
3	**Trade Receivable**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	1,910	2,133
	Sub total		**1,910**	**2,133**
4	**Members Equity**			
	Reliance Jio Infocomm USA Inc (USD 100)	Holding	0	0
	Sub total		**0**	**0**
5	**Additional Paid in Capital**			
	Reliance Jio Infocomm USA Inc	Holding	5,239	4,447
	Sub total		**5,239**	**4,447**

Notes on Financial Statements for the year ended 31st December, 2018

15 SEGMENT REPORTING

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

16 CAPITAL MANAGEMENT

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

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

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

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

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

17 FINANCIAL INSTRUMENTS

Valuation

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

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

Fair Value Measurement Hierarchy:

Particulars	As at 31st December, 2018 Carrying Amount	As at 31st December, 2017 Carrying Amount
Financial Assets		
At Amortised Cost		
Trade Receivables	1,910	2,133
Cash and Bank Balances	1,128	137
Other Financial Assets	1,349	1,729
Financial Liabilities		
At Amortised Cost		
Trade Payables	67	226

Credit risk

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

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

Liquidity Risk

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

18 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by Board of Members on 12th April, 2019.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No.102912

Mumbai
Dated : April 16, 2019

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated : April 16, 2019