Jio Estonia OÜ

Financial Statements

for the year ended 31st December, 2019

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jio Estonia OÜ ('the Company'), which comprise the Balance Sheet as at December 31, 2019, 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, which has been prepared solely for the purpose of submission to the holding company to enable it for preparation of its consolidated financial statements.

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, 2019, 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 Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs 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" is not applicable.

Management's Responsibility for the Financial Statements

The Company's Director 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 Act.

The Director is 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 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 Director is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective 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 include 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 the user taken on the basis of these financial statements.

As a 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 one resulting from error, as fraud may involve collusions, 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 out 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.

We communicate with those charged with governance regarding, among the matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identity 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.

Others

We draw attention that the financial statements, as per Ind AS, have been prepared for the purpose of submission to holding company to enable it for preparation of its consolidated financial statements and may not be suitable for any other purpose.

For Pathak H.D. & Associates LLP
Chartered Accountants
(Firm's Registration No: 107783W / W100593)
UDIN – 20090903AAAABB9064

Gopal Chaturvedi
(Partner)
Mem. No - 090903

Place: Mumbai
Date: April 06, 2020

Balance Sheet as at 31st December, 2019

(In Euro)

Particulars	Notes	As at 31st December, 2019	As at 31st December,2018
ASSETS			
Non - Current Assets		-	-
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	**67,897**	50,000
Other Financial Assets	2	**46,868**	-
Other Current Assets	3	**2,875**	-
Total Current Assets		**1,17,640**	50,000
Total Assets		**1,17,640**	50,000
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4	**50,000**	50,000
Other Equity	5	**39,756**	0
Total Equity		**89,756**	50,000
Liabilities			
Non - Current Liabilities			
Current Liabilities			
Other Current Liabilities	6	**27,884**	-
Total Current Liabilities		**27,884**	-
Total Liabilities		**27,884**	-
Total Equity and Liabilities		**117,640**	50,000
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-17		

As per our Report of even date
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W/ W100593

Gopal Chaturvedi
Partner
Membership No. 090903
UDIN: 20090903AAAABB9064

Place: Mumbai
Date: 6th April, 2020

For and on behalf of the Board

Taavi Kotka
Director

Statement of Profit and Loss for the year ended 31st December, 2019

(In Euro)

	Notes	2019	22nd Nov'18 - 31st Dec'18
INCOME			
Revenue from Operations	7	**577,946**	-
Other Income (Euro 0.11)	8	**6**	0
Total Income		**577,952**	0
EXPENSES			
Employee Benefits Expense	9	**285,544**	-
Other Expenses	10	**252,652**	-
Total Expenses		**538,196**	-
Profit / (Loss) for the year		**39,756**	0
Other Comprehensive Income		**-**	-
Total Comprehensive Income for the year		**39,756**	0
Earnings per equity share of face value of Euro 1 each			
Basic (in Euro)	11	**0.80**	**0.00**
Diluted (in Euro)		**0.80**	**0.00**
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-17		

As per our Report of even date
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W/ W100593

Gopal Chaturvedi
Partner
Membership No. 090903
UDIN: 20090903AAAABB9064

Place: Mumbai
Date: 6th April, 2020

For and on behalf of the Board

Taavi Kotka
Director

Statement of Changes In Equity for the year ended 31st December, 2019

(A) Equity Share Capital

	(In Euro)
Balance at the beginning of the reporting period	-
Changes in equity share capital during the year	50,000
Balance at the end of the reporting period i.e. 31st December, 2018	**50,000**
Changes in equity share capital during the year	-
Balance at the end of the reporting period i.e.31st December, 2019	**50,000**

(B) Other Equity

(In Euro)

Particulars	**Reserves and Surplus**	**Total**
	Retained Earnings	
As on 31st December, 2018		
Balance at the beginning of the reporting period	-	-
Total Comprehensive Income for the year (Euro 0.11)	0	0
Balance at the end of the reporting period i.e. 31st December, 2018	0	0
As on 31st December, 2019		
Balance at the beginning of the reporting period	**0**	**0**
Total Comprehensive Income for the year	**39,756**	**39,756**
Balance at the end of the reporting period i.e.31st December, 2019	**39,756**	**39,756**

As per our Report of even date
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W/ W100593

Gopal Chaturvedi
Partner
Membership No. 090903
UDIN: 20090903AAAABB9064

Place: Mumbai
Date: 6th April, 2020

For and on behalf of the Board

Taavi Kotka
Director

Cash Flow Statement for the year ended 31st December 2019

(In Euro)

			2019		22nd Nov’18 - 31st Dec’18
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and Loss		**39,756**		0
	Adjusted for:				
	Interest Income (EURO 0.11)	**(6)**		(0)	
			(6)		-
	Operating Profit before Working Capital Changes		**39,750**		-
	Adjusted for				
	Trade and Other Receivebles	**(49,743)**		-	
	Trade and Other Payables	**27,884**		-	
			(21,859)		-
	Cash Generated from Operations		**17,891**		-
	Taxes Paid		**-**		
	Net cash from Operating Activities (A)		**17,891**		-
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Net Cash from / (used in) Investing Activities (B)		**-**		-
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of Equity Share Capital		**-**		50,000
	Interest Income (EURO 0.11)		**6**		0
	Net Cash from Financing Activities (C)		**6**		50,000
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		**17,897**		50,000
	Opening Balance of Cash and Cash Equivalents		**50,000**		-
	Closing Balance of Cash and Cash Equivalents		**67,897**		50,000

As per our Report of even date
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W/ W100593

For and on behalf of the Board

Gopal Chaturvedi
Partner
Membership No. 090903
UDIN: 20090903AAAABB9064

Taavi Kotka
Director

Place: Mumbai
Date: 6th April, 2020

Notes on Financial Statements for the year ended 31st December, 2019

A CORPORATE INFORMATION

Jio Estonia OÜ ("the Company") was incorporated on 22nd November, 2018 in Estonia.

The principal activities of the company is relating to Design and Development of computer hardware and software.

The registered office address is Harju maakond, Viimsi vald, Miiduranna küla, Kristjani tee 4, 74015 . The Company's immediate holding company was Reliance Industrial Investments and Holdings Limited upto 30th Mar'20 and ultimate holding company is Reliance Industries Limited.

Jio Platforms Limited has become the company's immediate holding company w.e.f. 31st Mar'20 and ultimate holding company continues to be Reliance Industries Limited.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, for the purpose of Consolidation by Holding Company.

Company's financial statements are presented in Euro, which is also its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when:

Expected to be realised or intended to be sold or consumed in normal operating cycle;

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

(c) Provisions

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

Notes on Financial Statements for the year ended 31st December, 2019

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) Taxation

Corporate income tax arising from the payment of dividends is recognized as a liability and an income tax expense in the period in which the dividends are declared, regardless of the period for which the dividends are declared or when they are actually paid.

(e) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Foreign Currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(g) Revenue recognition

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

Revenue is recognised only if following conditions are satisfied:

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

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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 on initial recognition.

Dividends

Dividend income is recognised when the Company’s right to receive the payment is established.

Notes on Financial Statements for the year ended 31st December, 2019

(h) 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.

(i) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

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 value due to the short maturity of these instruments.

Notes on Financial Statements for the year ended 31st December, 2019

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) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

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.

D New and revised Ind AS issued and effective for current financial year (FY 2019)

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 is not expected to have any impact on the financials of the Company.

Notes on Financial Statements for the year ended 31st December, 2019

(In Euro)

		As at 31st December, 2019	As at 31st December, 2018
1	**Cash and Cash Equivalents**		
	Balances with Banks	**67,897**	50,000
	Cash and Cash Equivalents as per Balance Sheet	**67,897**	50,000
	Cash and Cash Equivalents as per Cash Flow Statement	**67,897**	50,000

(In Euro)

		As at 31st December, 2019	As at 31st December, 2018
2	**Other Financial Assets - Current**		
	Others*	**46,868**	-
	Total	**46,868**	-

*Includes unbilled revenue of Euro 46,868

(In Euro)

		As at 31st December, 2019	As at 31st December, 2018
3	**Other Current Assets**		
	(Unsecured and considered good)		
	Others	**2,875**	-
	Total	**2,875**	-

*Consists of prepaid taxes

(In Euro)

		As at 31st December, 2019		As at 31st December,2018	
4	**Share Capital**	**Units**	**Amount**	Units	Amount
	Authorised Share Capital :				
	Equity Shares of Euro 1 each	**200,000**	**200,000**	200,000	200,000
			200,000		200,000
	Issued, Subscribed and Paid up:				
	Equity Shares of Euro 1 each fully paid up	**50,000**	**50,000**	50,000	50,000
	Total		**50,000**		50,000

4.1 Terms/ rights attached to Equity Shares :

The company has only one class of equity shares having a par value of Euro 1 per share. Each holder of equity shares is entitled to one vote per share. 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 preferential amounts in proportion to the number of equity shares held by them.

Notes on Financial Statements for the year ended 31st December, 2019

4.2 The reconciliation of the number of shares outstanding is set out below:

	As at 31st December, 2019	As at 31st December,2018
Particulars	**No. of Shares**	No. of Shares
Opening Balance	**50,000**	-
Add: Issue of Shares	**-**	50,000
No. of shares at the end of the year	**50,000**	50,000

4.3 The details of shareholders holding more than 5% shares:

Name of Shareholders	**As at 31st December, 2019**		As at 31st December, 2018	
	No of Shares	**% held**	No of Shares	% held
Reliance Industrial Investments and Holdings Limited	**50,000**	**100%**	50,000	100%

(In Euro)

		As at 31st December, 2019	As at 31st December, 2018
5	**Other Equity**		
	Retained Earnings (Euro 0.11)	**39,756**	0
	Total	**39,756**	0

		As at 31st December, 2019	As at 31st December, 2018
5.1	**Retained Earnings**		
	Balance at beginning of the year (Euro 0.11)	**0**	-
	Profit / (Loss) for the year (Euro 0.11)	**39,756**	0
	Balance at End of the year	**39,756**	0

(In Euro)

		As at 31st December, 2019	As at 31st December,2018
6	**Other Current Liabilities**		
	Other Payables	**27,884**	-
	Total	**27,884**	-

*Includes employee related dues, sundry payables, etc.

(In Euro)

		2019	22nd Nov'18 - 31st Dec'18
7	**Revenue from Operations**		
	Sale of Services	**5,77,946**	-
	Less: GST recovered	**-**	-
	Total	**5,77,946**	**-**

Notes on Financial Statements for the year ended 31st December, 2019

(In Euro)

		2019	22nd Nov'18 - 31st Dec'18
8	**Other Income**		
	Interest Income	**6**	-
	Total	**6**	-

(In Euro)

		2019	22nd Nov'18 - 31st Dec'18
9	**Employee Benefits Expense**		
	Salaries and Wages	**2,13,618**	-
	Contribution to Provident and Other Funds	**71,926**	-
	Total	**2,85,544**	-

(In Euro)

10	**Other Expenses**	2019	22nd Nov'18 - 31st Dec'18
	Rent	**37,057**	
	Repairs and Maintenance - Others	**2,400**	-
	Professional Fees	**1,08,257**	-
	Travelling Expenses	**85,248**	-
	Payment to Auditors	**2,500**	-
	General Expenses	**17,190**	-
	Total	**2,52,652**	-

11	**EARNINGS PER SHARE (EPS)**		**2019**	**22nd Nov'18 - 31st Dec'18**
	i.	Profit / (Loss) for the year as per Statement of Profit and Loss (Euro)	**39,756**	0
	ii.	Weighted Average number of equity shares used as denominator for calculating EPS	**50,000**	50,000
	iii.	Basic Earnings per share (Euro)	**0.80**	**0.000002**
	iv.	Diluted Earnings per share (Euro)	**0.80**	**0.000002**
	v.	Face Value per equity share (Euro)	**1**	1

12 RELATED PARTY DISCLOSURES

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

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

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Jio Infocomm Limited	Fellow Subsidiary

Notes on Financial Statements for the year ended 31st December, 2019

(ii) Transactions during the year with related parties

				(In Euro)
Sr. No.	**Nature of Transactions**	**Holding Company**	**Fellow Subsidiary**	**Total**
1	Equity Shares issued and allotted	-	-	-
		(50,000)	-	(50,000)
2	Revenue from Operations	**-**	**577,946**	**577,946**
		-	-	-
				(In Euro)
Sr. No.	**Balances as at 31st December, 2019**	**Holding Company**	**Fellow Subsidiary**	**Total**
3	Share Capital	**50,000**	**-**	**50,000**
		(50,000)	**-**	(50,000)
4	Other Financial Assets	**-**	**46,868**	**46,868**
		-	**-**	**-**

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

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

(In Euro)

Particulars		**Relationship**	**2019**	**22nd Nov'18 - 31st Dec'18**
1	**Equity Shares issued and allotted**			
	Reliance Industrial Investments and Holdings Limited	Holding	-	50,000
2	**Revenue from Operations**			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**577,946**	**-**
	Balances as at 31st December 2019			
Particulars		**Relationship**	**As at 31st December, 2019**	As at 31st December, 2018
3	**Share Capital**			
	Reliance Industrial Investments and Holdings Limited	Holding	**50,000**	50,000
4	**Other Financial Assets**			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**46,868**	**-**

All related party contracts / arrangements have been entered on arms' length basis.

13 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.

Notes on Financial Statements for the year ended 31st December, 2019

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

Gearing Ratio

The gearing ratio at end of the reporting period was as follows.

(In Euro)

	As at 31st Dec'19	As at 31st Dec'18
Gross Debt	-	-
Cash and cash equivalent	-	-
Net Debt (A)	-	-
Total Equity (As per Balance Sheet) (B)	-	-
Net Gearing (A/B) %	-	-

Note: Company is not having any debt, hence ratio is not given.

14 FINANCIAL INSTRUMENTS

Valuation

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

Fair Value Measurement Hierarchy:

(In Euro)

Particulars	**As at 31st December, 2019**			**As at 31st December, 2018**		
	Carrying Amount	**Level of input used in**		**Carrying Amount**	**Level of input used in**	
		Level 1	**Level 2**		**Level 1**	**Level 2**
Financial Assets						
At Amotised Cost						
Cash and Bank Balances	**67,897**	-	-	50,000	-	-
Other Financial Assets	**46,868**	-	-	-	-	-
At FVTPL						
Investments	-	-	-	-	-	-
Financial Liabilities						
At Amortised Cost						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-
At FVTPL						
Financial Derivatives	-	-	-	-	-	-

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.

Notes on Financial Statements for the year ended 31st December, 2019

Interest Rate Risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows

(In Euro)

Interest rate exposure

Particulars	**As at 31st December, 2019**	**As at 31st December, 2018**
Loans		
Long Term Fixed Rate Loan	-	-
Short Term Loan	-	-
Total	-	-

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.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit and advances to vendors are secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees and advance payments.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. 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 from group companies.

15 SEGMENT REPORTING

The Company is engaged in the business of providing software development support services and technical services. The Company has single segment as per the requirements of Ind AS 108 for "Operating Segment ". The assets and liabilities of the Company as on 31st December, 2019 predominantly relate to this segment.

16 PAYMENT TO AUDITORS

(In Euro)

		2019	**22nd Nov'18 - 31st Dec'18**
i	Statutory Audit Fees	**2,500**	-
	Total	**2,500**	-

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 6th April, 2020.

As per our Report of even date
For **Pathak H D & Associates LLP**
Chartered Accountants
Firm Regn No: 107783W/ W100593

For and on behalf of the Board

Gopal Chaturvedi
Partner
Membership No. 090903
UDIN: 20090903AAAABB9064

Taavi Kotka
Director

Place: Mumbai
Date: 6th April, 2020