

**JIO ESTONIA OÜ**  
**Financial Statements**  
**For the Year ended 31st December, 2018**

## Independent Auditors' Report

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To the Board of Directors

**Jio Estonia OÜ**

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Jio Estonia OÜ**, which comprise the Balance Sheet as at December 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 ("the Act").

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

### Opinion

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

We further report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

**For V.P. Mehta & Co**  
Chartered Accountant

**Vipul Mehta**  
Proprietor  
Membership No. 035722

Place: Mumbai  
Date: April 8, 2019

## Balance Sheet as at 31st December, 2018

Particulars	Notes	(In Euro) As at 31st December, 2018
<b>ASSETS</b>		
<b>Non - Current Assets</b>		-
<b>Current Assets</b>		
Financial Assets		
Cash and Cash Equivalents	1	<u>50,000</u>
<b>Total Current Assets</b>		<u>50,000</u>
<b>Total Assets</b>		<u>50,000</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	2	50,000
Other Equity	3	<u>0</u>
<b>Total Equity</b>		50,000
<b>Liabilities</b>		
<b>Non - Current Liabilities</b>		-
<b>Current Liabilities</b>		-
<b>Total Liabilities</b>		<u>-</u>
<b>Total Equity and Liabilities</b>		<u>50,000</u>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1-7	

As per our report of even date  
For V. P. Mehta & Co.  
Chartered Accountants

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Place: Mumbai  
Date: April 8, 2019

For and on behalf of the board

Taavi Kotka  
Director

## Statement of Profit and Loss for the period from 22nd Nov'18 - 31st Dec'18

Notes	(In Euro)
	22nd Nov'18 - 31st Dec'18
<b>INCOME</b>	
Other Income (Euro 0.11)	0
<b>Total Income</b>	<u>0</u>
<b>EXPENSES</b>	
<b>Total Expenses</b>	<u>0</u>
<b>Profit / (Loss) for the period</b>	<u>0</u>
<b>Other Comprehensive Income</b>	-
<b>Total Comprehensive Income for the period</b>	0
<b>Earnings per equity share of face value of Euro 1 each</b>	6
Basic (in Euro)	0.000002
Diluted (in Euro)	0.000002
Significant Accounting Policies	
See accompanying Notes to the Financial Statements	1-7

As per our report of even date  
For V. P. Mehta & Co.  
Chartered Accountants

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Place: Mumbai  
Date: April 8, 2019

For and on behalf of the board

Taavi Kotka  
Director

## Statement of Changes In Equity for the period from 22nd Nov'18 - 31st Dec'18

<b>(A) Equity Share Capital</b>	(In Euro)
<b>Balance at the beginning of the reporting period</b>	-
Changes in equity share capital during the period	<u>50,000</u>
<b>Balance at the end of the reporting period i.e.31st December, 2018</b>	<u><u>50,000</u></u>

<b>(B) Other Equity</b>		(In Euro)	
	<b>Particulars</b>	<b>Reserves and Surplus Retained Earnings As on 31st December, 2018</b>	<b>Total</b>
	Balance at the beginning of the reporting period	-	-
	Total Comprehensive Income for the period (Euro 0.11)	<u>0</u>	<u>0</u>
	Balance at the end of the reporting period i.e.31st December, 2018	<u><u>0</u></u>	<u><u>0</u></u>

As per our report of even date  
For V. P. Mehta & Co.  
Chartered Accountants

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Place: Mumbai  
Date: April 8, 2019

For and on behalf of the board

Taavi Kotka  
Director

## Cashflow Statement for the period from 17th Dec'18 - 31st Dec'18

		(In Euro)
		22nd Nov'18 - 31st Dec'18
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	
	Net Profit / (Loss) before tax as per Statement of Profit and Loss (Euro 0.11)	0
	Adjusted for :	-
	Operating Loss before Working Capital Changes	0
	Adjusted for :	
	Trade and Other Receivables	-
	Trade and Other Payables	-
		<u>-</u>
		<u>-</u>
	<b>Cash Generated from Operations</b>	<u>0</u>
	<b>Net Cash used in Operating Activities (A)</b>	<u>0</u>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
	Net Cash flow (used in) Investing Activities (B)	-
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
	Proceeds from issue of Equity Share Capital	50,000
	<b>Net Cash flow (used in) Financing Activities (C)</b>	<u>50,000</u>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<u>50,000</u>
	<b>Opening Balance of Cash and Cash Equivalents</b>	-
	<b>Closing Balance of Cash and Cash Equivalents (Refer Note 1)</b>	<u>50,000</u>

As per our report of even date  
For V. P. Mehta & Co.  
Chartered Accountants

Vipul P. Mehta  
Proprietor  
Membership No. 035722

Place: Mumbai  
Date: April 8, 2019

For and on behalf of the board

Taavi Kotka  
Director

## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

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### 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 is Reliance Industrial Investments and Holdings Limited and ultimate holding company is 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.

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

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) 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.

##### (b) 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.

##### (c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and 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.

##### (d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits 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.

##### (e) 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.

## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

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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).

### (f) 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.

### (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

- 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.
- 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.
- 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. 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'.



## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

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### ii) Financial liabilities

- A. Initial recognition and measurement:** All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.
- B. Subsequent measurement:** Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables including creditors for capital expenditure maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

#### a) 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 Standards issued but not effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company for accounting periods beginning on or after April 01, 2018

#### a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

#### b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates;
- ii. Ind AS 12 - Income Taxes

Application of above standards are not expected to have any significant impact on the Company's financial results.

## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

			(In Euro)
<b>1</b>	<b>Cash and Cash Equivalents</b>		<b>As at</b>
			<b>31st December, 2018</b>
	Balances with Banks		<u>50,000</u>
	<b>Total</b>		<u><u>50,000</u></u>
			(In Euro)
			<b>As at</b>
			<b>31st December, 2018</b>
<b>2</b>	<b>Share Capital</b>	<b>Units</b>	<b>Amount</b>
	<b>Authorised Share Capital :</b>		
	Equity Shares of Euro 1 each	200,000	<u>200,000</u>
			<u>200,000</u>
	<b>Issued, Subscribed and Paid up:</b>		
	Equity Shares of Euro 1 each fully paid up	50,000	<u>50,000</u>
	<b>Total</b>		<u><u>50,000</u></u>
<b>2.1</b>	<b>Terms/ rights attached to Equity Shares :</b>		
	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.		
<b>2.2</b>	<b>The reconciliation of the number of shares outstanding is set out below:</b>		
			<b>As at</b>
			<b>31st December, 2018</b>
	<b>Particulars</b>		<b>No.of Shares</b>
	Opening Balance		-
	Add: Issue of Shares		<u>50,000</u>
	No. of shares at the end of the period		<u>50,000</u>
<b>2.3</b>	<b>The details of shareholders holding more than 5% shares:</b>		
	<b>Name of Shareholders</b>		<b>As at</b>
			<b>31st December, 2018</b>
		<b>No of Shares</b>	<b>% held</b>
	Reliance Industrial Investments and Holdings Limited	50,000	100%
			(In Euro)
			<b>As at</b>
			<b>31st December, 2018</b>
<b>3</b>	<b>Other Equity</b>		
	Retained Earnings (Euro 0.11)		<u>0</u>
	<b>Total</b>		<u><u>0</u></u>

## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

	As at 31st December, 2018
<b>3.1 Retained Earnings</b>	
Balance at beginning of the period	-
Profit / (Loss) for the period (Euro 0.11)	<u>0</u>
<b>Balance at End of the period</b>	<u>0</u>
<b>4 EARNINGS PER SHARE (EPS)</b>	<b>22nd Nov'18 - 31st Dec'18</b>
i. Profit / (Loss) for the year as per Statement of Profit and Loss (Euro)	0
ii. Weighted Average number of equity shares used as denominator for calculating EPS	50,000
iii. Basic Earnings per share (Euro)	0.000002
iv. Diluted Earnings per share (Euro)	0.000002
v. Face Value per equity share (Euro)	1

### 5 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

(ii) Transactions during the period with related parties

Sr No	Nature of Transactions	Holding Company	Fellow Subsidiary	Total (In Euro)
1	Equity Shares issued and allotted	50,000	-	50,000

Sr No	Balances as at 31st December, 2018	Holding Company	Fellow Subsidiary	Total (In Euro)
2	Share Capital	50,000	-	50,000

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

Particulars	Relationship	22nd Nov'18 - 31st Dec'18
<b>1 Equity Shares issued and allotted</b>		
Reliance Industrial Investments and Holdings Limited	Holding	50,000
<b>Balances as at</b>		
Particulars	Relationship	As at 31st December, 2018
<b>2 Share Capital</b>		
Reliance Industrial Investments and Holdings Limited	Holding	50,000

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

## Notes on Financial Statements for the period from 22nd Nov'18 - 31st Dec'18

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- 6 The Company was incorporated on 22nd November, 2018 and accordingly financial statements till 31st December, 2018 have been made. This being the first financial year, figures of previous year are not applicable.
- 7 The Company has not yet commenced Commercial Operations and hence the disclosure as per Ind AS 108 for Operating Segment is not required.

**As per our report of even date  
For V. P. Mehta & Co.  
Chartered Accountants**

**Vipul P. Mehta  
Proprietor  
Membership No. 035722**

**Place: Mumbai  
Date: April 8, 2019**

**For and on behalf of the board**

**Taavi Kotka  
Director**