

RADISYS CANADA INC.
Financial Statements
for the Year ended 31st December, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF RADISYS CANADA INC

We have audited the accompanying Special Purpose Financial Statements of Radisys Canada Inc (hereinafter referred to as "the Company") which comprise the Balance Sheet as at December 31, 2018, the Statement of Profit and Loss including Other Comprehensive Loss, 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. These Special Purpose Financial Statements have been prepared by the management of the Company per the basis of preparation as described therein, solely for the purpose of preparation of the consolidated financial statements of its holding company, Radisys Corporation.

Management's Responsibility for the Special Purpose Financial Statements

The Management of the Company is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and statement of changes in equity of the Company in accordance with the basis of preparation of these Special Purpose Financial Statements as described therein.

The Management of the Company is responsible for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Special Purpose Financial Statements based on our audit. We conducted our audit 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 Special Purpose Financial Statements have been prepared per the basis of preparation as described therein and are free from material misstatement. An audit involves performing procedures to obtain audit evidence to about the amounts and disclosures in the Special Purpose Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Special Purpose Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Group's internal controls. The audit also includes evaluating the overall presentation of the Special Purpose Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Financial Statements of the Company for the year ended December 31, 2018 are prepared, in all material respects, in accordance with the basis of preparation of the Special Purpose Financial Statements as disclosed therein and accordingly provide a true and fair view of state of affairs of the Company as at December 31, 2018, and its loss, total comprehensive loss, its cash flows and statement of changes in equity for the year ended on that date.

Restriction on Distribution and Use

These Special Purpose Financial Statements have been prepared for the limited purpose of preparation of the consolidated financial statements of Radisys Corporation, the holding company of the Company. As a result, these Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of the Company and Radisys Corporation and should not be distributed to or used by parties.

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

(Abhijit A. Damle)
(Partner)

(Membership No. 102912)

Mumbai, dated: 17th June, 2019

Balance Sheet as at December 31, 2018

(All amounts in USD, unless otherwise stated)

	Notes	As at December 31, 2018
Assets		
Non-Current Assets		
(a) Property, Plant and Equipment	3a	429
(b) Other Intangible Assets	3b	-
(c) Financial Assets		
(i) Loans	6	5,531
(d) Deferred Tax Assets (net)	15B	74,912
Total Non Current Assets		80,872
Current Assets		
(a) Financial Assets		
(i) Trade Receivables	4	3,513,678
(ii) Cash and Cash Equivalents	5	10,613
(b) Other Current Assets	7	18,958
Total Current Assets		3,543,249
Total Assets		3,624,121
Equity and Liabilities		
Equity		
(a) Share Capital	8	2
(b) Other Equity	9	3,109,114
Total Equity		3,109,116
Liabilities		
Non-current Liabilities		
(a) Current Tax Liabilities (net)	10	328,359
Total Non-current Liabilities		328,359
Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables		186,646
Total Current Liabilities		186,646
Total Liabilities		515,005
Total Equity and Liabilities		3,624,121
Corporate information and significant accounting policies and notes to the financial statements	1-21	

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
FRN 117366 W/W - 100018

Abhijit A. Damle
Partner
Membership No : 102912

Place: Mumbai
Date: 17th June, 2019

For and on behalf of the board

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

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

(All amounts in USD, unless otherwise stated)

	Notes	Year ended December 31, 2018
Income:		
Revenue from Operations (Net)	11	938,601
Other Income	12	78,046
Total Income		1,016,647
Expenses:		
Employee Benefits Expense	13	704,610
Depreciation and Amortization Expense	3a	39,480
Other Expenses	14	182,868
Total Expenses		926,958
Profit Before Tax		89,689
Tax Expense		
(1) Current Tax	15A	328,359
(2) Deferred Tax	15A	4,759
Net Tax Expense		333,118
(Loss) for the Year		(243,429)
Other Comprehensive (Loss):		
Items that will be Reclassified to Profit or Loss:		
Foreign Currency Translation Reserve		(206,343)
Total Other Comprehensive (Loss)		(206,343)
Total Comprehensive (Loss) for the Year		(449,772)
Corporate information and significant accounting policies and notes to the financial statements.	1-21	

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
FRN 117366 W/W - 100018

Abhijit A. Damle
Partner
Membership No : 102912

Place: Mumbai
Date: 17th June, 2019

For and on behalf of the board

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

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

(All amounts in USD, unless otherwise stated)

A. Share Capital	Total
Balance as at January 1, 2018	
1 Common stock with no par value	1
39,333 Preferred stock with no par value	1
	<u>2</u>
Movement during the year	-
	<u>2</u>
Balance as at December 31, 2018	2

B. Other Equity:

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2018	45,918,584	(42,495,965)	136,267	3,558,886
(Loss) for the year		(243,429)	-	(243,429)
Adjustments during the year				
Exchange difference arising on translation of foreign operations	-	-	(206,343)	(206,343)
Balance as at December 31, 2018	45,918,584	(42,739,394)	(70,076)	3,109,114

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
FRN 117366 W/W - 100018

Abhijit A. Damle
Partner
Membership No : 102912

Place: Mumbai
Date: 17th June, 2019

For and on behalf of the board

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Cash Flow Statement for the year ended December 31, 2018

(All amounts in USD, unless otherwise stated)

	For the year ended December 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	89,689
<i>Adjustments for:</i>	
Depreciation and Amortisation expense	39,480
Operating Profit before working capital changes	129,169
Changes in working capital:	
Trade and other receivables	105,822
Other Current Assets	23,143
Trade Payables	(218,040)
Cash Generated from Operations	40,094
Income Taxes (paid)	-
Net Cash (Used in) / Generated from Operations	40,094
B CASH FLOW FROM INVESTING ACTIVITIES	
Net cash from Investing Activities	-
C CASH FLOW FROM FINANCING ACTIVITIES	
Net cash from Financing Activities	-
Net increase in Cash And Cash Equivalents (A+B+C)	40,094
Cash and Cash equivalents at the beginning of the year	(29,481)
Cash and cash equivalents at the end of the year (refer Note 5)	10,613

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
FRN 117366 W/W - 100018

Abhijit A. Damle
Partner
Membership No : 102912

Place: Mumbai
Date: 17th June, 2019

For and on behalf of the board

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Director

Place: FRISCO, TX, USA
Date: 11th June, 2019

Notes to the Financial Statements for the year ended Decemer 31, 2018

1. General Information

- A. Radisys Canada Inc. ("the Company") was incorporated on January 1, 2007, in Canada. The principal office of the Company is situated at 4190 Still Creek Dr., Burnaby, BC V5C 6C6, Canada. The Company is a wholly owned subsidiary of Radisys Corporation.

The Company, together with its parent, is engaged in the business of open telecom solutions enabling service providers to drive disruption with new open architecture business models. The Company's innovative disaggregated and virtualized enabling technology solutions leverage open reference architectures and standards, combined with open software and hardware to power business transformation for the telecom industry, while its world-class services organization delivers systems integration expertise necessary to solve communications and content providers' complex deployment challenges.

2.1 Basis of Preparation and Presentation

These Special Purpose financial statements have been prepared for the limited purpose of preparation of consolidated financial statements of Radisys Corporation, from the audited consolidated trial balance which includes balances pertaining to the components, using accounting policies as specified hereinafter.

The financial statements have been prepared on the historical cost convention and on accrual basis of accounting except for certain financial instruments that are measured at fair value 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 are categorised within the fair value hierarchy into Levels 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.

2.2 Summary of Significant Accounting Policies

A. Leases

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis with reference to the lease terms and other consideration.

B. Foreign Currency Transaction and Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Canadian Dollar), by applying to the foreign currency amount, using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

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 Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

The presentation currency of the Company is United States Dollar.

Notes to the Financial Statements for the year ended Decemer 31, 2018

C. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services 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 or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue represents commission on services rendered to group companies, based on cost plus agreement.

D. Employee Benefits

The undiscounted amount of short-term and long-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive.

E. Taxation

Taxes on income

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 other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or in 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 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 income. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

F. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation as a result of past event(s) and 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.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are not recognised but disclosed in the financial statements only where inflow of economic benefit is probable.

G. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

Notes to the Financial Statements for the year ended Decemer 31, 2018

H. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management and includes borrowing costs capitalized in accordance with the Company's accounting policy. The Company depreciates property, plant and equipment over the useful lives as prescribed below:

Class of asset *	Useful life
Plant & Equipment	1 - 5 years
Office Equipment	1 - 5 years

*For these class of assets, based on internal technical assessment, taking into account the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

I. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

The estimated useful life of intangible assets is mentioned below:

Class of asset	Useful Life
Software	3-5 Years

The useful lives and the amortisation method are reviewed at the end of each reporting period with the effect of any changes in the estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

J. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits having maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

K. Financial Instruments

i. Financial Assets

a. Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular 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

Notes to the Financial Statements for the year ended Decemer 31, 2018

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. Equity instruments

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'.

d. Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

(a) Financial assets at amortised cost

(b) Financial assets measured at fair value through Other Comprehensive Income

The Company follows the 'simplified approach' for recognition of impairment loss allowance. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from its initial recognition.

The Company uses historical experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ii. Financial Liabilities

a. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit and Loss as finance cost.

b. Subsequent measurement

Financial liabilities are subsequently 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.

iii. Derecognition of Financial Instrument

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. On derecognition

Notes to the Financial Statements for the year ended Decemer 31, 2018

of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss. 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 is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the Statement of Profit and Loss.

iv. Fair value of Financial Instrument

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future dates.

2.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of the assets and liability that are not readily apparent. 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.

(a) Income Taxes

Significant judgements are involved in estimating and determining the provision for income tax, including amount expected to be paid / recovered or uncertain tax positions.

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

3a Property, Plant and Equipment:

Description of Assets	Plant and Equipment	Office Equipment	Total
I. Gross Block			
Balance as at January 1, 2018	850,576	18,874	869,450
Translation Difference and Other Adjustments	(64,236)	(1,425)	(65,661)
Balance as at December 31, 2018	786,340	17,449	803,789
II. Accumulated Depreciation			
Balance as at January 1, 2018	818,874	17,362	836,236
Depreciation Expense for the Year	38,463	1,017	39,480
Translation Difference and Other Adjustments	(70,997)	(1,359)	(72,356)
Balance as at December 31, 2018	786,340	17,020	803,360
Net block (I-II)			
Balance as at December 31, 2018	-	429	429

There is no contractual commitments for the acquisition of Property, Plant and Equipment.

3b Other Intangible Assets (Acquired Separately)

Description of Assets	Computer Software
I. Gross Block	
Balance as at January 1, 2018	83,013
Translation Difference and Adjustments	(6,269)
Balance as on December 31, 2018	76,744
II. Accumulated Amortisation	
Balance as at January 1, 2018	83,013
Translation Difference and Adjustments	(6,269)
Balance as on December 31, 2018	76,744
Net block (I-II)	
Balance as on December 31, 2018	-

There is no contractual commitments for the acquisition of Other Intangible Assets.

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

		As at December 31, 2018
4	Trade Receivables	
	Unsecured and considered good (from a related party) (Refer note 16)	3,513,678
	Total	3,513,678
		As at December 31, 2018
5	Cash and cash equivalents	
	Balances with banks	10,613
	Total	10,613
		As at December 31, 2018
6	Loans (Non-current) (Unsecured, Considered good)	
	Deposits	5,531
	Total	5,531
		As at December 31, 2018
7	Other Current Assets	
	Prepaid Expenses	9,783
	Other Receivables	9,175
	Total	18,958
		As at December 31, 2018
8	Share Capital	
	(i) Authorised and Issued Share Capital	
	Authorised:	
	1 Common stock with no par value	
	39,333 Preferred stock with no par value	
	Issued, Subscribed and Paid-up:	
	1 Common stock with no par value	1
	39,333 Preferred stock with no par value	1
	Total	2

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

8 Share Capital (Contd.)

(ii) Details of shareholders holding more than 5% of the common stock and preferred stock:

Name of the shareholder	Common Stock		Preferred Stock	
	As at December 31, 2018		As at December 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Radisys Corporation	1	100%	39,333	100%

(iii) Terms/rights attached to shares:

The Company has common stock and preferred stock.

The shareholders have voting rights in the proportion of their shareholding. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amount, in the proportion of their shareholding.

Each share of preferred stock is senior to common stock in respect to repayment of capital and in liquidation but has no voting rights. The holders are entitled to receive a discretionary, non-cumulative, cash dividend at a rate not to exceed 4% per year on declared but unpaid dividends not to exceed Canadian \$1,000.

9 Other Equity

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2018	45,918,584	(42,495,965)	136,267	3,558,886
(Loss) for the year	-	(243,429)	-	(243,429)
Adjustments during the year				
Exchange difference arising on translation of foreign operations	-	-	(206,343)	(206,343)
Balance as at December 31, 2018	45,918,584	(42,739,394)	(70,076)	3,109,114

As at
December 31, 2018

10 Current tax liabilities

Provision for income tax (net)	328,359
Total	328,359

Year ended
December 31, 2018

11 Revenue from Operations (net)

Commission Revenue (Refer Note 16)	938,601
Total	938,601

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

11A The amounts receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of products are for a shorter duration.

		Year ended December 31, 2018
12	Other Income	
	Net foreign exchange gain	19,522
	Other Non-operating Income	58,524
	Total	78,046
		Year ended December 31, 2018
13	Employee Benefits Expense	
	Salaries and wages	656,737
	Contribution to defined contribution schemes	14,611
	Staff welfare expenses	33,262
	Total	704,610
		Year ended December 31, 2018
14	Other Expenses	
	Travelling and Conveyance expenses	70,026
	Marketing Expense	7,051
	Membership and Subscription Fees	14,520
	Legal and professional fees	26,081
	Telephone and internet charges	7,580
	Insurance	19,657
	Operating lease rentals	35,126
	Rates and Taxes	178
	Miscellaneous Expenses	2,649
	Total	182,868
Note	Particulars	Year ended December 31, 2018
15A	Income Tax recognised in the Statement of Profit and Loss:	
	Current Tax:	
	In respect of current year	328,359
	Deferred Tax:	
	In respect of current year	4,759
	Income tax expense	333,118

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

15B Deferred tax assets and liabilities at the end of the reporting period and deferred tax charge / (credit) in the Statement of Profit and Loss is as follows:

Movement in deferred tax balances:

Particulars	Opening Balance	Charge / (Credit) to the Statement of Profit and Loss	Closing Balance
Year ended December 31, 2018			
<u>Deferred Tax Assets</u>			
Property, Plant & Equipment	1,128,324	(13,529)	1,141,853
Other Intangibles	26,580	-	26,580
Accrued Bonus	-	(32,524)	32,524
Tax Credit Carryforwards	7,342,104	(13,804)	7,355,908
Others	61,312	61,312	-
Total Deferred Tax Asset:	8,558,320	1,455	8,556,865
Less: Valuation Adjustment #	(8,478,649)	3,304	(8,481,953)
Net Deferred Tax Assets	79,671	4,759	74,912

Deferred tax assets are recognized only to the extent it is probable that sufficient future taxable income will be available against which the deductible temporary difference can be utilized.

15C The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at December 31, 2018
Profit before tax	89,689
Federal tax calculated @ 27%	-
Non-deductible expenses (benefits)	(46,053)
Tax effect of changes in tax credits, net of valuation allowance	(10,500)
Uncertain tax positions	328,359
Others	61,312
Total	333,118

Note	Particulars
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16 Related party transactions

A. List of related parties where control exists and related parties with whom transaction have taken placed and relationships:

Name of related parties	Description of relationship
Reliance Industries Limited	Ultimate Holding Company (w.e.f. Dec. 11, 2018) (Control exists)
Radisys Corporation, USA	Holding Company (Control exists)

B. Details of transactions during the year and balance outstanding as at the balance sheet date:

Particulars	Related Party	Year ended December 31, 2018
a) Transactions during the year:		
Commission Revenue	Radisys Corporation, USA	938,601
Particulars	Related Party	As at December 31, 2018
a) Balance outstanding:		
Trade Receivables	Radisys Corporation, USA	3,513,678

Notes to the Financial Statements for the year ended Decemer 31, 2018

(All amounts in USD, unless otherwise stated)

- 17** The Company is involved in rendering software related services solely to the holding company, Radisys Corporation, USA. Accordingly, there is a single business and geographical segment.
- 18** These special purpose financial statements are prepared using accounting policies as described therein for the limited purpose of preparation of consolidated financial statements of the holding company, Radisys Corporation, from the audited consolidated trial balance which includes balances pertaining to the components. No financial statements were prepared up to the year ended December 31, 2017.

	Note	Non-current As at December 31, 2018	Current As at December 31, 2018
19 Categorywise Classification of Financial Instruments			
Financial assets			
A. Measured at fair value through profit or loss (FVTPL)			
Nil			
B. Measured at amortized cost (AC)			
(i) Trade Receivables	4	-	3,513,678
(ii) Cash and Cash Equivalents	5	-	10,613
(iii) Loans	6	5,531	-
Financial liabilities			
A. Measured at fair value through profit or loss (FVTPL)			
Nil			
B. Measured at amortized cost (AC)			
(ii) Trade payables		-	186,646

20 Financial Risk Management Objectives

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents and trade receivables.

The following disclosures summarize the Company's exposure to financial risks.

1 Liquidity Risk

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

2 Credit Risk Management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with related parties and hence the risk of financial loss is minimal.

3 Capital Management

The Company is predominantly equity financed which is evidenced from the capital structure table. (Refer Note 8)

- 21** These financial statements have been authorized for issue by the board on June 11, 2019.

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
FRN 117366 W/W - 100018

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No : 102912

Director

Director

Place: Mumbai
Date: 17th June, 2019

Place: FRISCO, TX, USA
Date: 11th June, 2019

Place: FRISCO, TX, USA
Date: 11th June, 2019