RELIANCE JIO INFOCOMM USA INC.

Financial Statements
For the year ended 31st December, 2021

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Reliance Jio Infocomm USA Inc.
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Jio Infocomm USA Inc. ("the Company"), which comprise the Balance Sheet as at December 31, 2021, and 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The Financial Statements have been prepared by the management of Company, solely for the purpose of preparation of the consolidated financial statements of Reliance Jio Infocomm Limited, Jio Platforms Limited and Reliance Industries Limited (immediate, intermediate and ultimate holding company) respectively.

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, to the extent applicable to the Company, of the state of affairs of the Company as at December 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that

give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

  our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Reporting Requirements

We further report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

Restriction on Distribution and Use

The Financial Statements has been prepared for the limited purpose of preparation of the consolidated financial statements of Reliance Jio Infocomm Limited, Jio Platforms Limited and Reliance Industries Limited (immediate, intermediate and ultimate holding company) respectively. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for the use of the Company and should not be distributed to or used by other parties.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W - 100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 22103999AHMNFL6924)

Place: Panaji, Goa
Date: April 21, 2022

RELIANCE JIO INFOCOMM USA INC

Balance Sheet as at 31st December, 2021

(in USD 000's)

Particulars	Notes	As at 31st December, 2021	As at 31st December, 2020
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2	11,432	12,608
Financial Assets			
Investments	3	12,887	17,322
Other Non - Current Assets	4	655	1,326
Total Non-Current assets		**24,974**	**31,256**
Current assets			
Financial Assets			
Trade receivables	5	1,522	1,831
Cash and Cash Equivalents	6	2,389	3,676
Other Financial Assets	7	3,360	2,656
		7,271	**8,163**
Other Current Assets	8	186	182
Total Current assets		**7,457**	**8,345**
Total Assets		**32,431**	**39,601**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	38,548	38,548
Other Equity	10	(9,459)	(958)
Total equity		**29,089**	**37,590**
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities (Net)	11	408	307
Total Non-Current liabilities		**408**	**307**
Current Liabilities			
Financial Liabilities			
Trade payables	12	625	155
Current Tax Liabilities		1,057	-
Other Current Liabilities	13	1,252	1,549
Total current liabilities		**2,934**	**1,704**
Total liabilities		**3,342**	**2,011**
Total Equity and Liabilities		**32,431**	**39,601**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-23		

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

For and on behalf of the board

Varsha A. Fadte
Partner

Robert Pippert
Director

Panaji, Goa
Dated: 21st April 2022

Frisco
Dated: 20th April 2022

RELIANCE JIO INFOCOMM USA INC

Statement of Profit and Loss for the year ended 31st December, 2021

(in USD 000's)

	Notes	2021	2020
INCOME			
Revenue from Operations	14	20,419	27,995
Total Income		**20,419**	**27,995**
EXPENSES			
Employee Benefits Expense	15	5,352	5,146
Depreciation Expense	2	1,207	1,254
Operating and Other expenses	16	13,280	21,066
Total Expenses		**19,839**	**27,466**
Profit before tax		**580**	**529**
Tax expense	11A		
Current Tax		1,354	184
Deferred Tax		101	49
Tax expense in respect of earlier years written off		3,191	-
(Loss)/Profit after tax		**(4,066)**	**296**
Other Comprehensive Income			
i. Items that will not be reclassified to Profit or Loss			
Equity instruments through other comprehensive income		(4,435)	-
ii. Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		**(4,435)**	-
Total Comprehensive (Loss)/Income for the year		**(8,501)**	**296**
Earnings per equity share of USD 0.01 each	17		
Basic (in USD)		**(0.0011)**	**0.0001**
Diluted (in USD)		**(0.0011)**	**0.0001**
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-23		

As per our report of even date
For Deloitte Haskins & Sells LLP
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Dated: 20th April 2022

RELIANCE JIO INFOCOMM USA INC
Cash Flow Statement for the year ended 31st December, 2021

(in USD 000's)

			2021		2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and Loss		**580**		**529**
	Adjusted for:				
	Depreciation Expense		1,207		1,254
	Operating Profit before Working Capital Changes		**1,787**		**1,783**
	Adjusted for				
	Trade and Other Receivables	(398)		966	
	Trade and Other Payables	173		(485)	
			(225)		481
	Cash generated from Operations		**1,562**		**2,264**
	Taxes Paid (net)		(2,818)		-
	Net cash (used in) / generated from Operating Activities (A)		**(1,256)**		**2,264**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property,Plant and Equipment		(31)		(13)
	Net Cash used in Investing Activities (B)		**(31)**		**(13)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		**-**		-
	Net Cash from Financing Activities (C)		-		-
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		**(1,287)**		**2,251**
	Opening Balance of Cash and Cash Equivalents		**3,651**		**1,400**
	Closing Balance of Cash and Cash Equivalents (Refer Note below)		**2,364**		**3,651**

Components of Cash and Cash Equivalents:	**As at 31st December, 2021**	**As at 31st December, 2020**
Cash and Cash Equivalents		
Balances with Banks	2,364	3,651
Other Bank Balances		
Cash Deposit against Credit card dues	25	25
Total Cash and Cash Equivalents (Refer Note 6)	**2,389**	**3,676**

As per our report of even date
For Deloitte Haskins & Sells LLP
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Varsha A. Fadte
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Robert Pippert
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Panaji, Goa
Dated: 21st April 2022

Frisco
Dated: 20th April 2022

RELIANCE JIO INFOCOMM USA INC

Statement of Changes In Equity for the year ended 31st December, 2021

(A) Equity Share Capital

	(in USD 000's)
Balance at 1st January, 2020 (USD 10)	**38,548**
Changes in equity share capital during the year	-
Balance at 31st December, 2020	**38,548**
Changes in equity share capital during the year	-
Balance at 31st December, 2021	**38,548**

(B) Other Equity

Particulars	Items of other comprehensive income	Reserves and Surplus	Total
	Equity Instrument through other comprehensive income	Retained Earnings	
As on 31st December, 2020			
Balance at the beginning of the year	-	(1,254)	(1,254)
Total Comprehensive Income for the year	-	296	296
	-	**(958)**	**(958)**
As on 31st December, 2021			
Balance at the beginning of the year	-	(958)	(958)
Other Comprehensive Income/(Loss)	(4,435)	-	(4,435)
Retained Earnings	-	(4,066)	(4,066)
Total Comprehensive Income	**(4,435)**	**(4,066)**	**(8,501)**
Total Comprehensive Income/(Loss) for the year	**(4,435)**	**(5,024)**	**(9,459)**

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

For and on behalf of the board

Varsha A. Fadte
Partner

Robert Pippert
Director

Panaji, Goa
Dated :

Frisco
Dated: 20th April 2022

RELIANCE JIO INFOCOMM USA INC
Notes to the financial statements as at and for the year ended 31st December, 2021

A CORPORATE INFORMATION

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

B SIGNIFICANT ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared for the limited purpose of consolidation into Reliance Jio Infocomm Ltd, Jio Platforms Limited and Reliance Industries Ltd (the Immediate, Intermediate and Ultimate Holding Company) respectively to comply with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable to the Company.

B.2 BASIS OF PREPARATION AND PRESENTATION

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

There is no impact of above on the financial statements.

B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

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

Depreciation on Property Plant and Equipments is provided when the assets are ready for their intended use, on straight line method (SLM) based on the management estimated useful lives which are as under
Plant and Equipment - 15 years
Computer and Equipment - 4 years
Furniture and Fixtures - 7 years

(b) Impairment of non financial Assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

(c) Provisions

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

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

RELIANCE JIO INFOCOMM USA INC

Notes to the financial statements as at and for the year ended 31st December, 2021

(d) Leases:

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term (defined as leases with a lease term of 12 months or less) and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(e) Employee benefits

(i) **Short Term Employee Benefits :**

All employees are eligible to participate in Company sponsored 401(k) savings plan, which is voluntary defined contribution plan. The plan is designed to help employees accumulate and augment savings for retirement. Company makes a matching contributions on a portion of eligible contributions by employees and employees are vested in Company contribution per terms of the 401k plan.

(ii) **Defined contribution plans :**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Employees are eligible to participate in Company sponsored insurance programs that covers welfare of the employees and their eligible family members. Company bears the expense of premium in entirety or in portion depending on the type of insurance program and as per Company policy on employee welfare.

(f) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

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

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(h) Revenue recognition

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

(i) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss,are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

RELIANCE JIO INFOCOMM USA INC

Notes to the financial statements as at and for the year ended 31st December, 2021

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Impairment

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

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

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

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

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

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

ii) Financial liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade 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) Depreciation and useful lives of property plant and equipment

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

b) Provisions

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

c) Impairment of non-financial assets:

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

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

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

Description	Gross Block				Depreciation				Net Block	
	As at 01-Jan-21	Additions	Deduction /Adjustment	As at 31-Dec-21	As at 01-Jan-21	For the year	Deduction /Adjustment	As at 31-Dec-21	As at 31-Dec-21	As at 31-Dec-20
2. Property, Plant and Equipment										
Tangible Assets :										
Own Assets :										
Office Equipment's	52	1	-	53	52	1	-	53	-	-
Plant and Equipments	18,064	30	-	18,094	5,471	1,199	-	6,670	11,424	12,593
Furniture and Fixtures	75	-	-	75	60	7	-	67	8	15
Total	**18,191**	**31**	**-**	**18,222**	**5,583**	**1,207**	**-**	**6,790**	**11,432**	**12,608**
Previous year	18,178	13	-	18,191	4,329	1,254	-	5,583	12,608	13,849

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

		As at 31st December, 2021		As at 31st December, 2020	
3	**Non-Current Investments**	**Units**	**Amount**	**Units**	**Amount**
	In Units of company - Quoted Fully Paid up				
	Shares in lieu of 10000 series D preference shares of Airspan Networks Holdings Inc	1,468,385	5,565	-	-
	In Units of company - Unquoted Fully Paid up				
	*Series D preferred stock of USD @1000 per share of Airspan Networks Inc.	-	-	10,000	10,000
	Series B Preferred Stock of USD @ $0.0001per share of Airhop Communications Inc	863,856	1,500	863,856	1,500
	**8% Promissory note of Airhop Communications Inc	-	1,000	-	1,000
	***Series B Preferred Stock USD @ 0.0001 of Airhop Communications Inc	403,132	4	403,132	4
	Warrants in lieu of 10000 series D preference shares of Airspan Networks Holdings Inc.	222,552	-	-	-
	In Equity Units of wholly owned subsidiary companies -				
	Unquoted, fully paid up				
	Reliance Jio Global Resources LLC (including additional paid in capital of USD 4,817,553, PY 4,817,553)	50,000	4,818	50,000	4,818
	Total		**12,887**		**17,322**

*The Company has got an option to convert 1 share of Series D Preferred Stock into 16.2601626 shares of Common Stock of the investee company.

** convertible into 575,904 units of Series B Preferred Stock upon satisfaction of certain conditions.
*** Pursuant to conversion of share warrants.

(in USD 000's)

		As at 31st December, 2021	As at 31st December, 2020
		Amount	**Amount**
4	**Other Non Current Assets**		
	Security Deposit	26	27
	Withholding Tax Receivable	629	1,299
	Total	**655**	**1,326**

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
5 Trade Receivables (Unsecured and considered good)		
Others (Refer Note 18)	1,522	1,831
Total	**1,522**	**1,831**

5.1 Trade Receivables ageing schedule

a. As at 31st December, 2021

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2,622	1,484	38	-	-	-	-	4,144
Total	**2,622**	**1,484**	**38**	**-**	**-**	**-**	**-**	**4,144**

b. As at 31st December, 2020

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2,656	1,564	267	-	-	-	-	4,487
Total	**2,656**	**1,564**	**267**	**-**	**-**	**-**	**-**	**4,487**

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
6 Cash and Cash equivalents		
Balance with a bank	2,364	3,651
Other Bank Balances		
Cash Deposit against Credit card dues	25	25
Total	**2,389**	**3,676**

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
7 Other Financial Assets (Unsecured and considered good)		
Unbilled Revenue	2,622	2,656
Other Receivable (Refer Note 18)	738	-
Total	**3,360**	**2,656**

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
8 Other Current Assets		
Security Deposits	31	64
Prepaid expenses	155	118
Total	**186**	**182**

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

9 Equity Share Capital (in USD 000's)

Authorised Share Capital :	As at 31st December, 2021	As at 31st December, 2020
10,000,000,000 (10,000,000,000) Equity Shares of USD 0.01 each fully paid up	100,000	100,000
	100,000	**100,000**
Issued, Subscribed and Paid up:		
3,854,766,449 (3,854,766,449) Equity Shares of USD 0.01 each fully paid up	38,548	38,548
TOTAL	**38,548**	**38,548**

9.1 Terms/rights attached to equity shares :

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

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

	Equity Shares			
Particulars	**31st December, 2021**		**31st December, 2020**	
	No.of Shares	**in USD 000's**	**No.of Shares**	**in USD 000's**
No. of shares at the beginning of the year	3,854,766,449	38,548	3,854,766,449	38,548
No. of shares at the end of the year	**3,854,766,449**	**38,548**	**3,854,766,449**	**38,548**

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

	Equity Shares			
Name of Shareholders	**As at 31st December, 2021**		**As at 31st December, 2020**	
	No of Shares	**% holding**	**No of Shares**	**% holding**
Reliance Jio Infocomm Ltd	**3,854,766,449**	**100.00%**	3,854,766,449	100.00%

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

		As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
10	**Other Equity**		
	Retained Earnings	(5,024)	(958)
	Equity Instrument through other comprehensive income	(4,435)	-
	TOTAL	**(9,459)**	**(958)**
	Retained Earnings		
	As per last Balance Sheet	(958)	(1,254)
	Add: (Loss)/Profit for the year	(4,066)	296
	Total	**(5,024)**	**(958)**
	Items of other comprehensive income		
	As per last Balance Sheet	-	-
	Add: (Loss)/Profit for the year	(4,435)	-
	Total	**(4,435)**	**-**
	Balance at end of year	**(9,459)**	**(958)**

11 Deferred tax Liabilities

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

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
At the start of the year	(307)	(258)
Charge to the Statement of Profit & Loss	(101)	(49)
At the end of year	**(408)**	**(307)**

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

Deferred tax liabilities (net) in relation to:		
Property, plant and equipment	408	307
Total	**408**	**307**

11A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
Income tax recognised in Statement of Profit and Loss		
In respect of the Company		
Current tax	1,354	67
Tax expense of earlier years written off	3,191	-
Deferred tax	101	49
Total	**4,646**	**116**
In respect of the subsidiary company		
Current tax	987	117
Tax expense of earlier years written off	2,275	-
Deferred tax	-	-
Total	**3,262**	**117**
Grand total	**7,908**	**233**
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**580**	**529**
Current tax	1,455	116
Tax effect of deductible temporary difference	(101)	(49)
Tax expense of earlier years written off	3,191	-
Deferred tax charge for the year	101	49
	4,646	**116**
Profit before tax of subsidiary	**751**	**559**
Current tax	987	117
Tax effect of deductible temporary difference	-	-
Tax expense of earlier years written off	2,275	-
Deferred tax charge for the year	-	-
	3,262	**117**
Total	**7,908**	**233**

The Company’s subsidiary, Reliance Jio Global Resources LLC (RJGR) is a disregarded entity under USA Tax laws in view of the single membership status of RJGR. Activities of RJGR and related profits of RJGR are reflected in owners return i.e. the Company.

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

		As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
12	**Trade Payables**		
	Others	625	155
	Total	**625**	**155**

12.1 Trade Payables ageing schedule

a. As at 31st December, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables - Others	-	2	623	-	-	-	625
Total	**-**	**2**	**623**	**-**	**-**	**-**	**625**

b. As at 31st December, 2020

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables - Others	-	10	145	-	-	-	155
Total	**-**	**10**	**145**	**-**	**-**	**-**	**155**

		As at 31st December, 2021 Amount	As at 31st December, 2020 Amount
13	**Other Current Liabilities**		
	Advance from customers	164	30
	Other Payables (Refer note 18)	1,088	1,519
	Total	**1,252**	**1,549**

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

(in USD 000's)

		2021	2020
14	**Revenue from Operations**		
	Sale of Services (Refer note 18)	20,419	27,995
	TOTAL	**20,419**	27,995

		2021	2020
15	**Employee Benefits Expense**		
	Salaries and Wages	4,549	4,284
	Payroll taxes and benefits	803	862
	TOTAL	**5,352**	**5,146**

		2021	2020
16	**Operating and Other expenses**		
	Colocation charges	847	795
	Bandwidth charges	914	772
	Voice Charges (Refer note 18)	10,347	18,195
	Legal and Professional Fees	320	247
	Telephone	14	18
	Travel	7	70
	Audit Fees	18	18
	General administration expenses	375	449
	Rent	420	483
	Insurance	18	19
	TOTAL	**13,280**	**21,066**

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

		2021	2020
17	**Earnings Per Share (EPS)**	**2021**	**2020**
	Basic Earning Per Share		
	i. (Loss)/Profit for the year as per Staetement of Profit and loss (in USD 000's)	(4,066)	296
	ii. Weighted Average number of equity shares outstanding during the year	3,854,766,449	3,854,766,449
	iii. Basic and Diluted Earnings per share (USD)	(0.0011)	0.0001
	iv. Face Value per equity share (USD)	0.01	0.01

18 Related Party Disclosures

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

Sr.	Name of the Related Party	Relationship
1	Reliance Industries Limited (control exists)	Ultimate Holding Company
2	Jio Platforms Limited (control exists)	Intermediate Holiding Company
3	Reliance Jio Infocomm Limited (control exists)	Holiding Company
4	Reliance Jio Global Resources LLC (control exists)	Subsidiary Company
5	Reliance Jio Infocomm UK Ltd	Fellow Subsidiary
6	Reliance Jio Infocomm Pte Limited	
7	Jio Haptik Technologies Ltd	
8	Jio Media Limited	

Transactions during the year with related parties

(in USD 000's)

Sr. No	Nature of Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Total
	(excluding reimbursements)				
1	Purchase / Subscription of Investment	**-**	**-**	**-**	**-**
		-	-	-	-
2	IP Transit billing (Sales of services)		**-**	**3,272**	**3,272**
			-	(3,066)	(3,066)
3	Voice billing (Sales of services)	**2,736**	**-**	**637**	**3,373**
		(3,357)	-	(643)	(4,000)
4	Voice charges	**8,384**	**-**	**1,028**	**9,412**
		(16,942)	-	(134)	(17,076)
5	Services Rendered (Sale of Services)	**2,795**	**-**	**1,472**	**4,267**
		(2,879)	-	(736)	(3,615)
	Balances as at 31st December, 2021				(in USD 000's)
6	Trade Receivable and Unbilled Revenue	**1,437**	**-**	**1,669**	**3,106**
		(1,361)	-	(725)	(2,086)
7	Other Receivables	**-**	**738**	-	**738**
		-	-	-	-
8	Other Payables	**1,026**	**-**	**242**	**1,268**
		(1,203)	-	(33)	(1,236)
9	Equity Share Capital	**38,548**	**-**	**-**	**38,548**
		(38,548)	-	-	(38,548)
10	Investment	**-**	**4,818**	**-**	**4,818**
		-	(4,818)	-	(4,818)

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

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

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

(in USD 000's)

	Particulars	Relationship	2021	2020
1	**IP Transit billing**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	3,272	3,066
	Sub total		**3,272**	**3,066**
2	**Voice Revenue**			
	Reliance Jio Infocomm Limited	Holding Company	2,736	3,357
	Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	82	111
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	555	532
	Sub total		**3,373**	**4,000**
3	**Voice charges**			
	Reliance Jio Infocomm Limited	Holding Company	8,384	16,942
	Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	976	58
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	52	76
	Sub total		**9,412**	**17,076**
4	**Services rendered (Sales of services)**			
	Reliance Jio Infocomm Limited	Holding Company	2,795	2,879
	Jio Haptik Technologies Limited	Fellow Subsidiary	845	736
	Jio Media Limited	Fellow Subsidiary	627	-
	Sub total		**4,267**	**3,615**

Balances as at 31st December, 2021

(in USD 000's)

	Particulars	Relationship	2021	2020
5	**Trade Receivable**			
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	645	561
	Reliance Jio Infocomm Limited	Holding Company	1,437	1,361
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	47	43
	Jio Haptik Technologies Ltd	Fellow Subsidiary	350	121
	Jio Media Limited	Fellow Subsidiary	627	-
	Sub total		**3,106**	**2,086**
6	**Other Receivables**			
	Reliance Jio Global Resource LLC	Subsidiary	738	-
	Sub total		**738**	**-**
7	**Other Payables**			
	Reliance Jio Infocomm Limited	Holding Company	1,026	1,203
	Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	214	32
	Reliance Jio Infocomm UK Limited	Fellow Subsidiary	28	1
	Sub total		**1,268**	**1,236**
8	**Equity Share Capital**			
	Reliance Jio Infocomm Limited	Holding Company	38,548	38,548
	Sub total		**38,548**	**38,548**
9	**Investment**			
	Reliance Jio Global Resource LLC	Subsidiary	4,818	4,818
	Sub total		**4,818**	**4,818**

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

19 CAPITAL MANAGEMENT

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

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

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

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

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

20 FINANCIAL INSTRUMENTS

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

Fair Value Measurement Hierarchy:

(In USD 000's)

Particulars	31st December, 2021				31st December, 2020			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amotised Cost								
Trade Receivables	1,522	-	-	-	1,831	-	-	-
Cash and Bank Balances	2,389	-	-	-	3,676	-	-	-
Other Financial Assets	3,360	-	-	-	2,656	-	-	-
At FVTPL								
Investments	2,504	-	-	2,504	12,504	-	-	12,504
At FVTOCI								
Investments	5,565	5,565	-	-	-	-	-	-
Financial Liabilities								
At Amortised Cost								
Trade Payables	625	-	-	-	155	-	-	-

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable for the asset or liability. The Company in an earlier year had used valuation techniques which included net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, Black-Scholes and polynomial option pricing models and other valuation models. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The value of the investment determined by the Company in the earlier year using price of recent investment method, Discounted Cash Flow Model and the future cash flows provided by one of the Investee Company, approximates the value as the year-end since there are no changes in the cash flows and investment balances.

Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the Company. Credit risk arises from Company’s activities in investments and outstanding receivables from customers.
Except for the amount owing to immediate holding company, the Company has no significant concentration of credit risk with third parties. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history.Cash is held with a reputable financial institution. The carrying amount of financial asset recorded in the financial statement represents the Company's maximum exposure to credit risk .

RELIANCE JIO INFOCOMM USA INC

Notes to the Financial Statements for the year ended 31st December, 2021

Liquidity Risk

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

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis in preparing the annual financial statements.

The Company has reviewed the consequences of COVID-19 and other events and conditions and has determined that they do not create a material uncertainty that cast significant doubt upon the Company's ability to continue as going concern. The COVID-19 may impact the future performance and measurement of some of the assets and liabilities or the liquidity position of the Company, which require appropriate disclosures in the financial statements. However, the Company has determined that there are no significant changes as of December 2021, which will have impact on the asset and liabilities and future performance of the Company.

21 Segment information

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

22 US IRS Tax code introduced the Base Erosion Anti Abuse Tax (BEAT) in USA in December 2018. During the year it was determined that BEAT would be applicable to Company and subsidiary Reliance Jio Global Resources LLC (RJGR), considering the operations and related party transactions of other Reliance group companies in USA. In order to optimize tax liability and minimize taxable income in USA, company has opted to claim overseas taxes paid for current year and prior years 2018 to 2020 as an expense and charged off the same to the Statement of Profit and Loss.

23 The financial statements are approved for the issue by the Board of Directors at their meeting conducted on 20th April 2022.

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

Varsha A. Fadte
Partner

Panaji, Goa
Dated: 21st April 2022

For and on behalf of the board

Robert Pippert
Director

Frisco
Dated: 20th April 2022