

RELIANCE JIO INFOCOMM USA, INC.

Financial Statements
for the year ended 31st December, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying Special Purpose Special Purpose Financial Statements of Reliance Jio Infocomm USA, Inc. ("the Company"), which comprise the Balance Sheet as at 31st December 2023, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The Special Purpose Special Purpose Financial Statements have been prepared by the management of Company, solely for the purpose of preparation of the consolidated Special Purpose 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 Special Purpose Special Purpose Financial Statements give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2021, 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 31st December 2023, 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 Special Purpose Special Purpose 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 Special Purpose Special Purpose 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 these Special Purpose Special Purpose 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 Special Purpose Special Purpose Financial Statements.

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

As informed to us, there is no information other than Special Purpose 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 Special Purpose Special Purpose Financial Statements

The Company's Board of Directors is responsible for preparation of these Special Purpose Special Purpose 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 Special Purpose Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Special Purpose Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Special Purpose 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 Special Purpose Special Purpose 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 Special Purpose Special Purpose 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 an 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 Special Purpose Special Purpose 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 Special Purpose Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in 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 Special Purpose Special Purpose 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

These Special Purpose Financial Statements has been prepared for the limited purpose of preparation of the consolidated Special Purpose 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 Special Purpose 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)

Ketan Vora

Partner

Membership No. 100459

UDIN: 24100459BKFAQP8343

Place: Mumbai

Date: 10th April, 2024

Balance Sheet as at 31st December, 2023

Particulars	Notes	(in USD 000's)	
		As at 31st December, 2023	As at 31st December, 2022
ASSETS			
Non - Current assets			
Property, Plant and Equipment	2A	9,202	10,409
Right of Use Assets-Non Current	2A	1,482	1,272
Intangible assets	2B	2,081	-
Financial Assets			
Investments	3	4,950	9,245
Other Non - Current Assets	4	629	655
Total Non-Current assets		18,344	21,581
Current assets			
Financial Assets			
Trade receivables	5	1,799	1,176
Cash and Cash Equivalents	6	3,179	2,180
Other Financial Assets	7	2,235	2,199
		7,213	5,555
Other Current Assets	8	573	1,816
Total Current assets		7,786	7,371
Total Assets		26,130	28,952
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	38,548	38,548
Other Equity	10	(14,874)	(14,016)
Total equity		23,674	24,532
Liabilities			
Non Current Liabilities			
Deferred Tax Liabilities (Net)	11	431	447
Lease Liability-Non Current	14	1,349	1,127
Total Non-Current liabilities		1,780	1,574
Current Liabilities			
Financial Liabilities			
Trade payables	12	10	96
Current Tax Liabilities		12	1,600
Other Current Liabilities	13	389	902
Lease Liability-Current	14	265	248
Total current liabilities		676	2,846
Total liabilities		2,456	4,420
Total Equity and Liabilities		26,130	28,952
Material Accounting Policies	1		
See accompanying Notes to the Financial Statements	2-24		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner
Membership No.100459

Mumbai, Maharashtra
Dated : April 9th, 2024

For and on behalf of the board

Robert Pippert
Director

Dated: April 9th, 2024

RELIANCE JIO INFOCOMM USA, INC.

Statement of Profit and Loss for the year ended 31st December, 2023

	Notes	2023	(in USD 000's) 2022
INCOME			
Revenue from Operations	15	13,128	28,696
Other Income		0	3
Total Income		13,128	28,699
EXPENSES			
Employee Benefits Expense	16	6,456	5,821
Depreciation and Amortization Expense	2A&2B	1,914	1,321
Operating and Other Expenses	17	4,105	21,025
Total Expenses		12,475	28,167
Profit before tax		653	532
Tax expense			
	11A		
Current Tax		12	1,599
Taxes of earlier years		(349)	-
TDS Overseas		73	
Deferred Tax		(16)	39
Tax refund/expense in respect of earlier years		-	(190)
Profit /(Loss) after tax		933	(916)
Other Comprehensive Income			
i. Items that will not be reclassified to Profit or Loss			
Equity instruments through other comprehensive income		(1,791)	(3,641)
ii. Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		(1,791)	(3,641)
Total Comprehensive (Loss)/Income for the year		(858)	(4,557)
Earnings per equity share of USD 0.01 each			
	18		
Basic (in USD)		0.0002	(0.0002)
Diluted (in USD)		0.0002	(0.0002)

Material Accounting Policies

See accompanying Notes to the Financial Statements

As per our report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the board

Ketan Vora
Partner
Membership No.100459

Robert Pippert
Director

Mumbai, Maharashtra
Dated : April 9th, 2024

Dated: April 9th, 2024

RELIANCE JIO INFOCOMM USA, INC.

Statement of Changes In Equity for the year ended 31st December, 2023

(A) Equity Share Capital	(in USD 000's)
Balance at 1st January, 2022 (USD 10)	38,548
Changes in equity share capital during the year	-
Balance at 31st December, 2022	38,548
Changes in equity share capital during the year	-
Balance at 31st December, 2023	38,548

(B) Other Equity

Particulars	Items of other comprehensive income	Reserves and Surplus Retained Earnings	Total
	Equity Instrument through other comprehensive income		
As on 31st December, 2022			
Balance at the beginning of the year	(4,435)	(5,024)	(9,459)
Other Comprehensive Income/(Loss)	(3,641)	-	(3,641)
Retained Earnings	-	(916)	(916)
	(8,076)	(5,940)	(14,016)
As on 31st December, 2023			
Balance at the beginning of the year	(8,076)	(5,940)	(14,016)
Other Comprehensive Income/(Loss)	(1,791)	-	(1,791)
Retained Earnings	-	933	933
Total Comprehensive Income	(1,791)	933	(858)
Total Comprehensive Income/(Loss) for the year	(9,867)	(5,007)	(14,874)

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

Ketan Vora
 Partner
 Membership No.100459

Mumbai, Maharashtra
 Dated : April 9th, 2024

For and on behalf of the board

Robert Pippert
 Director

Dated: April 9th, 2024

RELIANCE JIO INFOCOMM USA, INC.
Cash Flow Statement for the year ended 31st December, 2023

	2023	(in USD 000's) 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit and Loss	653	532
Adjusted for:		
Finance Cost (Interest others Lease ROU)	54	20
Depreciation and Amortisation expense	1,914	1,321
Operating Profit before Working Capital Changes	<u>2,621</u>	<u>1,873</u>
Adjusted for		
Trade and Other Receivables	584	(123)
Trade and Other Payables	<u>(2,186)</u>	<u>(336)</u>
	(1,602)	(459)
Cash generated from Operations	<u>1,019</u>	<u>1,414</u>
Taxes Paid (net)	264	(1,409)
Net cash generated from Operating Activities (A)	<u>1,283</u>	<u>5</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property,Plant and Equipment	(18)	(190)
Rent Deposit Refund	26	
Net Cash generated in Investing Activities (B)	<u>8</u>	<u>(190)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Leased Liabilities Paid	(238)	(20)
Finance Cost paid	(54)	(4)
Net Cash used from Financing Activities (C)	<u>(292)</u>	<u>(24)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	999	(209)
Opening Balance of Cash and Cash Equivalents	2,155	2,364
Closing Balance of Cash and Cash Equivalents (Refer Note below)	<u><u>3,154</u></u>	<u><u>2,155</u></u>
Significant Accounting Policies	1	
Notes to the Financial statements	2-24	
Components of Cash and Cash Equivalents:	31st December, 2023	31st December, 2022
Cash and Cash Equivalents		
Balances with Banks	3,154	2,155
Other Bank Balances		
Cash Deposit against Credit card dues	25	25
Total Cash and Cash Equivalents (Refer Note 6)	<u><u>3,179</u></u>	<u><u>2,180</u></u>

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

For and on behalf of the board

Ketan Vora
Partner
Membership No.100459

Robert Pippert
Director

Mumbai, Maharashtra
Dated : April 9th, 2024

Dated: April 9th, 2024

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023****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 5600 Tennyson Parkway, Suite 120, Plano, TX – 75024. The Company is a 100% subsidiary of Reliance Jio Infocomm Limited (RJIL), India and is incorporated for the execution and development of the International Long Distance (ILD) and content business of RJIL, the holding Company.

B MATERIAL ACCOUNTING POLICIES**B.1 STATEMENT OF COMPLIANCE**

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

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.

The financial statements are presented in US Dollars (USD), which is also its functional currency and all values are rounded to the nearest thousand ('000), except if otherwise indicated.

B.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**(a) Current and Non Current Classification:**

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

An asset is treated as Current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Expected to be realised within twelve months after the reporting period; or
- iii. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability at least twelve months after the reporting period;
- iv. All other assets are classified as Non-current;

A liability is current when;

- i. It is expected to be settled in normal operating cycle;
- ii. It is due to be settled within twelve months after the reporting period, or
- iii. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- iv. All other liabilities are classified as Non Current.

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

(b) 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 on straight line method and based on useful life of the assets as under

Plant and Equipment - 15 Years

Computer and Data Equipment - 4 Years

Furniture and Fixtures - 7 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) Intangible asset:

Intangible assets are stated at cost or fair value, as applicable, less accumulated amortisation.

Amortisation methods, useful lives and residual values are reviewed periodically at each reporting period.

Software is amortised on straight line method, over a period of 3 years.

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023****(d) Impairment of Non financial assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(e) Leases:

The Company, at the inception of a contract, assesses the contract as, or containing, a lease and 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.

(f) 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.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. It is recognised when the promised services are rendered by the company. 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.

(h) Financial Instruments**i) Financial Assets****A. Initial recognition and measurement:**

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

B. Subsequent measurement**a) Financial assets carried at amortised cost (AC)**

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

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

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

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

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

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.

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023****(i) Employee benefits****(i) Short Term Employee Benefits :**

The undiscounted amount of short-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.

(j) 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.

RELiance JIO INFOCOMM USA, INC.

Notes to the financial statements for the year ended 31st December, 2023

(in USD 000's)

Description	Gross Block			Depreciation				Net Block		
	As at	Additions	Deduction /Adjustment	As at	As at	For the year	Deduction /Adjustment	As at	As at	As at
	01-Jan-23			31-Dec-23	01-Jan-23			31-Dec-23	31-Dec-23	31-Dec-23
2A. Property, Plant and Equipment										
Tangible Assets :										
Own Assets :										
Office Equipment's	59	-	(1)	58	55	4	(1)	58	0	4
Plant and Equipments	18,278	18	(10)	18,286	7,876	1,218	(10)	9,084	9,202	10,402
Furniture and Fixtures	75	-	-	75	72	3	-	75	0	3
Sub Total	18,412	18	(11)	18,419	8,003	1,225	(11)	9,217	9,202	10,409
Right of Use Assets - Building Premises #150	1,380	170		1,550	108	256	-	364	1,186	1,272
Right of Use Assets - Building Premises#120	-	306		306	-	10	-	10	296	-
Sub Total	1,380	476	-	1,856	108	266	-	374	1,482	1,272
Total	19,792	494	(11)	20,275	8,111	1,491	(11)	9,591	10,684	11,681
Previous year	18,222	1,570	-	19,792	6,790	1,321	-	8,111	11,681	11,432

RELIANCE JIO INFOCOMM USA, INC.

Notes to the financial statements for the year ended 31st December, 2023

(in USD 000's)

Description	Gross Block			Amortization			Net Block			
	As at	Additions	Deduction /Adjustment	As at	As at	For the year	Deduction /Adjustment	As at	As at	As at
	01-Jan-23			31-Dec-23	01-Jan-23			31-Dec-23	31-Dec-23	31-Dec-23
2B. Intangible Assets										
ESON Software	-	2,504	-	2,504	-	423	-	423	2,081	-
Sub Total	-	2,504	-	2,504	-	423	-	423	2,081	-

Refer Note 3

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

3 Non-Current Investments	(in USD 000's)			
	As at		As at	
	31st December, 2023	31st December, 2022	31st December, 2023	31st December, 2022
	Units	Amount	Units	Amount
<u>In Units of company - Quoted Fully Paid up</u>				
Shares in lieu of 10000 series D preference shares of Airspan Networks Holdings Inc	14,68,385	132	14,68,385	1,923
<u>In Units of company - Unquoted Fully Paid up</u>				
Series B Preferred Stock of USD @ \$0.0001 per share of Airhop Communications Inc	8,63,856	0	8,63,856	1,500
**8% Promissory note of Airhop Communications Inc	5,75,904	-	-	1,000
***Series B Preferred Stock USD @ 0.0001 of Airhop Communications Inc	4,03,132	-	4,03,132	4
Warrants in lieu of 10000 series D preference shares of Airspan Networks Holdings Inc.	2,22,552	-	2,22,552	-
<u>In Equity Units of wholly owned subsidiary companies -</u>				
<u>Unquoted, fully paid up</u>				
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		4,950		9,245

The Company had strategically invested in Airhop Communications Inc to gain access to technical know-how, updates / modification / enhancement to the eSON software and its source code. During the year, the Company has satisfactorily put to use the said eSON software and consequently recognized the same as Intangible asset which will be amortised over its useful life

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

*** Pursuant to conversion of share warrants.

4 Other Non Current Assets	As at		(in USD 000's)	
	31st December, 2023		31st December, 2022	
	Amount	Amount	Amount	Amount
Security Deposit	(0)	26		
Withholding Tax Receivable	629	629		
Total	629	655		

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

	As at 31st December, 2023 Amount	(in USD 000's) As at 31st December, 2022 Amount
5 Trade Receivables (Unsecured and considered good)	1,799	1,176
Total	<u>1,799</u>	<u>1,176</u>

5.1 Trade Receivables ageing schedule
a **31st December, 2023**

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	
Undisputed Trade receivables – considered good	2,235	1,502	123	174	-	-	4,034
Total	2,235	1,502	123	174	-	-	4,034

b **31st December, 2022**

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	
Undisputed Trade receivables – considered good	2,188	631	545	-	-	-	3,364
Total	2,188	631	545	-	-	-	3,364

	As at 31st December, 2023 Amount	(in USD 000's) As at 31st December, 2022 Amount
6 Cash and Cash equivalents		
Balance with a bank	3,154	2,155
Other Bank Balances Cash Deposit against Credit card dues	25	25
Total	<u>3,179</u>	<u>2,180</u>

	As at 31st December, 2023 Amount	(in USD 000's) As at 31st December, 2022 Amount
7 Other Financial Assets (Unsecured and considered good)		
Unbilled Revenue	2,235	2,188
Other Receivable	-	11
Total	<u>2,235</u>	<u>2,199</u>

	As at 31st December, 2023 Amount	(in USD 000's) As at 31st December, 2022 Amount
8 Other Current Assets		
Security Deposits	31	31
Prepaid expenses	161	161
Advance tax	381	1,624
Total	<u>573</u>	<u>1,816</u>

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

9 Equity Share Capital		(in USD 000's)	
Authorised Share Capital :	As at	As at	
	31st December, 2023	31st December, 2022	
10,00,00,00,000 Equity Shares of USD 0.01 each fully (10,00,00,00,000) paid up	1,00,000	1,00,000	
	<u>1,00,000</u>	<u>1,00,000</u>	
Issued, Subscribed and Paid up:			
3,85,47,66,449 Equity Shares of USD 0.01 each fully (3,85,47,66,449) paid up	38,548	38,548	
Total	<u>38,548</u>	<u>38,548</u>	

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 :

Particulars	Equity Shares			
	31st December, 2023		31st December, 2022	
	No. of Shares	in USD 000's	No. of Shares	in USD 000's
No. of shares at the beginning of the year	3,85,47,66,449	38,548	3,85,47,66,449	38,548
No. of shares at the end of the year	<u>3,85,47,66,449</u>	<u>38,548</u>	<u>3,85,47,66,449</u>	<u>38,548</u>

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

Name of Shareholders	Equity Shares			
	As at		As at	
	31st December, 2023		31st December, 2022	
	No of Shares	% holding	No of Shares	% holding
Reliance Jio Infocomm Ltd	3,85,47,66,449	100.00%	3,85,47,66,449	100.00%

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

	(in USD 000's)	
	As at 31st December, 2023 Amount	As at 31st December, 2022 Amount
10 Other Equity		
Retained Earnings		
As per last Balance Sheet	(5,940)	(5,024)
Add: (Loss)/Profit for the year	933	(916)
Total	(5,007)	(5,940)
Items of other comprehensive income		
As per last Balance Sheet	(8,076)	(4,435)
Add: (Loss)/Profit for the year	(1,791)	(3,641)
Total	(9,867)	(8,076)
Balance at end of year	(14,874)	(14,016)

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, 2023 Amount	As at 31st December, 2022 Amount
At the start of the year	(447)	(408)
Charge to the Statement of Profit & Loss	16	(39)
At the end of year	(431)	(447)

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	431	447
Total	431	447

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

	As at 31st December, 2023 Amount	As at 31st December, 2022 Amount
Income tax recognised in Statement of Profit and Loss		
<u>In respect of the Company</u>		
Current tax	12	1,599
Excess tax paid Tax Year 2023	(349)	-
TDS Overseas 2023	73	-
Tax expense of earlier years written off	-	(190)
Deferred tax	(16)	39
Total	(280)	1,448
<u>In respect of the subsidiary company</u>		
Current tax	236	579
Overpayment earlier years	(1)	-
Total	235	579
Grand total	(45)	2,027

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

Profit before tax	653	532
Current tax	(4)	1,448
Tax effect of deductible temporary difference	16	(39)
Excess tax paid Tax Year 2023	(349)	-
TDS Overseas 2023	73	-
Deferred tax charge for the year	(16)	39
	(280)	1,448
Profit before tax of subsidiary	1,121	661
Current tax	236	579
Overpayment earlier years	(1)	-
	235	579
Total	(45)	2,027

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, 2023

12 Trade Payables	As at	(in USD 000's)
	31st December, 2023	31st December, 2022
	Amount	Amount
Others	10	96
Total	10	96

12.1 Trade Payables ageing schedule

a 31st December, 2023

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	-	-	-	-	10
Total	-	10	-	-	-	-	10

b 31st December, 2022

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	-	42	54	-	-	-	96
Total	-	42	54	-	-	-	96

13 Other Current Liabilities	As at	(in USD 000's)
	31st December, 2023	31st December, 2022
	Amount	Amount
Advance from customers	5	23
Other Payables	384	879
Total	389	902

14 Lease Liabilities	As at	(in USD 000's)
	31st December, 2023	31st December, 2022
	Amount	Amount
Lease Liability-Current	265	248
Lease Liability-Non Current	1,349	1,127
Total	1,614	1,375

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

		(in USD 000's)
	2023	2022
15 Revenue from Operations		
Sale of Services	13,128	28,696
Total	13,128	28,696
	2023	2022
16 Employee Benefits Expense		
Salaries and Wages	5,499	4,975
Payroll taxes and benefits	957	846
Total	6,456	5,821
17 Operating and Other expenses	2023	2022
Colocation charges	878	886
Bandwidth charges	913	988
Voice Charges	1,311	18,136
Legal and Professional Fees	264	197
Telephone	11	13
Travel	117	116
Audit Fees	22	22
General administration expenses	516	405
Finance cost	54	20
Rent	-	224
Insurance	19	18
Total	4,105	21,025

RELIANCE JIO INFOCOMM USA, INC.**Notes to the financial statements for the year ended 31st December, 2023**

18 Earnings Per Share (EPS)	2023	2022
<u>Basic Earning Per Share</u>		
i. (Loss)/Profit for the year as per Statement of Profit and loss (in USD 000's)	933	(916)
ii. Weighted Average number of equity shares outstanding during the year	3,85,47,66,449	3,85,47,66,449
iii. Basic and Diluted Earnings per share (USD)	0.0002	(0.0002)
iv. Face Value per equity share (USD)	0.01	0.01

19 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 Holding Company
3	Reliance Jio Infocomm Limited (control exists)	Holding 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	Intermediate Holding Company	Total
(excluding reimbursements)						
1	Purchase / Subscription of Investment	-	-	-	-	-
2	IP Transit billing (Sales of services)	-	-	4,043	-	4,043
3	Voice billing (Sales of services)	1,324	-	118	-	1,442
4	Voice charges	(2,444)	-	(5,561)	-	(8,005)
5	Services Rendered (Sale of Services)	858	-	211	-	1,069
		(5,766)	-	(6,541)	-	(12,307)
		3,830	-	552	2,153	6,535
		(2,645)	-	(1,647)	(870)	(5,162)

Balances as at 31st December, 2023

(in USD 000's)

6	Trade Receivable and Unbilled Revenue	2,170	-	1,233	527	3,930
		(1,081)	-	(1,399)	(139)	(2,619)
7	Other Receivables	-	-	-	-	-
		-	(11)	-	-	(11)
8	Other Payables	(102)	-	0	-	(102)
		(306)	-	(95)	-	(401)
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, 2023****Disclosure in Respect of Material Related Party Transactions during the year :**

Particulars	Relationship	(in USD 000's)	
		2023	2022
1 IP Transit billing			
Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	4,043	3,283
Sub total		4,043	3,283
2 Voice Revenue			
Reliance Jio Infocomm Limited	Holding Company	1,324	2,444
Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	15	5,001
Reliance Jio Infocomm UK Limited	Fellow Subsidiary	103	560
Sub total		1,442	8,005
3 Voice charges			
Reliance Jio Infocomm Limited	Holding Company	858	5,766
Reliance Jio Infocomm PTE Limited	Fellow Subsidiary	211	6,229
Reliance Jio Infocomm UK Limited	Fellow Subsidiary	0	312
Sub total		1,069	12,307
4 Services rendered (Sales of services)			
Reliance Jio Infocomm Limited	Holding Company	3,830	2,645
Jio Haptik Technologies Limited	Fellow Subsidiary	552	1,377
Jio Media Limited	Fellow Subsidiary	-	270
Jio Platform Limited	Intermediate Holding Company	2,153	870
Sub total		6,535	5,162
Balances as at 31st December, 2023			
Particulars	Relationship	2023	2022
(in USD 000's)			
5 Trade Receivable			
Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	936	635
Reliance Jio Infocomm Limited	Holding Company	2,170	1,081
Reliance Jio Infocomm UK Limited	Fellow Subsidiary	(0)	18
Jio Haptik Technologies Ltd	Fellow Subsidiary	297	746
Jio Media Limited	Fellow Subsidiary	-	-
Jio Platform Limited	Intermediate Holding Company	527	139
Sub total		3,930	2,619
6 Other Receivables			
Reliance Jio Global Resource LLC	Subsidiary	-	11
Sub total		-	11
7 Other Payables			
Reliance Jio Infocomm Limited	Holding Company	(102)	306
Reliance Jio Infocomm Pte Limited	Fellow Subsidiary	0	68
Reliance Jio Infocomm UK Limited	Fellow Subsidiary	0	27
Sub total		(102)	401
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, 2023****20 CAPITAL MANAGEMENT**

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

- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- 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.

21 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, 2023				31st December, 2022			
	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	1,799	-	-	-	1,176	-	-	-
Cash and Bank Balances	3,179	-	-	-	2,180	-	-	-
Other Financial Assets	2,235	-	-	-	2,199	-	-	-
At FVTPL								
Investments	0	-	-	0	2,504	-	-	2,504
At FVTOCI								
Investments	132	132	-	-	1,923	1,923	-	-
Financial Liabilities								
At Amortised Cost								
Trade Payables	10	-	-	-	96	-	-	-

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, 2023

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.

22 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.

23 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 not be applicable to Company and subsidiary Reliance Jio Global Resources LLC (RJGR), considering the operations and related party transactions.

24 The financial statements are approved for the issue by the Board of Directors at their meeting conducted on April 9th, 2024.

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board

Ketan Vora
Partner
Membership No.100459

Robert Pippert
Director

Mumbai, Maharashtra
Dated : April 9th, 2024

Dated: April 9th, 2024