

Reliance Finance and Investments USA LLC

Financial Statements

For the period from 22 December, 2022 to 31 December, 2022

INDEPENDENT AUDITOR'S REPORT**TO THE BOARD OF DIRECTORS OF RELIANCE FINANCE AND INVESTMENTS USA LLC.****Report on the Audit of the Special Purpose Financial Statements****Opinion**

We have audited the accompanying special purpose financial statements of Reliance Finance and Investments USA LLC. ("the Company"), which comprise the Balance Sheet as at December 31, 2022, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of Changes in Equity for the period then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2022, and its profit / (loss), its total comprehensive income, its cash flows and changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 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 the special purpose financial statements. Consequently, in our opinion, the reporting requirement under SA 720 "The Auditor's Responsibilities Relating to Other Information" are not applicable.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive 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 financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose 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 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 Statement of Cash Flows and Statement of Changes in Equity, and dealt with by this Report are in agreement with the books of account.

Restriction on Distribution and Use

These special purpose financial statements have been prepared for the limited purpose of preparation of the consolidated financial statements of Reliance Industries Limited, the Ultimate Holding Company. As a result, these special purpose financial Statements may not be suitable for another purpose. Our report is intended solely for the use of the Company and should not be distributed to or used by other parties.

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

(Abhijit A. Damle)
Partner
Membership No: 102912
UDIN: 23102912BGXVZY2945

Mumbai: 19 April 2023

Reliance Finance and Investments USA LLC

Statement of Cash Flows for the period from 22 December, 2022 to 31 December, 2022

(amounts in US Dollars)

	Notes	<u>from 22/12/2022 to 31/12/2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss		-
Net cash generated from operating activities		<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash from investing activities		<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash from Financing Activities		<u>-</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents		-
Cash and Cash Equivalents at the beginning of the period		-
Cash and Cash Equivalents at the end of the period		<u>-</u>

Non Cash Items:

During the period, the Holding Company has made a investment of USD 16,666,667 in Thrive Capital Holdings LP on Company's behalf. This has been treated as Capital Contribution by the Holding Company.

Corporate information and significant accounting policies
and notes to the financial statements

1 to 6

As per report of our even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Date: April 19, 2023

Thakur Sharma
Director

Date: April 18, 2023

Reliance Finance and Investments USA LLC**Notes to the financial statements for the period ended 31 December, 2022****1 GENERAL INFORMATION**

Reliance Finance and Investments USA LLC (the Company) was incorporated as a limited liability company on 22nd December, 2022, under Delaware Limited Liability Company Act. The registered office of the Company is situated at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States of America. The Company is wholly owned subsidiary of Reliance Marcellus LLC. (Holding Company).

2 BASIS OF PREPARATION AND PRESENTATION

The special purpose financial statements ("financial statements") have been prepared for the limited purpose of consolidation into Reliance Industries Limited, the ultimate holding company, in accordance with the Indian Accounting Standards ("Ind AS"), notified under section 133 of the Companies Act, 2013, read together with Companies (Indian Accounting Standards) Rules, 2015.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Current and Non-Current Classification:**

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

An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

B. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

C. Financial Instruments:**I. Non-derivative financial instruments****i. Financial Assets.****a. Initial recognition and measurement**

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

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

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

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

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

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

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

Reliance Finance and Investments USA LLC

Notes to the financial statements for the period ended 31 December, 2022

c. Equity instruments

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

d. Impairment of financial assets

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

- (a) Financial assets at amortised cost
- (b) Financial assets measured at fair value through Other Comprehensive Income

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

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

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

ii. Financial liabilities**a. Initial recognition and measurement**

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

b. Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the Statement of Profit and Loss.

III. Fair value of financial instruments

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

Reliance Finance and Investments USA LLC
Notes to the financial statements for the period ended 31 December, 2022
(amounts in US Dollars)

3 Non-Current Investments	As at
Investment in others (unquoted)	31 December, 2022
Partnership interests in Thrive Capital Holdings LP	16,666,667
Total	<u>16,666,667</u>

3.1 FAIR VALUE MEASUREMENT

Financial assets / liabilities recognised at fair value through profit or loss	Fair value as at 31 December, 2022	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment-others (unquoted) #	16,666,667	NA	NA	16,666,667

The management has evaluated their investment based on progress till date and future outlook and concluded that the carrying value as on the dates of the respective balance sheet represents fair value of investment.

4 MEMBER'S CONTRIBUTION	As at
Reliance Marcellus LLC	31 December, 2022
Reliance Marcellus LLC	16,666,667
TOTAL	<u>16,666,667</u>

Details of members holding more than 5% common membership interest:

Name of the Member	As at 31 December, 2022	
	No. of Common Membership Interest	% held
Reliance Marcellus LLC	-	100%

Reliance Finance and Investments USA LLC
Notes to the financial statements for the period ended 31 December, 2022
(amounts in US Dollars)

5 RELATED PARTY

As per Ind AS 24, list of related parties where control exists and related parties with whom transactions have taken place and relationships are given below:

Name of the related party	Relation
Reliance Industries Limited	Ultimate Holding Company
Reliance Marcellus LLC	Holding Company

Related Party Transactions		
Name of the related party	Nature of transaction	from 22.12.2022 to 31.12.2022
Reliance Marcellus LLC	Member Contribution received	16,666,667

6 The financial statements are approved for issue by the Company's Board of Managers on April 18, 2023.

For and on behalf of the board

Thakur Sharma
 Director

Date: April 18, 2023