RIL USA, INC.
Financial Statements
For the year ended 31st December 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of RIL USA, Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of RIL USA, Inc. (“the Company”), which comprise the Balance Sheet as at 31 December 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material 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 31 December 2023, and its profit, total comprehensive income, 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 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 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 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 financial statements.

Information Other than the 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 requirement under SA 720 “The Auditor’s Responsibilities Relating to Other Information” are not applicable.

Management’s Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible with respect to 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 standalone financial statement that give a true and fair view and are 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.

Those 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 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 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

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 dealt with by this Report are in agreement with the relevant 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 Marcellus LLC, the holding company of RIL USA Inc. 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 parties.

For Deloitte Haskins & Sells LLP

Chartered Accountants
Firm's Registration No. 117366W/W-100018

Manoj H. Dama
Partner
Membership No. 107723
UDIN: 24107723BKFJOP4719

Place: Mumbai

Date: 28th March 2024

RIL USA, INC.
Balance Sheet as on December 31, 2023

	Notes	As at December 31 2023	(Amount in USD) As at December 31 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	**1**	636,564	734,925
Right of Use Assets	**1A**	6,170,030	10,886,328
Financial Assets			
Other financial assets	**2**	2,247,317	2,140,738
Total Non-Current Assets		**9,053,911**	**13,761,991**
Current Assets			
Inventories	**3**	391,285,400	345,873,094
Financial Assets			
Trade Receivables	**4**	80,409,295	147,828,191
Cash and Cash Equivalents	**5**	20,319,356	29,934,702
Loans	**6**	2,781,518	-
Other Financial Assets	**7**	3,407,869	22,513,215
Other Current Assets	**8**	1,105,487	15,184,331
Total Current Assets		**499,308,925**	**561,333,533**
Total Assets		**508,362,836**	**575,095,524**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**9**	3,000,000	3,000,000
Other Equity	**10**	179,280,257	157,423,994
Total Equity		**182,280,257**	**160,423,994**
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		3,004,240	3,208,794
Total Non-Current Liabilities		**3,004,240**	**3,208,794**
Current Liabilities			
Financial Liabilities			
Borrowings	**11**	47,000,000	48,000,000
Lease Liabilities		3,481,910	8,074,527
Trade Payables	**12**	272,138,950	349,601,888
Other Financial Liabilities	**13**	442,728	357,438
Other Current Liabilities	**14**	14,751	5,428,883
Total Current Liabilities		**323,078,339**	**411,462,736**
Total Equity and Liabilities		**508,362,836**	**575,095,524**
Corporate Information and Material Accounting Policies			
Notes to the Financial Statements	**1 to 28**		

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

Manoj H. Dama
Partner
Membership No. 107723
Place: Mumbai
Date: March 28, 2024

For and on behalf of the Board

Walter Van de Vijver
Director
Date: March 27, 2024

Thakur Sharma
Director
Date: March 27, 2024

RIL USA, INC.

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

(Amount in USD)

	Notes	2023	2022
INCOME			
Revenue from Operations	**15A**		
Sale of Products		3,862,150,574	4,371,767,867
Income from Services		1,283,940	1,103,740
Other Income	**15B**	1,557,716	388,917
Total Income		**3,864,992,230**	**4,373,260,524**
EXPENDITURE			
Cost of Goods Sold	**16**	3,724,907,759	4,231,857,635
Employee Benefits Expense	**17**	5,705,346	5,679,959
Finance Costs	**18**	4,575,966	3,135,504
Depreciation and Amortisation Expense	**1 & 1A**	13,266,986	13,352,676
Other Expenses	**19**	94,798,847	99,332,456
Total Expenses		**3,843,254,904**	**4,353,358,230**
Profit Before Tax		**21,737,326**	**19,902,294**
Tax Expenses:	**20**		
Current Tax		229,442	92,000
(Excess) Tax Provision of earlier years		(348,379)	(9,844)
		(118,937)	**82,156**
Profit for the Year		**21,856,263**	**19,820,138**
Other Comprehensive Income (OCI)		-	-
Total Comprehensive Income for the year		**21,856,263**	**19,820,138**
Earnings per share of face value of USD 10,000 each	**21**		
Basic (in USD)		**72,854**	**66,067**
Diluted (in USD)		**72,854**	**66,067**
Corporate Information and Material Accounting Policies			
Notes to the Financial Statements	**1 to 28**		

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

Manoj H. Dama
Partner
Membership No. 107723
Place: Mumbai
Date: March 28, 2024

For and on behalf of the Board

Walter Van de Vijver
Director
Date: March 27, 2024

Thakur Sharma
Director
Date: March 27, 2024

RIL USA, INC.
Statement of Changes in Equity

For the year ended December 31, 2023

(a) Share Capital

			(Amount in USD)
	Balance at the beginning of the reporting year	Changes in Equity during the year	Balance at the end of the reporting year
Share Capital	3,000,000	-	3,000,000

(b) Other equity

			(Amount in USD)
	Balance at the beginning of the reporting year	Changes in Equity during the year	Balance at the end of the reporting year
		Total Comprehensive Income for the year	
Additional Paid in Capital	22,100,000	-	22,100,000
Retained Earnings	135,323,994	21,856,263	157,180,257
Total	**157,423,994**	**21,856,263**	**179,280,257**

For the year ended December 31, 2022

(a) Share Capital

			(Amount in USD)
	Balance at the beginning of the reporting year	Changes in Equity during the year	Balance at the end of the reporting year
Share Capital	3,000,000	-	3,000,000

(b) Other equity

			(Amount in USD)
	Balance at the beginning of the reporting year	Changes in Equity during the year	Balance at the end of the reporting year
		Total Comprehensive Income for the year	
Additional Paid in Capital	22,100,000	-	22,100,000
Retained Earnings	115,503,856	19,820,138	135,323,994
Total	**137,603,856**	**19,820,138**	**157,423,994**

Corporate Information and Material Accounting Policies
Notes to the Financial Statements **1 to 28**

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

Manoj H. Dama
Partner
Membership No. 107723
Place: Mumbai
Date: March 28, 2024

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Walter Van de Vijver
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Thakur Sharma
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Date: March 27, 2024

RIL USA, INC.

Cash Flow Statement for the year ended December 31, 2023

(Amount in USD)

			2023		2022
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax as per Statement of Profit and Loss		21,737,326		19,902,294
	Adjusted for:				
	Depreciation & Amortisation Expense	13,266,986		13,352,676	
	Interest Income	(1,557,716)		(130,278)	
	Finance Costs	4,575,966		3,135,504	
	Operating Profit before Working Capital Changes		**38,022,562**		**36,260,196**
	Adjusted for:				
	Trade and Other Receivables	80,597,508		(112,617,946)	
	Inventories	(45,412,306)		(135,016,677)	
	Trade and Other Payables	(82,877,070)		278,940,965	
			(47,691,868)		31,306,342
	Cash (used in)/ generated from Operations		**(9,669,306)**		**67,566,538**
	Taxes refund received (Net)		118,937		1,138,846
	Net Cash (used in)/ generated from Operating Activities		**(9,550,369)**		**68,705,384**
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment		(38,452)		(523,037)
	Loans (given)/ repaid (net)		(2,700,000)		7,049,583
	Deposit repaid / (given)		19,899,000		(399,000)
	Interest Income		1,476,255		130,278
	Net Cash generated from Investing Activities		**18,636,803**		**6,257,824**
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Lease Liability		(13,211,104)		(12,977,839)
	Borrowings taken (net)		(1,000,000)		(31,000,000)
	Interest Paid		(4,490,676)		(3,096,291)
	Net Cash used in Financing Activities		**(18,701,780)**		**(47,074,130)**
	Net (decrease) / increase in Cash and Cash Equivalents		**(9,615,346)**		**27,889,078**
	Opening Balance of Cash and Cash Equivalents		**29,934,702**		**2,045,624**
	Closing Balance of Cash and Cash Equivalents (Refer Note 5)		**20,319,356**		**29,934,702**

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

For and on behalf of the Board

Manoj H. Dama
Partner
Membership No. 107723

Place: Mumbai
Date: March 28, 2024

Walter Van de Vijver
Director
Date: March 27, 2024

Thakur Sharma
Director
Date: March 27, 2024

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

A. CORPORATE INFORMATION

RIL USA, Inc., ("the Company") a Delaware Corporation, was formed on March 16, 2005, is a wholly owned subsidiary of Reliance Marcellus LLC, whose ultimate holding company is Reliance Industries Limited, an Indian listed Company.

The Company is engaged in the commercialization of gasoline and blended gasoline products in the United States and Caribbean markets. The Company engage in domestic spot trading with third-party companies and trading of Ethane. The Company takes ownership of the products upon purchase, is responsible for providing goods to the customers, establishes pricing, and bears the customer's credit risk. The Company leases storage tanks at New York Harbor, Gulf Coast and Bahamas for inventory storage and blending.

B. MATERIAL ACCOUNTING POLICIES

B.1 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.

These financial statements have been prepared on the historical cost convention, on the accrual basis of accounting except for certain financial instruments (financial assets and financial liabilities) that are measured at fair values at the end of each reporting period, as stated 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.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

B.2 PROPERTY, PLANT AND EQUIPMENT:

Furniture and fixtures, computers and equipment are initially recognized at cost where it is probable that they will generate future economic benefits. They are subsequently carried at cost less accumulated depreciation. Depreciation on property, plant and equipment is provided when assets are ready for their intended use, on straight line method (SLM) based on management estimated useful lives which are as under:

Particular	Useful Life
Furniture and fixtures	7 years
Computers and equipment	5 years
Lease hold Improvement	5 Years

B.3 IMPAIRMENT:

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.

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.

B.4 INVENTORIES

Inventories are stated at the lower of cost and net realizable value, cost being determined on a weighted-average basis, except for inventories that are subject to fair value hedges, which are adjusted each period for changes in the fair value attributable to the risk that has been hedged.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

B.5 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.
Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

B.6 FOREIGN CURRENCIES

For the purpose of these financial statements, US Dollars (USD) is the functional and presentation currency of the Company.

Transactions in currencies other than USD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising out of these transactions are recognised in the Statement of profit and loss.

B.7 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 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.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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.

B.8 EMPLOYEE BENEFITS

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

<u>Defined contribution plans:</u>
The Company's contribution under the 401K plan is considered as defined contribution and is charged as an expense as and when services are rendered by the employees.

B.9 BORROWING COSTS

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

B.10 INCOME TAXES

Tax expense for the year comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or in equity. In this case, the tax is also recognised in OCI or in equity.

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

<u>Deferred tax:</u>
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 are generally recognised for all taxable differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

B.11 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.

a. **Sale of Products**
Revenue from sale of products is recognised when the control on the goods has been transferred to a customer. The performance obligation in case of sale of products is satisfied at a point in time as per the terms of agreement with the individual customer.

b. **Revenue from services**
The Company uses input method for measurement of income from services as it is directly linked to expenses incurred by the Company.

B.12 FINANCIAL INSTRUMENTS

I. Non-derivative 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 adjusted to the fair value on initial recognition. 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 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 measured at FVTOCI if it is held within a business model whose objective is achieved both by 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.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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 of financial assets
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 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 carried at amortized 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.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

II. Derivative financial instruments and hedge accounting

The Company is exposed to market risk primarily due to fluctuations in commodity prices between the purchase/sales and the delivery date of inventory. In order to minimize this risk, the Company enters into certain derivative instruments, primarily exchange-traded futures contracts, which allows management to significantly mitigate pricing risk

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward commodity contracts ('hedging instruments'), to hedge its commodity price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Hedging instruments is recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge in line with Company's risk management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for hedges under Ind AS 109, Financial Instruments.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

The change in the fair value of a hedging instrument and hedged item is recognised in the Statement of Profit and Loss.

If the hedged item is derecognised, the unamortised fair value of hedging instrument adjusted to the hedged item is recognised immediately in the Statement of Profit and Loss.

III. Derecognition 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 derecognized 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.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

IV. 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.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

In the application of the Company's accounting policies which are described in note B, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of the assets and liability that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

i) **Depreciation and useful lives of property plant and equipment**:
Property, plant and equipment are depreciated over the estimated useful lives of the assets, after considering 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 consider anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

ii) **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.

iii) **Leases**:
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Determining the lease term:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that creates an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Determining the discount rate:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

1. PROPERTY, PLANT AND EQUIPMENT

(Amount in USD)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block
	As at	Additions for the year	Deductions for the year	As at	As at	Depreciation for the year	Deductions for the year	As at	As at
	1-Jan-23			31-Dec-23	1-Jan-23			31-Dec-23	31-Dec-23
Leasehold improvement	334,198	-	-	**334,198**	37,230	63,370	-	**100,600**	**233,598**
Computer & Equipment (*)	140,979	38,452	-	**179,431**	44,108	22,997	-	**67,105**	**112,326**
Furniture and Fixtures	408,722	-	-	**408,722**	67,636	50,446	-	**118,082**	**290,640**
Total	**883,899**	**38,452**	**-**	**922,351**	**148,974**	**136,813**	**-**	**285,787**	**636,564**

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block
	As at	Additions for the year	Deductions for the year	As at	As at	Depreciation for the year	Deductions for the year	As at	As at
	1-Jan-22			31-Dec-22	1-Jan-22			31-Dec-22	31-Dec-22
Leasehold improvement	-	334,198	-	**334,198**	-	37,230	-	**37,230**	**296,968**
Computer & Equipment (*)	67,158	73,821	-	**140,979**	30,591	13,517	-	**44,108**	**96,871**
Furniture and Fixtures	37,743	370,979	-	**408,722**	37,728	29,908	-	**67,636**	**341,086**
Total	**104,901**	**778,998**	**-**	**883,899**	**68,319**	**80,655**	**-**	**148,974**	**734,925**

(*) Includes Office Equipments

RIL USA, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1A. RIGHT OF USE ASSETS

(Amount in USD)

Description	GROSS BLOCK				ACCUMULATED AMORTISATION				Net block
	As at	Additions for the year	Deductions for the year	**As at**	As at	for the year	Deductions for the year	**As at**	**As at**
	1-Jan-23			31-Dec-23	1-Jan-23			31-Dec-23	31-Dec-23
Storage Tanks	36,109,082	10,342,540	(22,698,250)	**23,753,372**	26,463,285	12,962,911	(20,769,585)	**18,656,611**	**5,096,761**
Office Premises	1,338,100	-	-	**1,338,100**	97,569	167,262	-	**264,831**	**1,073,269**
Total	**37,447,182**	**10,342,540**	**(22,698,250)**	**25,091,472**	**26,560,854**	**13,130,173**	**(20,769,585)**	**18,921,442**	**6,170,030**

Description	GROSS BLOCK				ACCUMULATED AMORTISATION				Net block
	As at	Additions for the year	Deductions for the year	**As at**	As at	for the year	Deductions for the year	**As at**	**As at**
	1-Jan-22			31-Dec-22	1-Jan-22			31-Dec-22	31-Dec-22
Storage Tanks	27,722,513	15,347,528	(6,960,959)	**36,109,082**	20,299,630	13,124,614	(6,960,959)	**26,463,285**	**9,645,797**
Office Premises	344,734	1,338,100	(344,734)	**1,338,100**	294,896	147,407	(344,734)	**97,569**	**1,240,531**
Total	**28,067,247**	**16,685,628**	**(7,305,693)**	**37,447,182**	**20,594,526**	**13,272,021**	**(7,305,693)**	**26,560,854**	**10,886,328**

(Amount in USD)

2. OTHER FINANCIAL ASSETS:	**Non-Current**	
	As at December 31, 2023	**As at December 31, 2022**
Security deposit #	2,247,317	2,140,738
Total	**2,247,317**	**2,140,738**

Represents deposit given to the state of New Jersey, along with interest accrued thereon.

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Amount in USD)

3. INVENTORIES	As at December 31, 2023	As at December 31, 2022
Stock-in-Trade	135,582,848	158,825,394
Material in transit	255,702,552	187,047,700
Total	**391,285,400**	**345,873,094**

The cost of inventories recognized as expense during the year is disclosed in note 16.

(Amount in USD)

4. TRADE RECEIVABLES (Unsecured and considered good)	As at December 31, 2023	As at December 31, 2022
- Trade receivables - others	77,359,097	121,711,014
- Trade receivable - related parties (refer note 22)	3,050,198	26,117,177
Total	**80,409,295**	**147,828,191**
- Number of Customers representing over 10% of sale of petroleum products.	1	-
- Outstanding from the above Customers	579,009	-
- Number of Customers representing more than 10% of trade receivables	2	2
- Outstanding from the above Customers	65,642,034	134,358,592

Trade receivables are recorded at the invoiced amount and do not carry interest. Estimated allowances for doubtful debts are measured based on an expected credit loss model modified through a policy for provisioning. There was no allowance for doubtful debts for the years 2023 and 2022.

The average collection period for the Company is less than or equal to 11 days (Previous Year: 8 days).

TRADE RECEIVABLES AGING SCHEDULE

AS ON DECEMBER 31, 2023 — **Amount in USD**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 M	6 M to 1 yr	1-2 yrs	2-3 yrs	> 3 yrs	
Undisputed trade receivables – considered good	80,409,295	-	-	-	-	-	80,409,295

AS ON DECEMBER 31, 2022 — **Amount in USD**

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	< 6 M	6 M to 1 yr	1-2 yrs	2-3 yrs	> 3 yrs	
Undisputed trade receivables – considered good	147,828,191	-	-	-	-	-	147,828,191

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Amount in USD)

5. CASH AND CASH EQUIVALENTS	**As at December 31, 2023**	**As at December 31, 2022**
Bank Balances	20,319,356	29,934,702
Total	**20,319,356**	**29,934,702**

(Amount in USD)

6. LOANS **(Secured and Considered Good)**	**As at December 31, 2023**	**As at December 31, 2022**
Loan given to related party (including interest accrued)	2,781,518	-
Total	**2,781,518**	**-**

(Amount in USD)

7. OTHER FINANCIAL ASSETS	**As at December 31, 2023**	**As at December 31, 2022**
Margin money deposit	3,405,704	2,507,050
Deposit - Others	-	19,899,000
Deposit - Premises	2,165	107,165
Total	**3,407,869**	**22,513,215**

(Amount in USD)

8. OTHER CURRENT ASSETS	**As at December 31, 2023**	**As at December 31, 2022**
Advance to Suppliers	391,980	14,350,265
Prepaid Expenses	659,927	760,386
Advance to employees	53,580	73,680
Total	**1,105,487**	**15,184,331**

(Amount in USD)

9. SHARE CAPITAL	**As at December 31, 2023**	**As at December 31, 2022**
Authorised Share Capital:		
1,000 Shares of USD 10,000 each	10,000,000	10,000,000
	10,000,000	**10,000,000**
Issued, Subscribed and Paid up:		
300 Shares of USD 10,000 each fully paid up	3,000,000	3,000,000
Total	**3,000,000**	**3,000,000**

RIL USA, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

9.1 The details of shareholders holding more than 5% shares:

Name of the Shareholder	As at December 31, 2023		As at December 31, 2022	
	No. of Shares	% held	No. of Shares	% held
Reliance Marcellus, LLC	300	100	300	100

(Amount in USD)

10. OTHER EQUITY	As at December 31, 2023	As at December 31, 2022
(a) Additional Paid-in-Capital		
As per last Balance Sheet	22,100,000	22,100,000
(b) Retained Earnings		
As per last Balance Sheet	135,323,994	115,503,856
Add: Total Comprehensive Income for the year	21,856,263	19,820,138
	157,180,257	**135,323,994**
TOTAL	**179,280,257**	**157,423,994**

Additional paid-in-capital represents the amount received from a shareholder over and above the par-value of a share.

(Amount in USD)

11. BORROWINGS (UNSECURED)	As at December 31, 2023	As at December 31, 2022
From Banks (lines of credit)	47,000,000	48,000,000
TOTAL	**47,000,000**	**48,000,000**

(Amount in USD)

12. TRADE PAYABLES	As at December 31, 2023	As at December 31, 2022
Trade payables		
- Trade payables - others	62,439,354	97,509,445
- Trade Payables - related parties (refer note 22)	209,699,596	252,092,443
Total	**272,138,950**	**349,601,888**

The credit period in respect of trade payables ranges between 5-30 days.

RIL USA, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

TRADE PAYABLE AGING SCHEDULE

AS AT DECEMBER 31, 2023 **Amount in USD**

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	< 6 M	6 M to 1 yr	1-2 yrs	2-3 yrs	> 3 yrs	
Trade Payables - Others	272,138,950	-	-	-	-	-	272,138,950

AS AT DECEMBER 31, 2022 **Amount in USD**

Particulars		Outstanding for following periods from due date of payment					Total
	Not Due	< 6 M	6 M to 1 yr	1-2 yrs	2-3 yrs	> 3 yrs	
Trade Payables - Others	349,601,888	-	-	-	-	-	349,601,888

(Amount in USD)

13. OTHER FINANCIAL LIABILITIES	As at December 31, 2023	As at December 31, 2022
Interest accrued and due	442,728	304,100
Interest accrued but not due	-	53,338
Total	**442,728**	**357,438**

(Amount in USD)

14. Other Current Liabilities	As at December 31, 2023	As at December 31, 2022
Advance from Customers	14,751	5,428,883
Total	**14,751**	**5,428,883**

(Amount in USD)

15A REVENUE FROM OPERATIONS	2023	2022
Sale of Products		
- Petroleum Products (refer note 22)	3,862,290,574	4,369,820,367
- Others (Benzene and Sulphur Credits)	(140,000)	1,947,500
Income from Services (refer note 22)	1,283,940	1,103,740
Total	**3,863,434,514**	**4,372,871,607**
Revenue from Operations disaggregated based on Geography		
- United States of America (USA)	3,479,522,428	3,952,733,593
- Other than USA	383,912,086	420,138,014
Total	**3,863,434,514**	**4,372,871,607**

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Amount in USD)

15B. OTHER INCOME	2023	2022
Interest Income	1,557,716	388,917
Total	**1,557,716**	**388,917**

(Amount in USD)

16. COST OF GOODS SOLD	2023	2022
Opening stock (Stock-in-Trade)	345,873,094	210,856,416
Add: Purchases of trading goods (refer note 22)	3,785,964,955	4,315,899,084
Less: Closing stock (Stock-in-Trade) (refer note 5)	(391,285,400)	(345,873,094)
Hedging Loss/(Gain)	(15,644,890)	50,975,229
Total	**3,724,907,759**	**4,231,857,635**

(Amount in USD)

17. EMPLOYEE BENEFITS EXPENSE	2023	2022
Salaries and Wages	4,645,125	4,929,205
Contribution to Defined Contribution Plans	365,040	357,382
Staff Welfare Expenses	695,181	393,372
Total	**5,705,346**	**5,679,959**

(Amount in USD)

18. FINANCE COSTS	2023	2022
Interest Expenses on:		
- Borrowings	3,773,422	1,776,869
- Delayed Payment Charges (refer note 24)	425,651	810,668
- Others (refer note 24)	-	10,943
Interest expenses on lease liability	444,754	316,475
Guarantee Commission (refer note 24)	(67,861)	220,549
Total	**4,575,966**	**3,135,504**

(Amount in USD)

19. OTHER EXPENSES	2023	2022
Renewable Identification Numbers Expenses	51,381,752	58,250,607
Freight	1,756,506	581,634
Demurrage (net of recovery -1,267,329 USD Previous Year 14,178)	16,377,819	10,311,706
Inspection Fees	3,814,064	3,590,744
Lease Rent – Storage (refer note 25) *	2,850,281	944,959
Lease Rent – others (refer note 22 and 25) #	91,005	1,450,499
Port Charges (net)	4,361,968	4,181,777
Terminal Costs	3,238,591	4,009,486
Insurance	1,240,497	1,547,788
Brokerage	1,884,438	1,736,576
Professional Fees (refer note 22)	1,295,146	1,717,507
Business Promotion Expenses	754,350	5,433,670
Customs Duty	802,407	1,049,822
Rates and Taxes (Net)	3,158,533	1,087,739
Auditors Remuneration – Audit Fees	225,000	225,000
Miscellaneous Expenses (refer note 22)	1,566,490	3,212,942
Total	**94,798,847**	**99,332,456**

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

* Expense for the year 2023 relates to short-term lease payment of USD 2,254,000 (Previous year USD 101,794) and variable lease payment of USD 596,281 (Previous year (USD 843,165)).

Expense for the year 2023 relates to short-term lease payment of USD 17,736 (Previous year USD 1,397,984) and variable lease payment USD 73,269 (Previous year USD 52,515).

(Amount in USD)

20. TAXATION	**2023**	**2022**
a) Income tax recognised in the Statement of Profit and Loss	(118,937)	82,156
Current tax		
In respect of the current year		
State	229,442	92,000
Total	**229,442**	**92,000**
(Excess) Tax Provision of Earlier Years		
In respect of the current year		
State	(348,379)	(9,844)
Total	**(348,379)**	**(9,844)**
Total income tax expenses recognised in the Statement of Profit and Loss	**(118,937)**	**82,156**

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

(Amount in USD)

	2023	**2022**
Profit before tax	21,737,326	19,902,294
Income tax expenses at 21%	4,564,838	4,179,482
Expenses for state taxes	229,442	92,000
Effect of Income not chargeable to tax [refer note (c)]	(4,564,838)	(4,179,482)
(Excess) Tax Provision of Earlier Years	(348,379)	(9,844)
Income tax expenses recognised in Statement of Profit and Loss	**(118,937)**	**82,156**

c) The Company on standalone basis is not a tax paying entity for federal income tax purposes, and accordingly, it does not recognise any expense for Federal Income Tax. The Income tax liability resulting from the Company's activities is the responsibility of Reliance Marcellus, LLC., (Holding Company).

d) Due to amendment in last year in the New Jersey State tax laws regarding filing of consolidated tax returns at group level, the Company is not liable for paying New Jersey State Income Tax and accordingly has not recognise any expense for New Jersey Income Tax.

21. EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the net profit after tax attributable to the shareholders by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit after tax and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential shares.

RIL USA, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
i) Net Profit after Tax as per Statement of Profit and Loss attributable to Shareholders (in USD)	21,856,263	19,820,138
ii) Weighted Average number of Shares outstanding during the year	300	300
iii) Basic and Diluted Earnings per Share (in USD)	72,854	66,067
iv) Face Value per Share (in USD)	10,000	10,000

22	RELATED PARTIES DISCLOSURES	
	As per Ind AS 24, the disclosures of relationships and transactions with the related parties are given below:	
Sr. No.	**Name of the Related Party**	**Relationship**
1	Reliance Industries Limited	Ultimate Holding Company (control exists)
2	Reliance Marcellus, LLC	Holding Company
3	Jio Platforms Limited	Fellow Subsidiary
4	Reliance Industries (Middle East) DMCC	Fellow Subsidiary
5	Reliance International Limited	Fellow Subsidiary
6	Reliance Global Energy Services (Singapore) Pte. Ltd.	Fellow Subsidiary
7	Reliance Neucomm LLC	Fellow Subsidiary
8	Strands Life Sciences Private Limited	Fellow Subsidiary
9	Thakur Sharma	Key managerial personnel
10	Richard E Marriner	
11	Mukesh Sarwal	

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

List of transactions during the year with related parties:

(Amount in USD)

Particulars	Related Parties	2023	2022
1 Income from services	Reliance Industries Limited	1,283,940	1,103,740
2 Sale	Reliance Global Energy Services (Singapore) Pte. Ltd.	-	123,066,019
	Reliance Industries Limited	383,912,086	420,138,014
3 Purchases	Reliance Industries Limited	-	1,175,917,500
	Reliance International Limited	2,676,608,169	776,680,084
	Reliance Global Energy Services (Singapore) Pte. Ltd.	92,417,055	186,912,306
4 Remuneration – short term benefits	Key Managerial Personnel	1,039,247	1,299,059
a) Lease Rent - Others	Reliance Marcellus, LLC	3,547	83,493
c) Miscellaneous Expenses	Reliance Marcellus, LLC	-	19,605
d) Bandwidth expenses	Reliance Global Energy Services (Singapore) Pte. Ltd.	70,000	70,000
e) Chartering Services	Reliance International Limited	48,000	60,559
f) Professional fees	Jio Platforms Limited	52,338	51,789
g) Port charges	Reliance Global Energy Services (Singapore) Pte. Ltd.	41,238	-
h) Freight	Reliance Industries Limited	(726,407)	-
i) Freight	Reliance International Limited	21,738,092	-
j) Demurrage	Reliance International Limited	512,994	-
k) Freight	Reliance Industries (Middle East) DMCC	4,084,981	-
5 Recovery of Expenses			
a) Bandwidth Charges	Reliance Marcellus LLC	-	17,499
c) Office rent (no mark-up)	Strands Life Sciences Private Limited	7,771	-
a) Guarantee Commission	Reliance Industries Limited	(67,861)	220,549
b) Interest on Delayed payment	Reliance Industries Limited	-	642,568
c) Interest on Delayed payment	Reliance International Limited	425,651	168,100
d) Discount on Early Payment	Reliance Global Energy Services (Singapore) Pte. Ltd.	-	10,943
6 Loans			
a) Short term loan	Reliance Neucomm LLC	2,700,000	-
7 Finance income			
a) Interest on Short term loan	Reliance Neucomm LLC	103,398	-
b) Discount on Early Payment	Reliance International Limited	406,550	-

RIL USA, INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Amount in USD)

Balances as at the end of the year	Related Parties	As at December 31, 2023	As at December 31, 2022
1 Trade Receivables	Reliance Industries Limited	3,050,198	26,117,177
2 Trade Payables	Reliance International Limited	205,511,357	152,090,476
	Reliance Global Energy Services (Singapore) Pte. Ltd.	11,667	99,870,303
	Reliance Industries (Middle East) DMCC	4,084,981	-
	Jio Platforms Limited	91,591	39,254
3 Financial Guarantees given by @	Reliance Industries Limited	-	87,500,000
4 Loan outstanding	Reliance Neucomm LLC	2,700,000	-
5 Interest outstanding	Reliance Neucomm LLC	81,518	-

@ Financial guarantee relates to line of credit facility as availed by the Company from banks

23	**SEGMENT INFORMATION**
	The Company is in the business of blending and trading of refined petroleum products in the Americas region. Consequently, there is a single reportable segment.

24	**FINANCIAL AND DERIVATIVE INSTRUMENTS**
	Derivative contracts entered into by the Company and outstanding
	For Hedging Price Related Risks for petroleum products:

Particulars	As at December 31, 2023	As at December 31, 2022
	In lots (#)	In lots (#)
Futures	572	888
Swaps	1,035	205

All hedging instruments have a maturity profile of upto 180 days.
1 lot equals to 1,000 barrels.

25. Leases

(Amount in USD)

25.1 LEASES LIABILITIES - MATURITY ANALYSIS (UNDISCOUNTED BASIS)	As at December 31, 2023	As at December 31, 2022
Lease payment due:		
Not Later than 1 year	3,741,109	8,257,438
Later than 1 year and not later than 5 years	3,078,236	2,813,406
Later than 5 years	99,762	570,919
Total	**6,919,107**	**11,641,763**

RIL USA, INC.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

25.2 Storage rental leases & office premises in which the Company is the lessee contain variable lease payment terms that are based on actual usage capacity. The breakdown of lease payments is as follows.

(Amount in USD)

Particulars	**2023**	**2022**
Fixed payments	13,655,858	13,294,315
Variable payments	669,550	895,680
Total payments	**14,325,408**	**14,189,995**

25.3 The Company has lease arrangements of storage facilities and office premises. The lease term ranging between 2-8 years.

25.4 The total cash outflow for leases amount to USD 16,597,144 (Previous year USD 10,204,129) [include short-term lease payment of USD 2,271,736 (Previous year USD 1,156,021) & variable lease of USD 669,550 [previous year (USD 46,201)].

25.5 The discount rate used by the Company ranging from 1.35% - 3.80% (incremental borrowing rate) which is applied to various lease liabilities recognised in the balance sheet.

26. Financial Risk Management Objectives & Policies:

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

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade & other payables, trade & other receivables and loans.

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i) **Interest rate risk**:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing borrowings, though related interest expense is not material. Consequently, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

ii) **Commodity Price risk**:
The Company is exposed to the risk of commodity market price fluctuations. The Company's policy is to manage these risks through the use of contract-based pricing with customers and derivative contracts.

b) **Credit Risk**— Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables. Management periodically assesses the financial condition of these institutions and believes that any possible credit risk is minimal.

c) **Liquidity Risk**—Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required. All non-derivative financial liabilities as disclosed in note 11, 12 and 13 of the financials are due within 1 year as of the reporting date to the contractual maturity date. All Bank borrowings outstanding at the end of the year is guaranteed by the Ultimate Parent of the Company.

d) **Capital Management Risk**—The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder's value. The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies, or processes during the periods ended December 31, 2023, and 2022. Capital comprises equity contributed and additional paid in capital.

The capital structure of the Company consists of net debt and total capital of the Company. The Company is not subject to any externally imposed capital requirements.

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The gearing ratio at end of the reporting period was as follows.

		(Amount in USD)
	As At December 31 2023	**As At December 31 2022**
Debt (Refer note 11)	47,000,000	48,000,000
Cash and Cash Equivalent (Refer note 5)	20,319,356	29,934,702
NET DEBT	26,680,644	18,065,298
Total equity (Refer note 9 and 10)	182,280,256	160,423,994
Net debt to equity ratio	15%	11%

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration)

27. Category-wise classification of financial instruments & fair value measurements:

The Company measures all the financial instruments at amortised cost.

The carrying amount of financial assets and liabilities recognised in the financial statements is assumed to approximate their fair values, since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

28. The financial statements are approved for issue by the Board of Directors at their meeting conducted on March 27, 2024.

For and on behalf of the Board

Walter Van de Vijver	**Thakur Sharma**
Director	**Director**
Date: March 27, 2024	Date: March 27, 2024