RIL USA, INC.

Financial Statements

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

Independent Auditors' Report

To the Board of Directors
RIL USA Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of RIL USA Inc. ("the Company"), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ('lnd AS'), prescribed under section 133 of the Companies Act, 2013 ("the Act").

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI}. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the lnd AS, of the state of affairs (financial position) of the Company as at December 31, 2016, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

Abhijit A. Damle
(Partner)
Membership No. 102912

Mumbai, dated: 18th April, 2017

BALANCE SHEET AS AT DECEMBER 31, 2016

(Amount in USD)

	Notes	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	**1**	42,780	252,579	270,997
Deferred Tax Assets (net)	**2**	170,289	1,556,914	1,414,329
Financial Assets				
Other Financial Assets	**3**	2,003,780	2,000,000	2,000,000
Total Non-Current Assets		**2,216,849**	**3,809,493**	**3,685,326**
Current Assets				
Inventories	**4**	179,585,230	129,608,294	147,529,377
Financial Assets				
Trade Receivables	**5**	27,042,004	47,739,026	101,266,275
Cash and Cash Equivalents	**6**	512,023	481,579	474,317
Other Financial Assets	**7**	10,370,515	4,903,607	3,487,883
Current Tax Assets (net)		1,048,313	1,906,766	171,928
Other Current Assets	**8**	319,066	481,882	452,272
Total Current Assets		**218,877,151**	**185,121,154**	**253,382,052**
Total Assets		**221,094,000**	**188,930,647**	**257,067,378**
EQUITY AND LIABILITIES				
Equity				
Share Capital	**9**	3,000,000	3,000,000	3,000,000
Other Equity	**10**	55,441,898	36,641,902	25,279,673
Total Equity		**58,441,898**	**39,641,902**	**28,279,673**
Current Liabilities				
Financial Liabilities				
Borrowings	**11**	60,000,000	10,000,000	30,000,000
Trade Payables	**12**	101,480,828	136,377,036	192,463,373
Other Financial Liabilities	**13**	14,514	69,518	81,198
Other Current Liabilities	**14**	5,896	832,657	4,233,600
Current Tax Liabilities (net)	**15**	1,150,864	2,009,534	2,009,534
Total Current Liabilities		**162,652,102**	**149,288,745**	**228,787,705**
Total Equity and Liabilities		**221,094,000**	**188,930,647**	**257,067,378**
Corporate Information and Significant Accounting Policies				
Notes to the Financial Statements	**1 to 29**			

As per out report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Abhijit A. Damle
Partner
Membership No. 102912
Place: Mumbai
Date: 18 April 2017

For and on behalf of the Board

Directors	**Directors**
Place: Houston	Place: Houston
Date: 17 April 2017	Date: 17 April 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2016

(Amount in USD)

	Notes	2016	2015
INCOME			
Revenue from Operations	**16**		
Sale of Products		1,699,590, 650	1,546,909,364
Income from Services		555,414	716,827
Total Income		**1,700,146,064**	**1,547,626,191**
EXPENDITURE			
Cost of Goods Sold	**17**	1,583,190,489	1,464,546,735
Employee Benefits Expense	**18**	3 ,598,936	3,473,420
Finance Costs	**19**	1 ,475,307	911,921
Depreciation Expense	**1**	27,872	30,047
Other Expenses	**20**	89,111,825	61,114,420
Total Expenses		**1,677,404,429**	**1,530,076,543**
Profit Before Tax		**22,741,635**	**17,549,648**
Tax Expenses:	**21**		
Current Tax		2 ,555,014	6,330,004
Deferred Tax		1,386,625	(142,585)
		3 ,941,639	**6,187,419**
Profit for the Year		**18,799,996**	**11,362,229**
Other Comprehensive Income (OCI)		**-**	**-**
Total Comprehensive Income for the year		**18,799,996**	**11,362,229**
Earnings per equity share of face value of USD 10,000 each			
Basic (in USD)	**22**	**62,667**	**37,874**
Diluted (in USD)		**62,667**	**37,874**
Corporate Information and Significant Accounting Policies			
Notes to the Financial Statements	**1 to 29**		

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

For and on behalf of the Board

Abhijit A. Damle	**Directors**	**Directors**
Partner		
Membership No. 102912		
Place: Mumbai	Place: Houston	Place: Houston
Date: 18 April 2017	Date: 17 April 2017	Date: 17 April 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

(a) Share Capital (Refer Note 9)

			(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
Additional paid in capital	22,100,000	-	22,100,000
Retained earnings	14,541,902	18,799,996#	33,341,898
Total	**36,641,902**	**18,799,996**	**55,441,898**

For the year ended December 31, 2015

(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
Additional paid in capital	22,100,000	-	22,100,000
Retained earnings	3,179,673	11,362,229#	14,541,902
Total	**25,279,673**	**11,362,229**	**36,641,902**

Represents Total comprehensive income for the year

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

(Amount in USD)

			2016		**2015**
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax as per Statement of Profit and Loss	22,741,635		17,549,648	
	Adjusted for:				
	Property, Plant and Equipment written off	185,243		-	
	Depreciation Expense	27,872		30,047	
	Finance Costs	1,475,307		911,921	
	Operating Profit before Working Capital Changes		**24,430,057**		**18,491,616**
	Adjusted for:				
	Trade and Other Receivables	15,389,150		52,081,915	
	Inventories	(49,976,936)		17,921,083	
	Trade and Other Payables	(35,722,969)		(59,487,280)	
			(70,310,755)		10,515,719
	Cash (used in)/generated from Operations		**(45,880,698)**		**29,007,335**
	Taxes Paid (Net)		(2,555,231)		(8,064,842)
	Net Cash (used in)/ generated from Operating Activities		**(48,435,929)**		**20,942,493**
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets		(3,316)		**(11,629)**
	Net Cash (used in) Investing Activities		**(3,316)**		**(11,629)**
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Borrowings taken / (repaid) (net)		50,000,000		(20,000,000)
	Interest Paid		(1,530,311)		(923,602)
	Net Cash generated from / (used in) Financing Activities		**48,469,689**		**(20,923,602)**
	Net Increase in Cash and Cash Equivalents		**30,444**		**7,262**
	Opening Balance of Cash and Cash Equivalents		**481,579**		**474,317**
	Closing Balance of Cash and Cash Equivalents (Refer Note 6)		**512,023**		**481,579**

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

For and on behalf of the Board

Abhijit A. Damle
Partner
Membership No. 102912
Place: Mumbai
Date: 18 April 2017

Directors
Place: Houston
Date: 17 April 2017

Directors
Place: Houston
Date: 17 April 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

A. CORPORATE INFORMATION

RIL USA, Inc. (the Company), a Delaware corporation, was formed on May 16, 2005. The Company was a wholly owned subsidiary of Reliance Global Business, B.V. Netherlands, a Dutch corporation, whose ultimate parent is Reliance Industries Limited, an Indian listed company. The Company became wholly owned subsidiary of Reliance Holding USA, Inc. by way of transfer of entire share capital from Reliance Global Business B.V. through Reliance Industries (Middle East) DMCC, as of March 31, 2016. Reliance Industries Limited, India continues to remain the ultimate parent to the Company.

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

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 STATEMENT OF COMPLIANCE

These financial statements are the separate financial statements which have been prepared 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.

Upto the year ended December 31, 2015, the Company prepared its financial statements in accordance with the requirement of previous Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2015. Refer Note D for the details of first time adoption exemptions availed by the Company.

B.2 BASIS OF PREPARATION AND PRESENTATION

The 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 are 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 entirely, 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.

B.3 PROPERTY, PLANT AND EQUIPMENT:

Leasehold improvements, 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 and impairment, if any. 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, except that Leasehold improvements are depreciated on SLM over the expected lease term or leasehold improvements' useful life whichever is lower:

Particular	Useful Life
Leasehold improvements	39 years
Furniture and fixtures	7 years
Computers and equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B.4 IMPAIRMENT:

Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

B.5 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.

B.6 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.7 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. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in which they arise

B.8 LEASES

Operating Leases: Rentals are expensed on a straight line basis with reference to the lease terms and other considerations

B.9 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.

Defined contribution plans:

The Company's contribution under the 401K plan is considered as defined contribution plan and is charged as an expense as and when services are rendered by the employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B.10 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.11 INCOME TAXES

The 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.

Current tax:

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

Deferred tax:

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

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.12 REVENUE RECOGNITION

Revenue is recognized only when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, if any.

a. Sale of Products

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods and the amount of revenue can be measured reliably

b. Revenue from services

Revenue from services is recognised when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till balance sheet date as a percentage of total services contracted.

B.13 FINANCIAL INSTRUMENTS

I. Non-derivative financial instruments

i) Financial Assets

a. Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any

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 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.

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

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Trade receivables or any contractual right to receive cash or another financial asset

b) Financial assets that are measured at amortised cost e.g., loans, deposits and cash and cash equivalents

c) Financial assets that are measured as at FVTOCI

In case of trade receivables the Company follows 'simplified approach' wherein amount equal to lifetime ECL is measured and recognised as 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.

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.

ECL allowance is computed based on a provision matrix, which take into account historical credit loss experience and adjusted for forward looking information.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b. **Subsequent measurement:**

Financial liabilities are subsequently 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.

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 a 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.

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 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.

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) **Impairment of non-financial assets**:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

iv) **Income Taxes**:

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income tax, including amount expected to be paid / recovered or uncertain tax positions. Refer note 21.

D. FIRST TIME ADOPTION OF IND AS:

The Company has adopted Ind AS with effect from 1st January 2016. However, the adoption of Ind AS does not have any impact on the recognition and measurement of assets and liabilities recognised under the previous GAAP.

a) Exemptions from retrospective application:

(i) Deemed costs for property, plant and equipment:

The Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at January 01, 2015 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

(ii) Designation of previously recognised financial instruments

The Company does not have any financial assets or liabilities as of the transition date which were required to be designated, and which met the required criteria given in Ind AS 101 - First Time Adoption of Ind AS, as a financial asset or financial liability at fair value through profit or loss.

(iii) Estimates exception

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP.

(iv) Derecognition of financial assets and liabilities exception:

Financial assets and liabilities derecognized before transition date are not re-recognised under Ind AS.

(v) Hedge accounting exception:

The Company has not identified hedging relationships existing as of the transition date. Consequently, this exception, of not reflecting in its opening Ind AS Balance Sheet a hedging relationship of a type that does not qualify for hedge accounting under Ind AS 109 – Financial Instruments, is not applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. PROPERTY, PLANT AND EQUIPMENT

(Amount in USD)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at 01-01-2016	Additions For the year	Deductions For the year	As at 31-12-2016	As at 01-01-2016	Depreciation For the year	Deductions For the year	As at 31-12-2016	As at 31-12-2016
Leasehold improvements	168,493	-	168,493	-	4,735	4,749	9,484	-	-
Furtniture and Fixtures	79,949	-	42,206	37,743	18,120	15,922	16,954	17,088	20,655
Computer and Equipments (*)	34,184	3,316	1,209	36,291	7,192	7,201	227	14,166	22,125
Total	**282,626**	**3,316**	**211,908**	**74,034**	**30,047**	**27,872**	**26,665**	**31,254**	**42,780**

(Amount in USD)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at 01-01-2015	Additions For the year	Deductions For the year	As at 31-12-2015	As at 01-01-2015	Depreciation For the year	Deductions For the year	As at 31-12-2015	As at 31-12-2015
Leasehold improvements	168,493	-	-	168,493	-	4,735	-	4,735	163,758
Furtniture and Fixtures	79,949	-	-	79,949	-	18,120	-	18,120	61,829
Computer and Equipments (*)	22,555	11,629	-	34,184	-	7,192	-	7,192	26,992
Total	**270,997**	**11,629**	**-**	**282,626**	**-**	**30,047**	**-**	**30,047**	**252,579**

(*) Includes Office Equipments

2. DEFERRED TAX ASSETS (NET)

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

(Amount in USD)

	As at December 31, 2016	As at December 31, 2015
At the start of the year	1,556,914	1,414,329
(Charge)/ Credit to Statement of Profit and Loss (Note 21)	(1,386,625)	142,585
At the end of year	**170,289**	**1,556,914**

Deferred tax liabilities and assets at the end of the reporting period and deferred tax (charge)/credit in profit or loss is as follows:

(Amount in USD)

	At the start of the year January 01, 2016	(Charge)/ Credit to statement of profit and loss	At the end of the year December 31, 2016
Deferred tax (liabilities) / asset in relation to:			
Property, plant and equipment	(19,896)	19,896	-
Provisions	744,425	(744,425)	-
Others	832,385	(662,096)	170,289
	1,556,914	(1,386,625)	170,289

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Amount in USD)

	At the start of the year January 01, 2015	(Charge)/ Credit to statement of profit and loss	At the end of the year December 31, 2015
Deferred tax (liabilities) / asset in relation to:			
Property, plant and equipment	(22,860)	2,964	(19,896)
Provisions	925,206	(180,781)	744,425
Others	511,983	320,402	832,385
	1,414,329	142,585	1,556,914

(Amount in USD)

	Non-Current		
	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
3. OTHER FINANCIAL ASSETS:			
Security deposit #	2,003,780	2,000,000	2,000,000
Total	**2,003,780**	**2,000,000**	**2,000,000**

mainly represents deposit given to the state of New Jersey.

(Amount in USD)

	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
4. INVENTORIES			
Stock-in-Trade @	76,019,422	63,753,765	37,343,396
Material in transit	103,565,808	65,854,529	110,185,981
Total	**179,585,230**	**129,608,294**	**147,529,377**

@ includes fair value hedge adjustment of unrealised loss/(gain) of USD 6,489,907 (As at December 31, 2015 USD 405,514 and As at January 01, 2015 (USD 12,604,171)).

The cost of inventories recognized as expense during the year is disclosed in note 17.

(Amount in USD)

	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
5. Trade receivables			
- Unsecured and considered good	27,042,004	47,739,026	101,266,275
Total	**27,042,004**	**47,739,026**	**101,266,275**
- Number of Customers representing over 10% of sale of petroleum products.	2	1	1
- Outstanding from the above Customers	18,979,908	862,036	64,894,470
- Number of Customers representing more than 10% of trade receivables	1	1	2
- Outstanding from the above Customers	18,979,908	46,751,932	84,373,798

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 codified through a policy for provisioning. There was no allowance for doubtful debts for the year 2016 and 2015.

The average collection period for the Company is less than 20 days.

(Amount in USD)

6.	Cash and Cash Equivalents	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
	Bank Balances	512,023	481,579	474,317
	Total	**512,023**	**481,579**	**474,317**

6.1 Bank Balances includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

(Amount in USD)

7.	Other financial assets	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
	Margin money deposit	10,370,515	4,903,607	3,487,883
	Total	**10,370,515**	**4,903,607**	**3,487,883**

(Amount in USD)

8.	Other current assets	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
	(Unsecured and Considered Good)			
	Prepaid Expenses	167,550	385,137	192,272
	Advance to vendors	151,096	93,357	260,000
	Loans and advances to employees	-	3,388	-
	Others	420	-	-
	Total	**319,066**	**481,882**	**452,272**

(Amount in USD)

9.	Share Capital	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
	Authorised Share Capital:			
	1,000 Shares of USD 10,000 each	10,000,000	10,000,000	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	3,000,000
	Total	**3,000,000**	**3,000,000**	**3,000,000**

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

Name of the Shareholder	As at December 31, 2016		As at December 31, 2015		As at January 01, 2015	
	No. of Shares	**% held**	**No. of Shares**	**% held**	**No. of Shares**	**% held**
Reliance Holding USA, Inc.	300	100	-	-	-	-
Reliance Global Business B.V.	-	-	300	100	300	100

Refer note A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Amount in USD)

10.	Other Equity		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
	(a)	**Additional Paid-in-Capital**			
		As per last Balance Sheet	22,100,000	22,100,000	22,100,000
	(b)	**Retained Earnings**			
		As per last Balance Sheet	14,541,902	3,179,673	(14,932,027)
		Add: Total Comprehensive Income for the year	18,799,996	11,362,229	18,111,700
			33,341,898	**14,541,902**	**3,179,673**
		TOTAL	**55,441,898**	**36,641,902**	**25,279,673**

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

(Amount in USD)

		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
11.	**Borrowings**			
	Secured			
	From banks (lines of credit) (*)	50,000,000	-	20,000,000
		50,000,000	**-**	**20,000,000**
	Unsecured			
	From a related party (refer note 23)	10,000,000	10,000,000	10,000,000
		10,000,000	**10,000,000**	**10,000,000**
	Total	**60,000,000**	**10,000,000**	**30,000,000**

(*) The line of credit is secured by guarantee from Reliance Industries Limited, the ultimate holding company.

(Amount in USD)

		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
12.	**Trade payables**			
	Trade payables			
	- Trade payables - others	94,795,255	43,890,199	24,154,988
	- Payable to related parties (refer note 23)	6,685,573	92,486,837	168,308,385
	Total	**101,480,828**	**136,377,036**	**192,463,373**

The average credit period in respect of trade payables ranges between 20-40 days.

(Amount in USD)

		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
13.	**Other Financial Liabilities**			
	Interest accured but not due on borrowings (refer note 23)	-	39,556	46,542
	Interest accrued and due on delayed payment charges (refer note 23)	14,514	29,962	34,656
	Total	**14,514**	**69,518**	**81,198**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Amount in USD)

		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
14.	**Other Current Liabilities**			
	Advances from customers	-	762,300	4,233,600
	Other payables	5,896	70,357	-
	Total	**5,896**	**832,657**	**4,233,600**

(Amount in USD)

		Current		
		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
15.	**Current tax liabilities**			
	Provision for Tax (net of advance tax)	1,150,864	2,009,534	2,009,534
	Total	**1,150,864**	**2,009,534**	**2,009,534**

(Amount in USD)

		2016	2015
16.	**Revenue from Operations**		
	Sale of Products		
	- Petroleum Products	1,698,148,267	1,545,134,927
	- Others (Benzene and Sulphur Credits)	1,442,383	1,774,437
	Income from Services (refer note 23)	555,414	716,827
	Total	**1,700,146,064**	**1,547,626,191**

(Amount in USD)

		2016	2015
17.	**COST OF GOODS SOLD**		
	Opening stock (Stock-in-Trade)	129,608,294	147,529,377
	Add: Purchases of trading goods (refer note 23)	1,607,578,063	1,452,777,078
	Less: Closing stock (Stock-in-Trade)	(179,585,230)	(129,608,294)
	Hedging Loss/(Gain)	25,589,362	(6,151,426)
	Total	**1,583,190,489**	**1,464,546,735**

(Amount in USD)

		2016	2015
18.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	3,385,419	3,257,388
	Contribution to Defined Contribution Plans	193,775	197,978
	Staff Welfare Expenses	19,742	18,054
	Total	**3,598,936**	**3,473,420**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		(Amount in USD)	
		2016	2015
19.	**FINANCE COSTS**		
	Interest Expenses on:		
	- Borrowings (net) (refer note 23)	438,109	355,272
	- Delayed Payment Charges (refer note 23)	717,669	294,150
	- Others	57,029	-
	Guarantee Commission (refer note 23)	262,500	262,499
		1,475,307	**911,921**

		(Amount in USD)	
		2016	2015
20.	**Other Expenses**		
	Renewable Identification Numbers Expenses	43,593,545	19,886,690
	Freight	10,128,730	11,444,903
	Demurrage (net)	4,646,150	2,666,896
	Inspection Fees	2,573,165	2,800,784
	Lease Rent – Storage (refer note 26)	16,079,481	13,553,054
	Lease Rent – others (refer note 23 and 26)	208,347	182,893
	Port Charges	2,837,796	2,609,765
	Terminal Costs	2,756,588	2,001,144
	Insurance	446,040	441,772
	Brokerage	745,470	672,457
	Professional Fees	638,828	1,466,720
	Business Promotion Expenses	41,495	325,046
	Customs Duty	1,668,870	517,663
	Rates and Taxes	1,015,049	849,613
	Auditors Remuneration – Audit Fees	50,000	110,000
	Property, Plant and Equipment written off	185,243	-
	Miscellaneous Expenses	1,497,028	1,585,020
	Total	**89,111,825**	**61,114,420**

		(Amount in USD)	
		2016	2015
21.	**TAXATION**		
	a) Income tax recognised in the Statement of Profit and Loss	3,941,639	6,187,419
	Current tax		
	In respect of the current year		
	Federal	854,803	5,237,817
	State	1,700,211	1,092,187
	Total	**2,555,014**	**6,330,004**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Amount in USD)

	2016	2015
21. TAXATION (Contd.)		
Deferred tax		
In respect of the current year		
Federal	1,403,439	(85,240)
State	(16,814)	(57,345)
Total	**1,386,625**	**(142,585)**
Total income tax expenses recognised in the Statement of Profit and Loss	**3,941,639**	**6,187,419**

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

(Amount in USD)

	2016	2015
Profit before tax	22,741,635	17,549,648
Federal Income tax calculated at 35%	7,959,572	6,142,377
Expenses for state taxes	1,700,211	1,092,187
Effect of Income not chargeable to tax (refer note c below)	(6,843,408)	-
Deferred tax effect for the year	1,386,625	(142,585)
Non-deductible expenses (benefits)	(261,361)	(904,560)
Income tax expenses recognised in Statement of Profit and Loss	**3,941,639**	**6,187,419**

c) The Company became wholly owned subsidiary of Reliance Holding USA, Inc. by way of transfer of entire share capital from Reliance Global Business B.V. through Reliance Industries (Middle East) DMCC, as of March 31, 2016. Reliance Industries Limited, India continues to remain the ultimate parent to the Company. Consequently there has been no provision for federal tax post March 31, 2016, since Federal Income tax would be considered at group level of Reliance Holding USA, Inc.

22. 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 earning 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.

		2016	2015
i)	Net Profit after Tax as per Statement of Profit and Loss attributable to Shareholders (in USD)	18,799,996	11,362,229
ii)	Weighted Average number of Shares outstanding during the year	300	300
iii)	Basic and Diluted Earnings per Share (in USD)	62,667	37,874
iv)	Face Value per Share (in USD)	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 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 Hodling Company (control exists)
2	Reliance Global Business B.V	Holding Company (control exists until March 31, 2016)
3	Reliance Holding USA Inc.	Holding Company (control exists from March 31, 2016)
4	Reliance Europe Limited	Fellow Subsidiary
5	P.Krishnadas (upto April 13, 2015)	Key managerial personnel
6	John Fitzgerald (from February 1, 2015)	Key managerial personnel
7	Sanjeev Kedia	Key managerial personnel

List of transactions during the year with related parties:

(Amount in USD)

	Particulars	Related Parties	2016	2015
1	**Income from services**	Reliance Industries Limited	555,414	716,827
2	**Purchases**	Reliance Industries Limited	558,705,979	1,081,172,555
3	**Remuneration-short term benefits**	Key Managerial Personnel	1,023,476	817,051
4	**Other Expenses**			
	a) Lease Rent - Others	Reliance Holding USA Inc.	208,347	182,893
	b) Other Expense	Reliance Holding USA Inc.	113,760	86,216
	c) Demurrage/Port Charges	Reliance Industries Limited	1,727,641	1,628,461
5	**Finance Costs**			
	a) Delayed Payment Charges	Reliance Industries Limited	717,669	294,150
	b) Guarantee Commission	Reliance Industries Limited	262,500	262,499
	c) Interest on Borrowings	Reliance Europe Limited	179,164	198,234

(Amount in USD)

	Balances as at the end of the year		As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
1	**Trade Receivables**	Reliance Industries Limited	74,488	68,810	140,119
2	**Borrowings**	Reliance Europe Limited	10,000,000	10,000,000	10,000,000
3	**Trade Payables**	Reliance Industries Limited	6,669,573	92,463,594	168,260,659
		Reliance Holding USA Inc.	16,000	23,243	47,726
4	**Other financial liabilities**				
	a) Interest accrued but not due on borrowings	Reliance Europe Limited	-	39,556	46,542
	b) Interest accrued and due on delayed payment charge	Reliance Industries Limited	14,514	29,962	34,656
5	**Financial Guarantees given by**	Reliance Industries Limited	91,500,000	91,500,000	91,500,000

24 SEGMENT INFORMATION

The Company is in the business of trading in refined / blended petroleum products in the Americas region. Consequently, there is a single business and geographical segment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivative contracts entered into by the Company and outstanding

For Hedging Price Related Risks for petroleum products:

	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
Particulars	**In lots (#)**	**In lots (#)**	**In lots (#)**
Futures	2,041	1,253	722
Forward Swaps	-	-	80

All hedging instruments have a maturity profile of upto 180 days.

1 lot equals to 1,000 barrels.

(Amount in USD)

	As at December 31, 2016	As at December 31, 2015	As at January 01, 2015
26. LEASES			
Lease payment due:			
Within one year	16,929,033	8,923,743	13,636,684
Later than one year and not later than five years	15,228,333	710,590	9,634,333
Later than five years	-	-	-
Total	**32,157,366**	**9,634,333**	**23,271,017**

The Company has entered into operating lease arrangements for certain storage facilities. The lease is non-cancellable for a period upto 2 years.

Amount of lease rentals charged to Statement of Profit and Loss in respect of non-cancellable operating leases:

	2016	2015
Lease rent - Storage	16,079,481	13,553,054
Lease rent - Others	208,347	182,893
Total	**16,287,828**	**13,735,947**

27. 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, Commodity price risk. Financial instruments affected by market risk include borrowings, trade & other payables, trade & other receivables and loans.

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. Since the Company has insignificant interest bearing borrowings, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) **Concentration of 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.

The Company sells on a secured basis to most customers, except those that the Company believes are high credit quality customers, which typically are large international oil companies, major financial institutions, and certain government-owned oil companies.

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 notes 11, 12, and 13 of the financials are due within 1 year as of the reporting date to the contractual maturity date.

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, 2016 and 2015. 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.

Gearing Ratio

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

(Amount in USD)

	As at December 31, 2016	**As at December 31, 2015**	**As at January 01, 2015**
Debt (Refer note 11)	60,000,000	10,000,000	30,000,000
Cash and Cash Equivalent (Refer note 6)	512,023	481,579	474,317
Net debt	59,487,977	9,518,421	29,525,683
Total equity (Refer note 9 and 10)	58,271,609	39,641,902	28,279,673
Net debt to equity ratio	102%	24%	104%

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

The Company measures all the financials 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.

29. The financial statements are approved for issue by the Board of Directors at their meeting conducted on April 17, 2017.

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

For and on behalf of the Board

Abhijit A. Damle
Partner
Membership No. 102912
Place: Mumbai
Date: 18 April 2017

Directors
Place: Houston
Date: 17 April 2017

Directors
Place: Houston
Date: 17 April 2017