

**Affinity USA Inc.**  
**Financial Statements**  
**For The Year Ended 31 December, 2019**

## Independent Auditor's Report

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### TO THE BOARD OF DIRECTORS OF AFFINITY USA INC.

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of Affinity USA Inc. ("the Company"), which comprise the Balance Sheet as at December 31, 2019, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of Changes in Equity for the period from July 15, 2019 to December 31, 2019 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, and its profit / (loss), its total comprehensive profit / (loss), its cash flows and changes in equity for the period ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

As informed to us, there is no information other than the standalone 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 for the preparation of these standalone 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 statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

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

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

##### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

#### **Other Reporting Requirements**

We further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
- b) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity, and dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.

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

**(Abhijit A. Damle)**

Partner

Membership No: 102912

UDIN: 20102912AAAADB7218

Mumbai,  
Dated: June 6, 2020

## Balance Sheet as at 31st December, 2019

|   | Notes                       | <u>As at<br/>31 December, 2019</u> |
|---|-----------------------------|------------------------------------|
| <b>ASSETS</b>   |                             |                                    |
| <b>Current Assets</b>   |                             |                                    |
| (a) Financial assets  |                             |                                    |
| (i) Cash and cash equivalents   | 3                           | <u>10,000</u>                      |
|   | <b>Total Current Assets</b> | <u><b>10,000</b></u>               |
|   |                             | <u><b>10,000</b></u>               |
| <b>Total Assets</b>   |                             |                                    |
| <b>EQUITY AND LIABILITIES</b>   |                             |                                    |
| <b>Equity</b>   |                             |                                    |
| (a) Equity share capital  | 4                           | <u>10,000</u>                      |
|   | <b>Total Equity</b>         | <u><b>10,000</b></u>               |
|   |                             | <u><b>10,000</b></u>               |
| <b>Total Equity and Liabilities</b>   |                             |                                    |
| Corporate information and significant accounting policies and notes to the financial statements | 1-8                         |                                    |

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Abhijit A. Damle  
Partner  
Membership No. 102912

Place: Mumbai  
Date: 6 June, 2020

**For and on behalf of the Board**

Walter Van de Vijver  
Director

Place: Houston  
Date: 22 April, 2020

## Statement of Profit and Loss for the period from 15 July, 2019 to 31 December, 2019

|   | Notes | <i>In USD</i><br><u>2019</u> |
|---|-------|------------------------------|
| <b>INCOME:</b>  |       |                              |
| Total income  |       | -                            |
| <b>EXPENSES:</b>  |       |                              |
| Total expenses  |       | -                            |
| Profit for the period   |       | -                            |
| Other comprehensive income (OCI)  |       | -                            |
| <b>Total comprehensive income for the period</b>  |       | <u>-</u>                     |
| Corporate information and significant accounting policies and notes to the financial statements | 1-8   |                              |

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Abhijit A. Damle  
Partner  
Membership No. 102912

Place: Mumbai  
Date: 6 June, 2020

**For and on behalf of the Board**

Walter Van de Vijver  
Director

Place: Houston  
Date: 22 April, 2020

## Statement of Changes in Equity for the period from 15 July, 2019 to 31 December, 2019

### A. EQUITY SHARE CAPITAL *In USD*

|                                     |
|-------------------------------------|
| <b>Balance at 31 December, 2019</b> |
| 10,000                              |

### B. OTHER EQUITY *In USD*

| <b>Period ended 31 December, 2019</b>  |          |
|--|----------|
| Balance as at 15 July 2019             | -        |
| Profit / (loss) for the period         | -        |
| <b>Balance as at 31 December, 2019</b> | <b>-</b> |

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As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Abhijit A. Damle  
Partner  
Membership No. 102912

Place: Mumbai  
Date: 6 June, 2020

**For and on behalf of the Board**

Walter Van de Vijver  
Director

Place: Houston  
Date: 22 April, 2020

## Statement of Cash Flows for the period from 15 July, 2019 to 31 December, 2019

|   | Notes    | <i>In USD</i><br><u>2019</u> |
|---|----------|------------------------------|
| <b>Cash flows from operating activities</b>   |          |                              |
| Profit / (loss) as per Statement of Profit and Loss   |          | -                            |
| <b>Net cash generated from operating activities</b>   |          | -                            |
| <b>Net cash from investing activities</b>   |          | -                            |
| <b>Cash flows from financing activities</b>   |          | -                            |
| Issue of Common Stock   | 4        | 10,000                       |
| <b>Net cash from financing activities</b>   |          | <b>10,000</b>                |
| <b>Net increase in cash and cash equivalents</b>  |          | 10,000                       |
| Cash and cash equivalents at the beginning of the period  |          | -                            |
| <b>Cash and cash equivalents at the end of the period</b>                                       | <b>3</b> | <b>10,000</b>                |
| Corporate information and significant accounting policies and notes to the financial statements | 1-8      |                              |

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Abhijit A. Damle  
Partner  
Membership No. 102912

Place: Mumbai  
Date: 6 June, 2020

**For and on behalf of the Board**

Walter Van de Vijver  
Director

Place: Houston  
Date: 22 April, 2020

## Notes to the financial statements for the period ended 31 December, 2019

### 1. GENERAL INFORMATION

Affinity USA Inc. (the “Company”) was incorporated as a Delaware corporation on 15 July 2019. The registered office of the Company is situated at 1675 South State Street, Ste. B, Dover, County of Kent, Delaware 19901, United States of America for investment in future oil, gas & other strategic businesses.

The Company is a wholly owned subsidiary of Reliance Holding USA Inc. (the “Holding Company”). The Company is an indirectly wholly owned subsidiary of Reliance Industries Limited, an Indian listed Company (the “Ultimate Holding Company”).

### 2.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (‘Ind AS’), notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

### 2.2 BASIS OF PREPARATION AND PRESENTATION

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

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 Levels 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:

- i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ii. 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
- iii. Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Financial Instruments:

##### Non-derivative financial instruments

##### i. Financial Assets.

##### a. Initial recognition and measurement

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

##### b. Subsequent measurement

##### Financial assets carried at amortised cost (AC)

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

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

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

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

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

## Notes to the financial statements for the period ended 31 December, 2019

|            |   |   |                                |
|------------|---|---|--------------------------------|
| <b>3</b>   | <b>CASH AND CASH EQUIVALENTS</b>  |   | <i>In USD</i>                  |
|            |   |   | <b>As at</b>                   |
|            |   |   | <b>31 December, 2019</b>       |
|            | Balance with bank   |   | 10,000                         |
|            | <b>TOTAL</b>  |   | <b>10,000</b>                  |
| <b>4</b>   | <b>EQUITY SHARE CAPITAL</b>   |   | <i>In USD</i>                  |
|            |   |   | <b>As at</b>                   |
|            |   |   | <b>31 December, 2019</b>       |
|            | <b>Authorised share capital:</b>  |   |                                |
|            | 50 Common Stock of USD 10,000 each  |   | 500,000                        |
|            | 50 Preferred Stock of USD 10,000 each   |   | 500,000                        |
|            | <b>Issued, Subscribed and Paid up:</b>  |   |                                |
|            | 1 Common Stock of USD 10,000 fully paid up  |   | 10,000                         |
|            | <b>TOTAL</b>  |   | <b>10,000</b>                  |
| <b>4.1</b> | <b>Details of shareholders holding more than 5% Common Stock :</b>  |   |                                |
|            | <b>Name of the Shareholder</b>  |   | <b>As at</b>                   |
|            |   |   | <b>31 December, 2019</b>       |
|            |   | No. of Shares                             | % held                         |
|            | Reliance Holding USA Inc.   | 1   | 100                            |
| <b>4.2</b> | The holders of the Commn Stock are entitled to one vote for each share of Common Stock held at all meetings of shareholders (and written actions in lieu of meetings) |   |                                |
| <b>5</b>   | <b>CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS</b>  |   |                                |
|            |   | <b>Note</b>                               | <b>As at</b>                   |
|            |   |   | <b>31 December, 2019</b>       |
|            | <b>A. Measured at amortised cost (AC)</b>   |   |                                |
|            | Cash and cash equivalents   | 3   | 10,000                         |
| <b>6</b>   | <b>RELATED PARTY</b>  |   |                                |
|            | As per Ind AS 24, list of related parties where control exists and related parties with whom transactions have taken place and relationships are given below:         |   |                                |
|            | <b>Name of the related party</b>  | <b>Relation</b>                           |                                |
|            | Reliance Industries Limited   | Ultimate Holding Company (Control exists) |                                |
|            | Reliance Holding USA Inc  | Holding Company (Control exists)          |                                |
|            |   |   | <i>in USD</i>                  |
|            |   |   | <b>For the period ended</b>    |
|            |   |   | <b>As at 31 December, 2019</b> |
|            | <b>Name of the related party</b>  | <b>Nature of transaction</b>              |                                |
|            | Reliance Holding USA Inc.   | Issue of Common Stock                     | 10,000                         |
| <b>7</b>   | The Company is incorporated during the year effective from 15 July, 2019 and hence previous year figures not given.   |   |                                |
| <b>8</b>   | The financial statements are approved for issue by the Holding Company's Board of Directors on 22 April, 2020.  |   |                                |

**For and on behalf of the Board**

Walter Van de Vijver  
Director  
Place: Houston  
Date: 22 April, 2020