

Reliance Sibur Elastomers Private Limited
Financial Statements
2019-20

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To The Members of Reliance Sibur Elastomers Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Sibur Elastomers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its Loss, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the The Institute of Chartered Accountants of India (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 financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report in the annual report for the year ended 31 March 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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.

In preparing the 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 Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we 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) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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- g) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has not paid or provided any managerial remuneration under section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
(Registration No.101720W/ W-100355)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No.117366W / W-100018)

R. Koria
Partner
Membership No. 35629
(UDIN: 20035629AAAACN2642)

Manoj H. Dama
Partner
Membership No. 107723
(UDIN: 20107723AAAAGF5533)

Mumbai, 24 April 2020

Mumbai, 24 April 2020

Annexure A to The Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **RELIANCE SIBUR ELASTOMERS PRIVATE LIMITED** on the financial statements for the year ended 31 March 2020)

- i. The Company does not have any fixed assets except tangible and intangible assets under development and accordingly, the provisions of Clause (i) of paragraph 3 of the Order are not applicable to the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and According to information and explanations given to us, the Company has not given loan and it has not given any guarantee or security on which the provisions of section 185 of the Companies Act, 2013 applies. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments.
- v. According to the information and explanations given to us, the Company has not accepted any deposit and accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014, as amended, and specified by the Central Government under Section 148(1) of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
 - b. There were no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks. During the year, the Company has no dues to financial institution and government. The Company has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, monies raised by way of term loans have, *prima facie*, been applied by the Company for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, during the year no managerial remuneration has been paid or provided by the Company. Therefore, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore, the provisions of Clause (xiv) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Registration No.101720W/ W-100355)

R. Koria
Partner
Membership No. 35629
(UDIN: 20035629AAAACN2642)

Mumbai, 24 April 2020

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No.117366W / W-100018)

Manoj H. Dama
Partner
Membership No. 107723
(UDIN: 20107723AAAAGF5533)

Mumbai, 24 April 2020

Annexure B to The Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **RELIANCE SIBUR ELASTOMERS PRIVATE LIMITED** on the financial statements for the year ended 31 March 2020)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance Sibur Elastomers Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Registration No.101720W/ W-100355)

R. Koria
Partner
Membership No. 35629
(UDIN: 20035629AAAAACN2642)

Mumbai, 24 April 2020

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No.117366W / W-100018)

Manoj H. Dama
Partner
Membership No. 107723
(UDIN: 20107723AAAAGF5533)

Mumbai, 24 April 2020

Balance Sheet as at 31st March 2020

				(₹ in Lakh)	
	Notes	As at 31st March, 2020	As at 31st March, 2019		
ASSETS					
Non-Current Assets					
Capital Work-in-Progress	1	4152 36.13	3083 08.13		
Intangible Assets under Development	1	82 92.48	60 58.22		
Financial Assets					
Investments	2	0.32	0.32		
Other Non Current Assets	3	233 61.18	65 05.22		
Total Non-Current Assets		4468 90.11	3208 71.89		
Current Assets					
Inventories	4	75 40.76	3 48.45		
Financial Assets					
Investments	5	30 89.55	56 32.86		
Trade Receivables	6	10 70.74	-		
Cash and Cash Equivalents	7	1 09.79	610 74.80		
Other Financial Assets	8	52.04	4 32.02		
Other Current Assets	9	236 86.00	325 41.29		
Total Current Assets		355 48.88	1000 29.42		
Total Assets		4824 38.99	4209 01.31		
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	10	1929 53.02	1644 53.02		
Other Equity	11	1 24.01	4 19.19		
Total Equity		1930 77.03	1648 72.21		
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	12	2096 88.25	2260 37.67		
Provisions	13	1 02.67	-		
Total Non-Current Liabilities		2097 90.92	2260 37.67		
Current Liabilities					
Financial Liabilities					
Borrowings	14	110 00.00	-		
Trade Payables Due to :					
Micro and small enterprises	15	8.37	-		
Other than micro and small enterprises		64 03.81	14 46.77		
Other Financial Liabilities	16	605 38.21	280 25.07		
Other Current Liabilities	17	15 74.44	5 19.59		
Provisions	18	46.21	-		
Total Current Liabilities		795 71.04	299 91.43		
Total Liabilities		2893 61.96	2560 29.10		
Total Equity and Liabilities		4824 38.99	4209 01.31		
Significant Accounting Policies					
See accompanying Notes to the Financial Statements 1 to 32					

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Registration No. 101720W/W-100355)

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Registration No. 117366W/W-100018)

For and on behalf of the Board

R. Koria

Partner

Membership No. 35629

Manoj H. Dama

Partner

Membership No. 107723

Pawan Kumar Kapil

Sudhakar Saraswatula

Kishor Jhalaria

Ajay Shah

Virendra Rathod

Vadim Lishchinskiy

Director

Dmitry Khrichenko

Alternate Director

Chandrakant Shripad Gokhale

Shiv Kumar Bhardwaj

Independent Director

Pankaj Dadhich

Kanchan Chakrabarti

Chief Financial Officer

Chief Executive Officer

Place: Mumbai

Dated: 24th April, 2020

Vineeta Golchha

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020

	Notes	2019-20	2018-19
(₹ in Lakh)			
INCOME			
Value of Sales		62 86.26	20 06.57
Less: GST Recovered		9 59.05	3 06.09
Revenue from Operations		<u>53 27.21</u>	<u>17 00.48</u>
Other Income	19	30.27	9.78
Total Income		<u><u>53 57.48</u></u>	<u><u>17 10.26</u></u>
EXPENSES			
Purchases of Stock-in-Trade		48 71.47	19 08.05
Changes in Inventories of Stock-in-Trade	20	3 46.88	(3 48.45)
Other Expenses	21	72.41	1 03.25
Total Expenses		<u>52 90.76</u>	<u>16 62.85</u>
Profit/ (Loss) Before Tax		<u>66.72</u>	<u>47.41</u>
Tax Expenses			
Current Tax	22	3 61.90	2 86.24
Deferred Tax		-	-
		<u>3 61.90</u>	<u>2 86.24</u>
Loss for the Year		<u>(2 95.18)</u>	<u>(2 38.83)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u><u>(2 95.18)</u></u>	<u><u>(2 38.83)</u></u>
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	23	(0.02)	(0.02)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements 1 to 32			

For Chaturvedi & Shah LLP Chartered Accountants (Registration No. 101720W/W-100355)	For Deloitte Haskins & Sells LLP Chartered Accountants (Registration No. 117366W/W-100018)	For and on behalf of the Board	
R. Koria Partner Membership No. 35629	Manoj H. Dama Partner Membership No. 107723	Pawan Kumar Kapil Sudhakar Saraswatula Kishor Jhalaria Ajay Shah Virendra Rathod Vadim Lishchinskiy	Director
		Dmitry Khrichenko	Alternate Director
		Chandrakant Shripad Gokhale Shiv Kumar Bhardwaj	Independent Director
		Pankaj Dadhich Kanchan Chakrabarti	Chief Financial Officer Chief Executive Officer
		Vineeta Golchha	Company Secretary

Place: Mumbai
Dated: 24th April, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

(₹ in Lakh)

A. Equity Share Capital

Balance as at 1st April, 2018	Changes during the year 2018-19	Balance as at 31st March, 2019	Changes during the year 2019-20	Balance as at 31st March, 2020
1544 53.02	100 00.00	1644 53.02	285 00.00	1929 53.02

B. Other Equity

(₹ in Lakh)

Particulars	Balance as at 1st April, 2018	Total Comprehensive Income for the year	Balance as at 31st March, 2019
As on 31st March, 2019			
Reserves and Surplus			
Retained Earnings	6 58.02	(2 38.83)	4 19.19
Total	6 58.02	(2 38.83)	4 19.19
(₹ in Lakh)			
Particulars	Balance as at 1st April, 2019	Total Comprehensive Income for the year	Balance as at 31st March, 2020
As at 31st March, 2020			
Reserves and Surplus			
Retained Earnings	4 19.19	(2 95.18)	1 24.01
Total	4 19.19	(2 95.18)	1 24.01

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Registration No. 101720W/W-100355)

R. Koria
Partner
Membership No. 35629

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
Membership No. 107723

For and on behalf of the Board

Pawan Kumar Kapil
Sudhakar Saraswatula
Kishor Jhalaria
Ajay Shah
Virendra Rathod
Vadim Lishchinskiy

Director

Dmitry Khrichenko

Alternate Director

Chandrakant Shripad Gokhale
Shiv Kumar Bhardwaj

Independent Director

Pankaj Dadhich
Kanchan Chakrabarti

Chief Financial Officer
Chief Executive Officer

Vineeta Golchha

Company Secretary

Place: Mumbai
Dated: 24th April, 2020

Cash Flow Statement for the year ended 31st March, 2020

	(₹ in Lakh)	
	2019-20	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before Tax as per Statement of Profit and Loss	66.72	47.41
Adjusted for:		
(Profit)/ Loss on Sale/ Fair value of Investments (Net)	(13.48)	(5.40)
Interest Income	(16.63)	(3.50)
Dividend Income	(0.16)	(0.88)
Exchange (Gain)/ Loss -Net	19.36	56.39
	<u>(10.91)</u>	<u>46.61</u>
Operating Profit/ (Loss) before Working Capital Changes	55.81	94.02
Adjusted for:		
Trade and Other Receivables	(135 65.85)	(124 49.34)
Inventories	(71 92.31)	(3 48.45)
Trade and Other Payables	60 65.78	18 62.96
	<u>(146 92.38)</u>	<u>(109 34.83)</u>
Cash Generated from/ (used in) Operations	(146 36.57)	(108 40.80)
Taxes Paid (Net)	(5 01.51)	(2 85.55)
Net Cash flow from/ (used in) Operating Activities	(151 38.08)	(111 26.35)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(797 80.80)	(844 04.89)
Purchase of Other Investments	(368 21.98)	(229 23.83)
Proceeds from Sale of Other Investments	394 39.24	326 98.83
Dividend income from Other Investments	2 44.10	79.25
Interest Income	15 34.59	4 61.71
Net Cash flow from/ (used in) Investing Activities	(753 84.85)	(740 88.94)

Cash Flow Statement for the year ended 31st March, 2020 (Cont.)

	2019-20	2018-19
(₹ in Lakh)		
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	285 00.00	100 00.00
Proceeds from Borrowings-Non-Current	-	1409 69.76
Proceeds from Borrowing - Current	110 00.00	-
Interest Paid	(99 42.08)	(48 15.53)
Net Cash flow from Financing Activities	295 57.92	1461 54.22
Net Increase/ (Decrease) in Cash and Cash Equivalents	(609 65.01)	609 38.93
Opening Balance of Cash and Cash Equivalents	610 74.80	1 35.86
Closing Balance of Cash and Cash Equivalents	1 09.79	610 74.80
(Refer Note "7")		

Change in Liability arising from Financing Activities

(₹ in Lakh)

	1st April, 2019	Cash Flow	Foreign Exchange Movement	31st March, 2020
Borrowings- Non-Current (Refer Note no. 12)	2260 37.67	-	217 75.72	2478 13.39
Borrowings- Current (Refer Note no. 14)	-	110 00.00	-	110 00.00
(₹ in Lakh)				
	1st April, 2018	Cash Flow	Foreign Exchange Movement	31st March, 2019
Borrowings- Non-Current (Refer Note no. 12)	822 61.74	1409 69.76	28 06.17	2260 37.67

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Registration No. 101720W/W-100355)

R. Koria
Partner
Membership No. 35629

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No. 117366W/W-100018)

Manoj H. Dama
Partner
Membership No. 107723

For and on behalf of the Board

Pawan Kumar Kapil
Sudhakar Saraswatula
Kishor Jhalaria
Ajay Shah
Virendra Rathod
Vadim Lishchinskiy

Director

Dmitry Khrichenko

Alternate Director

Chandrakant Shripad Gokhale
Shiv Kumar Bhardwaj

Independent Director

Pankaj Dadhich
Kanchan Chakrabarti

Chief Financial Officer
Chief Executive Officer

Vineeta Golchha

Company Secretary

Place: Mumbai
Dated: 24th April, 2020

Notes to the Financial Statements for the year ended 31st March, 2020

A. CORPORATE INFORMATION

Reliance Sibur Elastomers Private Limited (“The Company”) is an unlisted entity incorporated in India. The Company’s registered office is at 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400021. The Company, a joint venture between “Reliance Industries Limited” and “Sibur Investments AG” is in the process of setting up a Butyl Rubber Plant and Halo Butyl Rubber Plant (‘Project’) at Jamnagar, Gujarat, India.

The Company started pre-commissioning operation from Septmeber 2019 & produced 14,700 MT Butyl rubber during the year.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount:

i. Certain Financial Assets and Liabilities (including derivative instruments)

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the Companies Act, 2013.

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116. There is no significant impact of Ind AS 116 on Financials of the Company.

Company’s Financial Statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current and Non-Current Classification

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

An asset is treated as Current when it is –

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

(c) 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 of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted

Notes to the Financial Statements for the year ended 31st March, 2020

for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

(d) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

(e) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Finance Cost

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 directly attributable to the acquisition or construction of qualifying assets are capitalised 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

(h) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible 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 assets, 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.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements for the year ended 31st March, 2020

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.

(j) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

(k) Employee Benefits Expense

Short-Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

(l) Tax Expenses

The tax expense for the period comprises of Current Tax and Deferred Tax. Tax is recognised in the Statement of Profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current tax

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

ii) 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 assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

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 the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency

Notes to the Financial Statements for the year ended 31st March, 2020

borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

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.

(n) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be. The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

(o) Financial Instruments

(i) Financial Assets

A. Initial Recognition and Measurement

All Financial Assets 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

a) 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.

b) 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 by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Profit and loss when the company's right to receive payment is established.

Notes to the Financial Statements for the year ended 31st March, 2020

D. 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:

- 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
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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 borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and 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.

(iii) Derivative Financial Instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, and forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value of the date on which a derivative contract is entered into and are also subsequently re-measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

a) Cash Flow Hedge

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair Value Hedge

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

Notes to the Financial Statements for the year ended 31st March, 2020

(iv) 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. 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.

(v) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

a) Recoverability of Trade Receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

b) Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

c) Impairment of Financial Assets & Non Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

D. IMPACT OF COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements.

Notes to the Financial Statements for the year ended 31st March, 2020

1 CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT	(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019
Capital Work-in-Progress	4152 36.13	3083 08.13
Intangible Assets under development		
Technical Know-how and License Fee	82 92.48	60 58.22
	<u>4235 28.61</u>	<u>3143 66.35</u>

1.1 The Company is in the process of setting up a Butyl Rubber and Halo Butyl Rubber Plant ('Project') at Jamnagar, Gujarat, India. Butyl Rubber plant was commissioned on 1st September 2019 and 14,700 MT trial run Production was achieved during the year and the same has been sold to domestic as well as exports market.

1.2 Capital Work in Progress includes :

- (i) ₹ 1136 21.87 Lakh (Previous Year ₹ 1310 23.80 Lakh) on account of cost of construction material at site.
- (ii) ₹ 740 00.95 Lakh (Previous Year ₹ 216 08.16 lakh) on account of Project Development Expenditure.
- (iii) ₹ 116 74.87 Lakh (Previous Year ₹ 77 09.01 lakh) on account of interest & finance charges included in project development expenditure.

1.3 Assets include assets charged as security - refer note no. 12

2 INVESTMENTS- NON-CURRENT
Investments measured at Cost

Investments in Equity Instruments - Unquoted, fully paid up	No. of Shares	As at 31st March, 2020		As at 31st March, 2019	
		Amt - ₹ in lakhs	No. of Shares	Amt - ₹ in lakhs	No. of Shares
Jamnagar Utilities & Power Private Limited (JUPPL) (Class "A" Equity Shares of ₹ 1 each)	32,000	0.32	32,000	0.32	
Total		<u>0.32</u>		<u>0.32</u>	
Aggregate amount of Unquoted Investments		0.32		0.32	

3 OTHER NON-CURRENT ASSETS
(Unsecured and Considered Good)

	(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019
Capital Advances#	18 21.27	65 02.09
Advance Income Tax (Net of Provision)	1 42.54	2.93
Balance with GST Authorities	213 97.17	-
Deposits	0.20	0.20
Total	<u>233 61.18</u>	<u>65 05.22</u>

Refer note no. 24

Notes to the Financial Statements for the year ended 31st March, 2020

3.1 Advance Income Tax (Net of Provision)		(₹ in Lakh)			
	As at 31st March, 2020		As at 31st March, 2019		
At start of year	2.93		3.62		
Charge for the year - Current Tax	(3 61.90)		(2 86.24)		
Tax paid (Net) during the year	5 01.51		2 85.55		
At end of year	1 42.54		2.93		
4 INVENTORIES		(₹ in Lakh)			
	As at 31st March, 2020		As at 31st March, 2019		
Stock-in-Trade	1.57		3 48.45		
Raw Materials (Including Material In Transit)	2 55.32		-		
Stores, Chemicals and Packing Materials	8 79.08		-		
Inventory generated from trial run operation	64 04.79		-		
Total	75 40.76		3 48.45		
5 INVESTMENTS - CURRENT		(₹ in Lakh)			
	As at 31st March, 2020		As at 31st March, 2019		
	Units	Amount	Units	Amount	
Investments measured at Fair Value Through Profit or Loss (FVTPL)					
In Mutual Funds - Unquoted					
Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend-Reinvestment Plan	-	-	10,647,483	25 06.30	
IDFC Ultra Short Term Fund Direct Plan - Growth Option	-	-	5,220,028	5 53.58	
L&T Ultra Short Term Direct Plan- Daily Dividend - Reinvestment Plan	-	-	956,815	99.99	
ICICI Prudential Money Market Fund –Direct Plan- Growth Option	-	-	867,715	22 57.46	
IDFC Cash Fund Growth - Direct Plan	-	-	9,510	2 15.53	
Aditya Birla Sun Life Money- Manager Fund- Growth- Direct Plan	760,910	20 61.48		-	
HDFC Money Market Fund Direct- Growth Option	20,954	8 84.24		-	
Aditya Birla Sun Life Saving Fund- Growth- Direct Plan	35,883	1 43.83		-	
Total Investments - Current		30 89.55		56 32.86	
Aggregate amount of Quoted Investments		-		-	
Market Value of Quoted Investments		-		-	
Aggregate amount of Unquoted Investments		30 89.55		56 32.86	

Notes to the Financial Statements for the year ended 31st March, 2020

6 TRADE RECEIVABLES (Unsecured and Considered Good))		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Trade receivables	10 70.74	-	
Total	10 70.74	-	
7 CASH AND CASH EQUIVALENTS		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Cash and Cash Equivalents:			
In Current Accounts	13.78	35.46	
In Fixed Deposits	96.01	610 39.34	
Cash and Cash equivalents as per Balance Sheet	1 09.79	610 74.80	
Cash and Cash equivalents as per Statement of Cash flows	1 09.79	610 74.80	
7.1 Cash and Cash Equivalents 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.			
8 OTHER FINANCIAL ASSETS- CURRENT		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Interest accrued on Deposits	0.13	2 68.15	
Others *	51.91	1 63.87	
Total	52.04	4 32.02	
* Includes fair valuation of Derivatives & Mutual fund redemption receivables			
9 OTHER CURRENT ASSETS (Unsecured and Considered Good))		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Balance with GST Authorities	231 72.72	324 60.48	
Others #	5 13.28	80.81	
Total	236 86.00	325 41.29	
# Others includes advances to vendors and claims receivable			

Notes to the Financial Statements for the year ended 31st March, 2020

10 SHARE CAPITAL	(₹ in Lakh)			
	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity Shares of ₹ 10 each	2,220,000,000	2220 00.00	2,220,000,000	2220 00.00
Total		<u>2220 00.00</u>		<u>2220 00.00</u>
Issued, Subscribed and Paid-Up				
Equity Shares of ₹ 10 each fully paid up	1,929,530,198	1929 53.02	1,644,530,198	1644 53.02
Total		<u>1929 53.02</u>		<u>1644 53.02</u>

10.1 The details of Shareholders holding more than 5% shares :

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (The Holding Company)	1445,218,117	74.90	1231,753,117	74.90
Sibur Investments AG	484,312,081	25.10	412,777,081	25.10

10.2 The reconciliation of the number of shares outstanding is set out below:

	As at 31st March, 2020	As at 31st March, 2019
	No. of shares	No. of shares
Equity Shares outstanding at the beginning of the year	1,644,530,198	1,544,530,198
Add: Equity Shares issued during the year	285,000,000	100,000,000
Equity Shares outstanding at the end of the year	<u>1,929,530,198</u>	<u>1,644,530,198</u>

10.3 Rights, Preferences and Restrictions attached to Equity Shares :

The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

11 OTHER EQUITY	(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019
Retained Earnings		
As per Last Balance Sheet	4 19.19	6 58.02
Add: Profit/ (Loss) for the Year	(2 95.18)	(2 38.83)
Total	<u>1 24.01</u>	<u>4 19.19</u>

Notes to the Financial Statements for the year ended 31st March, 2020

12 BORROWINGS - NON CURRENT (₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
Secured- At Amortised Cost		
Term Loans from Banks	2096 88.25	2260 37.67
Total	<u>2096 88.25</u>	<u>2260 37.67</u>

12.1 Term loan represents ECB of US\$ 330.00 Million (Previous Year US \$ 330.00 million) against sanctioned Facility of US\$ 330.00 million.

12.2 Term loan is secured by way of a first ranking pari passu charge on all the fixed assets (excluding land and/or any interest in the land) relating to the Project located at Jamnagar. This Facility is additionally secured by Corporate Guarantee of Reliance Industries Limited, the holding company.

12.3 Maturity Profile of Secured Term Loans are as set out below : (₹ in Lakh)

Maturity Profile as at 31st March, 2020				
	Maturity Profile		Non-Current	Current
	Above 5 years	1-5 years	Total	1 Year
Term Loans- From Banks *	576 21.81	1536 58.15	2112 79.96	384 14.54

Maturity Profile as at 31st March, 2019				
	Maturity Profile		Non-Current	Current
	Above 5 years	1-5 years	Total	1 Year
Term Loans- From Banks *	877 73.65	1404 37.85	2282 11.50	-

* Includes ₹ 18 81.10 lakh (Previous Year ₹ 21 73.83 lakh) as prepaid finance charges

Note : Term loan is repayable by 13 equal semi-annual instalments starting from September 2020.

13 PROVISIONS - NON-CURRENT (₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer note 27.1)	1 02.67	-
Total	<u>1 02.67</u>	<u>-</u>

14 BORROWINGS - CURRENT (₹ in Lakh)

UNSECURED - AT AMORTISED COST

	As at 31st March, 2020	As at 31st March, 2019
Unsecured - Loans from Holding Company*	110 00.00	-
Total	<u>110 00.00</u>	<u>-</u>

*Above loan is repayable on 27th September-2020, carrying rate of interest 8.75% per annum.

Notes to the Financial Statements for the year ended 31st March, 2020

15 TRADE PAYABLES DUE TO		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Micro and Small Enterprise	8.37	-	
Other than Micro and Small Enterprise	64 03.81	14 46.78	
Total	64 12.18	14 46.78	

15.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable

16 OTHER FINANCIAL LIABILITIES		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Current maturities of long term Debt	381 25.15	-	
Interest accrued but not due on borrowings	4 32.56	6 42.72	
Creditors for Capital Expenditure*	199 83.05	266 15.18	
Others #	19 97.45	7 67.17	
Total	605 38.21	280 25.07	

* Includes for Micro and Small Enterprise ₹ 21 80.59 Lakhs (Previous year ₹ 1 17.24 Lakhs)

Includes fair valuation of Derivatives.

16.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

17 OTHER CURRENT LIABILITIES		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Other Payables ^	15 74.44	5 19.59	
Total	15 74.44	5 19.59	

^ Includes statutory dues, advance from customer and security deposit from customers

18 PROVISIONS - CURRENT		(₹ in Lakh)	
	As at 31st March, 2020	As at 31st March, 2019	
Provision for Employee Benefits (Refer note 27.1)	46.21	-	
Total	46.21	-	

Notes to the Financial Statements for the year ended 31st March, 2020

19 OTHER INCOME	(₹ in Lakh)	
	2019-20	2018-19
Interest Income		
Interest from Deposits	16.63	3.50
Dividend Income	0.16	0.88
Gain on Financial Assets measured at FVTPL		
Realised Gain	17.70	1.18
Unrealised (loss)/gain	(4.22)	4.22
Total	<u>30.27</u>	<u>9.78</u>
20 CHANGES IN INVENTORIES OF STOCK IN TRADE	(₹ in Lakh)	
	2019-20	2018-19
Inventories (at close)		
Stock-in-Trade	1.57	3 48.45
Inventories (at commencement)		
Stock-in-Trade	3 48.45	-
Total	<u>3 46.88</u>	<u>(3 48.45)</u>
21 OTHER EXPENSES	(₹ in Lakh)	
	2019-20	2018-19
Establishment Expense		
Professional Fees	17.32	21.52
Rates & Taxes	0.15	0.77
Rent Charges	7.83	4.15
General Expenses	22.29	24.89
Exchange difference (Net)	19.37	45.32
Payment to Auditors (Refer note 21.1)	5.45	5.20
Charity and Donation (Refer note 21.2)	-	1.40
	72.41	1 03.25
Total	<u>72.41</u>	<u>1 03.25</u>
21.1 Payment to Auditors as:	(₹ in Lakh)	
	2019-20	2018-19
(a) Statutory Audit Fees	3.00	3.00
(b) Certification and Consultation Fees	2.20	2.20
(c) Tax Audit Fees	0.25	-
Total	<u>5.45</u>	<u>5.20</u>

Notes to the Financial Statements for the year ended 31st March, 2020

21.2 Corporate Social Responsibility (CSR)

- a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs Nil (Previous Year Rs 1.38 lakh).
- b) Expenditure related to Corporate Social Responsibility is Nil (Previous Year Rs 1.40 lakh).
- c) **Details of amount spent towards CSR given below:** (₹ in Lakh)

Particulars	2019-20	2018-19
Promoting Education	-	1.40
Total	-	1.40

- d) CSR provision not applicable for financial year 2019-20 (Previous Year ₹ 1.40 lakh is spent through Reliance Foundation)

22 TAXATION

(₹ in Lakh)

a) Income Tax recognised in Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Current Tax		
In respect of the current year	3 70.95	2 86.24
In respect of the previous year	(9.05)	-
Total Income Tax expenses recognised in the current year	3 61.90	2 86.24

The Income Tax expenses for the year can be reconciled to the accounting profit as follows

(₹ in Lakh)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	66.72	47.41
Applicable Tax Rate	25.168%	33.384%
Computed Tax Expense	16.79	15.83
Tax Effect of :		
Expenses Disallowed (Rs 155.03)	0.00	10.50
Additional allowances for tax purposes	-	(2.10)
Gain on Investment	32.65	-
Others	3 12.46	2 62.01
Tax expenses recognised in Statement of Profit and Loss	3 61.90	2 86.24
Deferred Tax Provision (B)	-	-
Tax expenses recognised in Statement of Profit and Loss (A+B)	3 61.90	2 86.24

23 EARNINGS PER SHARE (EPS)

	2019-20	2018-19
i) Face Value per Equity Share (Rs)	10.00	10.00
ii) Basic and Diluted Earnings/ (Loss) per Share (Rs)	(0.02)	(0.02)
iii) Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakh)	(2 95.18)	(2 38.83)
iv) Weighted Average number of Equity Shares used as denominator for calculating EPS	1,722,399,050	1,545,352,116

Notes to the Financial Statements for the year ended 31st March, 2020

24 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

- i) List of Related Parties where control exists and also Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
i)	Reliance Industries Limited	Holding Company
ii)	Sibur Investments AG	Investing Entity
iii)	Shri Kanchan Chakrabarti	Key Managerial Personnel
iv)	Shri Pankaj Dadhich	Key Managerial Personnel
v)	Smt. Vineeta Golchha (W.e.f. 21-07-2018)	Key Managerial Personnel
vi)	Shri Siddharth A. Shah (Upto 20-07-2018)	Key Managerial Personnel
vii)	Reliance Industrial Investments And Holdings Limited	Fellow Subsidiary
viii)	Reliance Retail Limited	Fellow Subsidiary
ix)	Reliance Petro Marketing Limited	Fellow Subsidiary
x)	Sikka Ports & Terminals Limited (Formerly known as Reliance Ports and Terminals Limited)	Holding's Associates
xi)	Jamnagar Utilities & Power Private Limited (Formerly known as Reliance Utilities and Power Private Limited)	Holding's Associates
xii)	Reliance Industrial Infrastructure Limited	Holding's Associates
xiii)	Sibur International GmbH	Investing Entity's Subsidiary.

ii) Transactions during the year with related parties

(₹ in Lakh)

Sr. No.	Nature of Transactions(Excluding Reimbursements)	Holding Company	Investing Entity	Key Managerial Personnel	Fellow Subsidiary	Holding's Associates	Investing Entity's Subsidiary	Total
1	Proceeds from issue of Equity Share Capital	213 46.50	71 53.50	-	-	-	-	285 00.00
		74 90.00	25 10.00	-	-	-	-	100 00.00
2	Unsecured short term loan	110 00.00	-	-	-	-	-	110 00.00
		-	-	-	-	-	-	-
3	Purchase of Property, Plant and Equipment, & Raw material	391 42.36	-	-	9 12.06	54 92.38	-	455 46.80
		251 80.37	-	-	27 98.79	41 38.79	-	321 17.95
4	Sale of Project Materials	3 37.56	-	-	-	-	-	3 37.56
		1 62.80	-	-	-	4.35	-	1 67.15
5	Investment made	-	-	-	-	-	-	-
		-	-	-	-	0.32	-	0.32
6	Interest on unsecured short term loan	13.18	-	-	-	-	-	13.18
		-	-	-	-	-	-	-
7	Purchase of Traded Goods	-	-	-	-	-	42 99.54	42 99.54
		-	-	-	-	-	17 98.50	17 98.50
8	Capital Advance given	-	-	-	-	-	-	-
		-	-	-	-	4 06.14	-	4 06.14
9	Payment to Key Managerial Personnel	-	-	1 12.09	-	-	-	1 12.09
		-	-	1 56.75	-	-	-	1 56.75

Notes to the Financial Statements for the year ended 31st March, 2020

iii) Balances as at 31st March, 2020 (₹ in Lakh)

Sr. No.		Holding Company	Investing Entity	Key Managerial Personnel	Fellow Subsidiary	Holding's Associates	Investing Entity's Subsidiary	Total
1	Equity Share Capital	1445 21.82 <i>1231 75.32</i>	484 31.20 <i>412 77.70</i>	-	-	-	-	1929 53.02 <i>1644 53.02</i>
2	Unsecured short term loan	110 00.00	-	-	-	-	-	110 00.00
	-	-	-	-	-	-	-	-
3	Capital Advance given	15 00.00 <i>15 00.00</i>	-	-	-	<i>406.14</i>	-	15 00.00 <i>19 06.14</i>
4	Creditors for Capital Expenditure	46 61.38 <i>78 71.79</i>	-	-	0.05 <i>1 66.74</i>	8 94.20 <i>9 09.27</i>	-	55 55.63 <i>89 47.80</i>
5	Other Receivables	10.06 <i>27.71</i>	-	-	-	-	-	10.06 <i>27.71</i>
6	Investment	-	-	-	-	0.32 <i>0.32</i>	-	0.32 <i>0.32</i>
7	Trade Payables	-	-	-	-	-	1 13.76 <i>14 46.77</i>	1 13.76 <i>14 46.77</i>
8	Interest on unsecured short term loan	13.18	-	-	-	-	-	13.18
	-	-	-	-	-	-	-	-
9	Performance Guarantee	82 58.24 <i>72 89.86</i>	20 72.82 <i>18 29.75</i>	-	-	-	-	103 31.06 <i>91 19.61</i>
10	Corporate Guarantee	2496 94.50 <i>2282 11.50</i>	-	-	-	-	-	2496 94.50 <i>2282 11.50</i>

Note: Figures in italic represents Previous Year's amounts.

iv) Disclosure in Respect of Major Related Party Transactions during the year : (₹ in Lakh)

Particulars	Relationship	2019-20	2018-19
1 Proceeds from issue of Equity Share Capital			
Reliance Industries Limited	Holding Company	213 46.50	74 90.00
Sibur Investments AG	Investing Entity	71 53.50	25 10.00
2 Purchase of Property, Plant and Equipment & Raw material			
Reliance Industries Limited	Holding Company	391 42.36	251 80.37
Reliance Retail Limited	Fellow Subsidiary	5.54	57.60
Reliance Petro Marketing Limited	Fellow Subsidiary	9 06.52	27 41.18
Sikka Ports & Terminals Limited	Holding's Associates	17 69.35	32 61.22
Jamnagar Utilities & Power Private Limited	Holding's Associates	35 96.17	2 88.47
Reliance Industrial Infrastructure Limited	Holding's Associates	1 26.86	5 89.10
3 Sale of Project Materials			
Reliance Industries Limited	Holding Company	3 37.56	1 62.80
Sikka Ports & Terminals Limited	Holding's Associates	-	4.35
4 Investment made			
Jamnagar Utilities & Power Private Limited	Holding's Associates	-	0.32

Notes to the Financial Statements for the year ended 31st March, 2020

Particulars	Relationship	2019-20	2018-19
5 Purchase of Traded Goods			
Sibur International GmbH	Investing Entity's Subsidiary	42 99.54	17 98.50
6 Payment to Key Managerial Personnel			
Shri Kanchan Chakrabarti #	Key Managerial Personnel	51.14	72.04
Shri Pankaj Dadhich #	Key Managerial Personnel	49.28	70.76
Shri Siddharth A. Shah#	Key Managerial Personnel	-	7.00
Smt. Vineeta Golchha#	Key Managerial Personnel	11.66	6.95
7 Interest on unsecured short term loan			
Reliance Industries Limited	Holding Company	13.18	-
8 Capital Advance given			
Sibur International GmbH	Investing Entity's Subsidiary	-	406.14
9 Corporate Guarantee			
Reliance Industries Limited	Holding Company	2496 94.50	2282 11.50

Reimbursement to Holding Company towards Remuneration.

24.1 Compensation of Key Managerial Personnel

The remuneration of Director and other member of Key Managerial Personnel during the year was as follows : (₹ in Lakh)

	2019-20	2018-19
i) Short-term benefits	1 05.77	1 50.67
ii) Post employment benefits	6.32	6.08
Total	<u>1 12.09</u>	<u>1 56.75</u>

25 Contingent Liabilities and Commitments

A) Capital Commitments:

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	407 88.35	344 35.19

B) Contingent Liabilities

	As at 31st March, 2020	As at 31st March, 2019
Claims against the company not acknowledged as debt	11.42	-

C) Other Commitments

The Company has an Export Obligations / Commitments in future on Import of Capital Goods (under EPCG Scheme pursuant to the provisions of Foreign Trade Policy in force from time to time) as at 31st March, 2020 ₹ 1636 90.74 Lakh (Previous Year ₹ 1487 30.70 Lakh), cut-off date of export obligation compliances is 12th March 2026

26 Income Tax assessments of the Company have been completed up to Assessment Year 2017-18. There is no disputed demand outstanding up to the said Assessment Year.

Notes to the Financial Statements for the year ended 31st March, 2020

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

27 Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under: (₹ in Lakh)

Particulars	2019-20	2018-19
Employer’s Contribution to Provident Fund	17.86	9.21
Employer’s Contribution to Pension Scheme	8.69	-

The Company’s Provident Fund is exempted under Section 17 of Employee’s Provident Fund and Miscellaneous Provisions Act, 1952.

27.1 Defined Benefit Plan

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation (₹ in Lakh)

	Gratuity (Un-Funded)	
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	-	-
Past Service Cost	88.71	-
Current Service Cost	16.47	-
Interest Cost	-	-
Actuarial (Gain)/ Loss	-	-
Benefits Paid	-	-
Defined Benefit Obligation at year end	<u>1 05.18</u>	<u>-</u>

II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets (₹ in Lakh)

	Gratuity (Un-Funded)	
	2019-20	2018-19
Fair Value of Plan Assets at beginning of the year	-	-
Add: On Acquisition / Transfer	-	-
Return on Plan Assets	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at year end	<u>-</u>	<u>-</u>

III. Reconciliation of Fair Value of Assets and Obligations (₹ in Lakh)

	Gratuity (Un-Funded)	
	2019-20	2018-19
Fair Value of Plan Assets	-	-
Present Value of Obligation	(1 05.18)	-
Amount recognised in Balance Sheet [Surplus/(Deficit)]	<u>(1 05.18)</u>	<u>-</u>

Notes to the Financial Statements for the year ended 31st March, 2020

IV. Expenses recognised during the year	(₹ in Lakh)	
	Gratuity (Un-Funded)	
	2019-20	2018-19
In Income Statement		
Current Service Cost	16.47	-
Past Service Cost	88.71	-
Interest Cost	-	-
Return on Plan Assets	-	-
Net Cost	<u>1 05.18</u>	<u>-</u>
In Other Comprehensive Income		
Actuarial (Gain)/ Loss	-	-
Return on Plan Assets	-	-
Net (Income)/ Expense for the period recognised in OCI	<u>-</u>	<u>-</u>

V. Investment Detail

	As at 31st March, 2020		As at 31st March, 2019	
	Rs in Lakh	% Invested	Rs in Lakh	% Invested
Insurance Policies	-	-	-	-
GOI Securities	-	-	-	-
Public Securities	-	-	-	-

VI. Actuarial Assumption

Mortality Table (IALM)	Gratuity (Un-Funded)	
	2019-20 2006-08 (Ultimate)	2018-19 2006-08 (Ultimate)
Discount Rate (per annum)	6.84%	-
Rate of Escalation in Salary (per annum)	6.00%	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

VII. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Notes to the Financial Statements for the year ended 31st March, 2020

(₹ in Lakh)

Particulars	31st March, 2020		31st March, 2019	
	Decrease	Increase	Decrease	Increase
Delta Effect of (-/+) 0.5% Change in Rate of Discounting	6 07 758 5.8%	(5 53 184) -5.3%	-	-
Delta Effect of (-/+) 0.5% Change in Rate of Salary Increase	(5 59 887) -5.3%	6 09 792 5.8%	-	-
Mortality Rate (- / + 10% of mortality rates)	(570) -	573 -	-	-
Attrition Rate (- / + 25% of attrition rates)	(13 838) -0.1%	12 188 0.1%	-	-

These plans typically expose the Group to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

28 CAPITAL MANAGEMENT

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

- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage exposure in forex and interest to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The capital structure of the company consists of net debt (borrowings as detailed in note 9 offset by cash and cash equivalent) and total equity of the company.

Net Gearing Ratio

The Net Gearing ratio at end of the reporting year was as follows:-

(₹ in Lakh)

	As at 31st March, 2020	As at 31st March, 2019
Gross Debt	2588 13.40	2260 37.67
Cash and Marketable Securities	31 99.34	667 07.66
Net Debt (A)	2556 14.06	1593 30.01
Total Equity [As per Balance Sheet] (B)	1930 77.03	1648 72.21
Net Gearing Ratio (A/B)	1.32	0.97

Notes to the Financial Statements for the year ended 31st March, 2020

29 FINANCIAL INSTRUMENTS

A. Fair Valuation Measurement Hierarchy

(₹ in Lakh)

Particulars	As at 31st March, 2020			As at 31st March, 2019				
	Carrying amount	Level of Input used in			Carrying amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Trade Receivables	10 70.74	-	-	-	-	-	-	
Cash and Cash Equivalents	1 09.79				610 74.80			
Other Financial Assets	49.97	-	-	-	3 63.93	-	-	
At FVTPL								
Investments	30 89.55	30 89.55	-	-	56 32.86	56 32.86	-	
Other Financial Assets	2.07	-	2.07	-	68.09	-	68.09	
Financial Liabilities								
At Amortised Cost								
Borrowings	2206 88.25	-	-	-	2260 37.67	-	-	
Trade Payables	64 12.18	-	-	-	14 46.77	-	-	
Other Financial Liabilities	585 76.27	-	-	-	272 89.11	-	-	
At FVTPL								
Other Financial Liabilities	19 61.94	-	19 61.94	-	7 35.96	-	735.96	

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs based on unobservable market data.

Valuation Methodology

All financial Instruments are initially recognised and subsequently re-measured at fair value as described below :

- The fair value of investment in Mutual Funds is measured at NAV.
- The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of Forward Foreign Exchange contracts are determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Notes to the Financial Statements for the year ended 31st March, 2020

B. Financial Risk management

The Company's activities expose it to Foreign currency risk, Interest rate risk, credit risk and liquidity risk. The Company uses derivatives financial instruments such as forward and swap contracts to minimise any adverse effect on its financial performance.

Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in USD, EUR and JPY on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(₹ in Lakh)

	Foreign Currency Exposure					
	As at 31st March, 2020			As at 31st March, 2019		
	USD	Euro	JPY	USD	Euro	JPY
Borrowings*	2496 94.50	-	-	2282 11.50	-	-
Other Payables / Creditors	32 19.80	10 88.34	5 89.18	47 73.14	23 15.31	9 56.03
Trade and Other Receivables	4 39.46					
Derivatives						
Forwards	12 02.54	(12 80.79)	(3 01.43)	2,754.13	(54 29.92)	(8 09.15)
Exposure	2545 56.30	(1 92.45)	2 87.75	2357 38.77	(31 14.61)	146.87

* Includes Rs 18 81.10 lakh (Previous Year Rs 21 73.83 lakh) as prepaid finance charges

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(₹ in Lakh)

	Foreign Currency Sensitivity					
	As at 31st March, 2020			As at 31st March, 2019		
	USD	Euro	JPY	USD	Euro	JPY
1% Depreciation in INR						
Impact on Equity	(2545.56)	1.92	(2.88)	(2342.92)	31.15	(1.47)
Impact on P&L	-	-	-	(14.47)	-	-
1% Appreciation in INR						
Impact on Equity	2545.56	(1.92)	2.88	2342.92	(31.15)	1.47
Impact on P&L	-	-	-	14.47	-	-

Interest Rate Risk

The exposure of the Company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

(₹ in Lakh)

	Interest Rate Exposure	
	As at	As at
	31st March, 2020	31st March, 2019
Borrowings - Floating Rate	2496 94.50	2282 11.50
Derivatives - Interest Rate Swaps	397 24.13	363 06.38

Notes to the Financial Statements for the year ended 31st March, 2020

Sensitivity analysis for 1% change in interest rate is given below :

(₹ in Lakh)

	Interest Rate Sensitivity			
	As at 31st March, 2020		As at 31st March, 2019	
	Up Move	Down Move	Up Move	Down Move
Floating Rate Loans	(24 96.95)	24 96.95	(22 82.12)	22 82.12
Interest Rate Swaps	10 38.17	(10 38.17)	10 32.26	(10 32.26)
Impact on Equity	(14 58.78)	14 58.78	(12 49.86)	12 49.86

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from its investment activities, derivative instruments and other financial assets. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through Letters of Credit, Bank Guarantees, Parent Company Guarantees and advance payments. The company restricts its fixed income investments in liquid securities carrying high credit rating.

Liquidity Risk

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments on due date. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Company accesses global financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

Maturity Profile as at 31st March, 2020

(₹ in Lakh)

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Borrowings							
Non-Current*	-	192 07.27	192 07.27	768 29.08	768 29.08	576 21.81	2496 94.50
Current	-	110 00.00	-	-	-	-	110 00.00
Total	-	30,207.27	19,207.27	76,829.08	76,829.08	57,621.81	2606 94.50
Derivative Liabilities							
Forwards	19 61.89	-	-	-	-	-	19 61.89
Interest Rate Swaps	-	-	-	283 74.38	113 49.75	-	397 24.13
Total	19 61.89	-	-	283 74.38	113 49.75	-	416 86.02

* Includes ₹ 18 81.10 lakhs as prepaid finance charges

Notes to the Financial Statements for the year ended 31st March, 2020

Maturity Profile as at 31st March, 2019							(₹ in Lakh)
	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Borrowings							
Non-Current*	-	-	-	702 18.92	702 18.92	877 73.65	2282 11.50
Total	-	-	-	702 18.92	702 18.92	877 73.65	2282 11.50
Derivative Liabilities							
Forwards	141.15	-	0.09	-	-	-	141.24
Interest Rate Swaps	-	-	-	166.63	428.10	-	594.72
Total	141.15	-	0.09	166.63	428.10	-	735.96

* Includes ₹ 21 73.83 lakhs as prepaid finance charges

- 30** The Company's activities during the financial year revolve around setting up of the Butyl Rubber and Halo Butyl Rubber Plant ('Project'). The Chief Operating Decision Makers (being the Board and executive officers of the Company), who are responsible for allocating resources and assessing performance obtain financial information. Accordingly, the Company has single reportable segment under Indian Accounting Standard 108 "Operating Segments"- Elastomers.

During the year, the Company sold purchased Butyl rubber to establish market presence in India and engage with customers before commercial operation starts. The company sold purchased Butyl rubber having revenue more than 10% of traded sales to a single customer.

- 31** The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

32 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors at its meeting held on 24th April, 2020.

For Chaturvedi & Shah LLP Chartered Accountants (Registration No. 101720W/W-100355)	For Deloitte Haskins & Sells LLP Chartered Accountants (Registration No. 117366W/W-100018)	For and on behalf of the Board	
R. Koria Partner Membership No. 35629	Manoj H. Dama Partner Membership No. 107723	Pawan Kumar Kapil Sudhakar Saraswatula Kishor Jhalaria Ajay Shah Virendra Rathod Vadim Lishchinskiy	Director
		Dmitry Khrichenko	Alternate Director
		Chandrakant Shripad Gokhale Shiv Kumar Bhardwaj	Independent Director
		Pankaj Dadhich Kanchan Chakrabarti	Chief Financial Officer Chief Executive Officer
		Vineeta Golchha	Company Secretary

Place: Mumbai
Dated: 24th April, 2020