Reliance Chemicals Limited

Financial Statements

2018-19

INDEPENDENT AUDITOR'S REPORT

To the Members of RELIANCE CHEMICALS LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **RELIANCE CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 , its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Board report, 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management Responsibility 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, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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 Act, 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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 sub-section (11) of Section 143 of the Act, we give in the "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, 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 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 Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors as on March 31 , 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 , 2019, 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting with reference to these financial statements;

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 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 litigations which would impact on its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date : 11th April, 2019

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE CHEMICALS LIMITED

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

i) As the Company has no fixed assets during the year, clause (i) (a) to clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.

ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

iv) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. According to the Information and explanation given to us, Company has complied with the provisions of Section 186 of the Act, in respect of Investments, loans, guarantee or security given.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by 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, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it have been regularly deposited with 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, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of provident fund, employees’ state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it which have not been deposited as on 31st March, 2019 on account of any dispute.

viii) The Company has not raised any loans from financial institutions or banks or government or debenture holders. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or 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, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

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 and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under Section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date : 11th April, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE CHEMICALS LIMITED

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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 CHEMICALS LIMITED** ("the Company") as of March 31, 2019 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference To These Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 issued by ICAI.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date : 11th April, 2019

Balance Sheet as at 31st March, 2019

(Amount ₹)

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Financial Assets			
Investments	1	2604 90 89 450	2604 90 89 450
Total Non-Current Assets		**2604 90 89 450**	**2604 90 89 450**
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents	2	6 27 040	6 67 615
Other Current Assets	3	10 000	-
Total Current Assets		**6 37 040**	**6 67 615**
Total Assets		**2604 97 26 490**	**2604 97 57 065**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	4	1 01 06 000	1 01 06 000
Other Equity	5	2603 93 92 024	2603 93 27 122
Total Equity		**2604 94 98 024**	**2604 94 33 122**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Trade Payables Due to:	6		
Micro and Small Enterprise		-	-
Other than Micro and Small Enterprise		36 000	1 25 351
Other Current Liabilities	7	1 92 466	1 98 592
Total Current Liabilities		**2 28 466**	**3 23 943**
Total Liabilities		**2 28 466**	**3 23 943**
Total Equity and Liabilities		**2604 97 26 490**	**2604 97 57 065**
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 19		

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashutosh Jethlia
Partner
Membership No. :136007

Mumbai
Dated : April 11, 2019

For and on behalf of the Board

S. Sudhakar
Chairman

S. Rajagopal
Director

KVVS Murthy
Director

Vidya Dharra
Secretarial Officer

Statement of Profit and Loss for the year ended 31st March, 2019

(Amount ₹)

	Notes	2018-19	2017-18
INCOME			
REVENUE FROM OPERATION			
Value of Sales	8	1 39 833	1 98 723
Total Income		**1 39 833**	**1 98 723**
EXPENSES			
Purchase of Stock-in-Trade		1 39 459	1 95 043
Other Expenses	9	24 35 472	24 04 150
Total Expenses		**25 74 931**	**25 99 193**
Profit / (Loss) Before Tax		(24 35 098)	(24 00 470)
Tax Expenses			
Current Tax		-	-
Profit / (Loss) for the Year		**(24 35 098)**	**(24 00 470)**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(24 35 098)**	**(24 00 470)**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	10	(2.41)	(2.38)
Diluted (in ₹)	10	(2.41)	(2.38)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 19		

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashutosh Jethlia
Partner
Membership No. :136007

Mumbai
Dated : April 11, 2019

For and on behalf of the Board

S. Sudhakar
Chairman

S. Rajagopal
Director

KVVS Murthy
Director

Vidya Dharra
Secretarial Officer

Statement of changes in Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

(Amount ₹)

Balance as at 1st April 2017	Change during the year 2017-18	Balance as at 31st March, 2018	Change during the year 2018-19	Balance as at 31st March, 2019
1 01 06 000	-	1 01 06 000	-	1 01 06 000

B. OTHER EQUITY (Amount ₹)

	Instruments classified as Equity	Reserve and Surplus			Total
		Capital Redemption Reserve	Securities Premium	Retained Earnings	
As at 31st March, 2018					
Balance at beginning of reporting period	7 00 18 500	1 33 15 000	1709 21 81 500	886 37 12 592	2603 92 27 592
Unsecured Zero Coupon Optionally Convertible Loan	25 00 000	-	-	-	25 00 000
Total Comprehensive Income for the year	-	-	-	(24 00 470)	(24 00 470)
Balance at the end of the reporting period	**7 25 18 500**	**1 33 15 000**	**1709 21 81 500**	**886 13 12 122**	**2603 93 27 122**
As at 31st March, 2019					
Balance at beginning of reporting period	7 25 18 500	1 33 15 000	1709 21 81 500	886 13 12 122	2603 93 27 122
Unsecured Zero Coupon Optionally Convertible Loan	25 00 000	-	-	-	25 00 000
Total Comprehensive Income for the year	-	-	-	(24 35 098)	(24 35 098)
Balance at the end of the reporting period	**7 50 18 500**	**1 33 15 000**	**1709 21 81 500**	**885 88 77 024**	**2603 93 92 024**

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashutosh Jethlia
Partner
Membership No. :136007

Mumbai
Dated : April 11, 2019

For and on behalf of the Board

S. Sudhakar
Chairman

S. Rajagopal
Director

KVVS Murthy
Director

Vidya Dharra
Secretarial Officer

Cash Flow Statement for the year ended 31st March, 2019

		2018-19	2017-18
			(Amount ₹)
		2018-19	**2017-18**
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax as per Statement of Profit and Loss	(24 35 098)	(24 00 470)
	Adjusted for :		
		-	-
	Operating Loss before Working Capital Changes	**(24 35 098)**	**(24 00 470)**
	Adjusted for :		
	Trade and Other Receivables	(10 000)	-
	Trade and Other Payables	(95 477)	1 21 583
	Cash used in Operations	**(25 40 575)**	**(22 78 887)**
	Taxes Paid (Net)	-	-
	Net Cash Flow used in Operating Activities	**(25 40 575)**	**(22 78 887)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net Cash Flow used in Investing Activities	**-**	**-**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Zero Coupon Optionally Convertible Loan	25 00 000	25 00 000
	Net Cash Flow from Financing Activities	**25 00 000**	**25 00 000**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(40 575)**	**2 21 113**
	Opening Balance of Cash and Cash Equivalents	**6 67 615**	**4 46 502**
	Closing Balance of Cash and Cash Equivalents (Refer Note 2)	**6 27 040**	**6 67 615**

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashutosh Jethlia
Partner
Membership No. :136007

Mumbai
Dated : April 11, 2019

For and on behalf of the Board

S. Sudhakar
Chairman

S. Rajagopal
Director

KVVS Murthy
Director

Vidya Dharra
Secretarial Officer

Notes to the Financial Statements for the year ended 31st March, 2019

A. CORPORATE INFORMATION

Reliance Chemicals Limited ['the company'] is an unlisted entity incorporated in India. The registered office of the Company is located at 13th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021. The Company is mainly engaged in the business of Wholesale Trading of Goods and Investment in shares & securities.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

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

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 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the company.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

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) Finance Cost

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

(c) 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 and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of Inventories are determined on weighted average basis.

(d) Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements for the year ended 31st March, 2019

(e) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current Tax

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

Deferred Tax

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

Deferred tax liabilities 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.

(f) 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 spot 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(g) Revenue recognition

Revenue from contracts with customers is recognised 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 has generally concluded that it is the principal in its revenue arrangement, because it typically control the goods or services before transferring them to the customer.

Generally, control is transfer 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 recognised 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 recognized when the 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.

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 asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company’s right to receive the payment has been established.

Notes to the Financial Statements for the year ended 31st March, 2019

(h) Financial instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added 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. Investment in Holding and Subsidiaries

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost less impairments loss (if any).

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment assessment 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 trade receivables company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial liabilities

A. Initial recognition and measurement

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

B. Subsequent measurement

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

Notes to the Financial Statements for the year ended 31st March, 2019

iii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

C. CRITICAL ACCOUNTING JUDGEMENTS 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 require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(c) Impairment of 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.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 -Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01,2019.

a) Issue of Ind AS 116 - Leases

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Inds AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

b) Amendment to Existing Standard

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101 - First time adoption of Indian Accounting Standards

ii. Ind AS 103 - Business Combinations

iii. Ind AS 109 - Financial Instruments

iv. Ind AS 111 - Joint Arrangements

v. Ind AS 12 - Income Taxes

vi. Ind AS 19 - Employee Benefits

vii. Ind AS 23 - Borrowing Costs

viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes to the Financial Statements for the year ended 31st March, 2019

(Amount ₹)

		As at 31st March, 2019		As at 31st March, 2018	
		Units	**Amount**	**Units**	**Amount**
1.	**INVESTMENTS - NON-CURRENT**				
	Investments measured at Cost				
	In Equity Shares of Ultimate Holding Company Quoted, fully paid up				
	Reliance Industries Limited of ₹ 10 each	62,239,998	**2451 39 89 450**	62,239,998	**2451 39 89 450**
	In Preference shares of Fellow Subsidiary Companies Unquoted, fully paid up				
	11% Non-Cumulative Optionally Convertible Preference Shares of				
	Reliance Universal Enterprises Limited of ₹ 10 each	307,020	**153 51 00 000**	307,020	**153 51 00 000**
	Total of Investments measured at Cost		**2604 90 89 450**		**2604 90 89 450**
	Total Investments - Non-Current		**2604 90 89 450**		**2604 90 89 450**
	Aggregate amount of Quoted Investments		2451 39 89 450		2451 39 89 450
	Market Value of Quoted Investments		8484 86 77 274		5493 92 46 235
	Aggregate amount of Unquoted Investments		153 51 00 000		153 51 00 000

(Amount ₹)

		As at 31st March, 2019	As at 31st March, 2018
2.	**CASH AND CASH EQUIVALENTS**		
	Balances with Bank	6 27 040	6 67 615
	Cash and Cash Equivalents as per Balance Sheet	**6 27 040**	**6 67 615**
	Cash and Cash Equivalents as per Cash Flow Statement	**6 27 040**	**6 67 615**

(Amount in ₹)

		As at 31st March, 2019	As at 31st March, 2018
3.	**OTHER FINANCIAL ASSETS-CURRENT**		
	Deposit	10 000	-
	Total	**10 000**	**-**

Notes to the Financial Statements for the year ended 31st March, 2019

(Amount ₹)

	As at 31st March, 2019		As at 31st March, 2018	
	Units	**Amount**	**Units**	**Amount**
4. SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10 each	10,50,000	1 05 00 000	10,50,000	1 05 00 000
Preference Shares of ₹ 10 each	1,20,00,000	12 00 00 000	1,20,00,000	12 00 00 000
		13 05 00 000		**13 05 00 000**
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 10 each fully paid up	10,10,600	1 01 06 000	10,10,600	1 01 06 000
Total		**1 01 06 000**		**1 01 06 000**

4.1 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

	As at 31st March, 2019		As at 31st March, 2018	
Name of the Shareholder	**No. of Shares**	**% held**	**No. of Shares**	**% held**
Holding Company : Equity Shares				
Reliance Industrial Investments and Holdings Limited	10,10,600	100.00	10,10,600	100.00

4.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

	As at 31st March, 2019	As at 31st March, 2018
Particulars	**No. of Shares**	**No. of Shares**
Equity Shares at the beginning of the year	10,10,600	10,10,600
Add : Shares issued during the year	-	-
Equity Shares at the end of the year	**10,10,600**	**10,10,600**

4.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES:

The company has only one class of equity shares having par value of ₹ 10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed, if any, by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amount, in proportion to the number of equity shares held.

Notes to the Financial Statements for the year ended 31st March, 2019

(Amount ₹)

		As at 31st March, 2019		As at 31st March, 2018
5. OTHER EQUITY				
Instruments classified as Equity				
10% Non-Cumulative Optionally-Convertible Preference Shares				
As per last Balance Sheet		**6 56 18 500**		**6 56 18 500**
Unsecured Zero Coupon Optionally Convertible Loan				
As per last Balance Sheet	69 00 000		44 00 000	
Add: Taken during the year	25 00 000		25 00 000	
		94 00 000		**69 00 000**
Reserve and Surplus				
Capital Redemption Reserve				
As per last Balance Sheet		**1 33 15 000**		**1 33 15 000**
Securities Premium				
As per last Balance Sheet		**1709 21 81 500**		**1709 21 81 500**
Retained Earnings				
As per last Balance Sheet	886 13 12 122		886 37 12 592	
Profit/(Loss) for the year	(24 35 098)		(24 00 470)	
		885 88 77 024		**886 13 12 122**
Total		**2603 93 92 024**		**2603 93 27 122**

5.1 50,92,700 Nos and 1,24,450 Nos. of 10% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each issued to Reliance Aromatics and Petrochemicals Limited and Reliance Polyolefins Limited (fellow subsidiary Companies), these Preference Shares are redeemable at the option of the Company, at the end of thirteen years from the date of allotment i.e. 30-03-2007, by giving not less than seven days notice to the holder of the Preference Shares, at a premium of ₹ 1,990 per share. The Company (Issuer) will have an option for early conversion at any time by giving one month notice to the Preference Shareholder. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at March 31, 2015.

13,44,700 Nos of 10% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each issued to Reliance World Trade Private Limited (a fellow subsidiary company) convertible at the end of ten years from the respective dates of allotment i.e. 07.01.2010 & 13.01.2010 at a price of ₹ 5000 per share at the option of the Company [Issuer] or at any time after the date of allotment by giving one month notice on higher of book value [₹ 8797.96 per share] or face value [₹ 10/- per share] as at March 31, 2015.

5.2 The Zero Coupon Optionally Convertible Loan [ZCOC Loan] from Reliance Strategic Investments Limited (a fellow subsidiary) is fully convertible into equity shares of ₹ 10/- each at par, at the option of the Company. The outstanding amount of Loan, if not opted for conversion shall be repayable, at the end of 10 years from the date of first disbursement i.e., 22.04.2016 or such other period as may be mutually agreed between the Borrower and the Lender.

5.3 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

	As at 31st March, 2019		As at 31st March, 2018	
Name of the Shareholder	**No. of Shares**	**% held**	**No. of Shares**	**% held**
Fellow Subsidiary Companies : Preference Shares				
Reliance Aromatics and Petrochemicals Limited	5,092,700	77.61	5,092,700	77.61
Reliance World Trade Private Limited	1,344,700	20.49	1,344,700	20.49

Notes to the Financial Statements for the year ended 31st March, 2019

5.4 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

Particulars	As at 31st March, 2019 No. of Shares	As at 31st March, 2018 No. of Shares
Preference Shares at the beginning of the year	6,561,850	6,561,850
Add : Shares issued during the year	-	-
Preference Shares at the end of the year	**6,561,850**	**6,561,850**

5.5 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES:

All the Preference Shares shall carry a preferential right over the equity shares of the company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the Annual General Meeting.

(Amount ₹)

	As at 31st March, 2019	As at 31st March, 2018
6. TRADE PAYABLES DUE TO		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	36 000	1 25 351
Total	**36 000**	**1 25 351**

6.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

(Amount ₹)

	As at 31st March, 2019	As at 31st March, 2018
7. OTHER CURRENT LIABILITIES		
Other Payables ^	1 92 466	1 98 592
Total	**1 92 466**	**1 98 592**

^ Includes Statutory Dues.

(Amount ₹)

	2018-19	2017-18
8. VALUE OF SALES		
Sale of Fabrics	1 39 833	1 98 723
Total	**1 39 833**	**1 98 723**

(Amount ₹)

	2018-19	2017-18
9. OTHER EXPENSES		
Establishment Expenses		
Professional Fees ^	23 52 820	23 78 632
General Expenses	2 886	734
Rates & Taxes	4 956	6 714
Demat / Custodian charges	21 830	2 070
Payment to Auditors	52 980	16 000
Total	**24 35 472**	**24 04 150**

^ Professional fees includes payment to Key Managerial Personnel ₹ 18 84 662 (Previous year ₹ 18 84 666)

Notes to the Financial Statements for the year ended 31st March, 2019

(Amount ₹)

	Particulars	2018-19	2017-18
9.1	**Payment to Auditors as:**		
	Statutory Audit Fees*	40 000	16 000
	Certification fees #	12 980	-
	Total	**52 980**	**16 000**

* Excluding taxes

Certification fees includes certification fees paid to auditors towards certification of XBRL filings.

		2018-19	2017-18
10.	**EARNINGS PER SHARE**		
	Face Value per Equity Share (₹)	10	10
	Basic Earnings per share (₹)	(2.41)	(2.38)
	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(24 35 098)	(24 00 470)
	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10 10 600	10 10 600
	Diluted Earnings per share (₹)*	(2.41)	(2.38)
	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(24 35 098)	(24 00 470)
	Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	36 63 131	34 09 706
	Reconciliation of weighted average number of shares outstanding		
	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10 10 600	10 10 600
	Effect of dilution:		
	Optionally Convertible Preference Shares	19 50 202	19 50 202
	Optionally Convertible Loans	7 02 329	4 48 904
	Total Weighted Average Potential Equity Shares	26 52 531	23 99 106
	Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	36 63 131	34 09 706

* Diluted earnings per share is same as basic earnings per share, since the potential equity share are anti dilutive.

11. The Income-Tax assessments u/s 143(1) of the Company have been completed up to Assessment Year 2016-17. The disputed demand outstanding up to the said Assessment Year is ₹ Nil.

12. Deferred tax assets (net) as at Balance Sheet date consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts .

(Amount ₹)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets		
Carried forward Losses	23 70 075	19 52 344
	23 70 075	**19 52 344**

Notes to the Financial Statements for the year ended 31st March, 2019

13. 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 relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Aromatics and Petrochemicals Limited	Fellow Subsidiary Companies
4	Reliance Polyolefins Limited	
5	Reliance World Trade Private Limited	
6	Reliance Universal Enterprises Limited	
7	Reliance Strategic Investments Limited	
8	Ms. Vidya Dharra	Key Managerial Personnel

ii) Transactions during the year with Related Parties: (Amount ₹)

Sr. No.	Nature of Transactions (Excluding Reimbursments)	Ultimate Holding Company	Holding Company	Key Managerial Personnel	Fellow Subsidiary Companies	Total
1	ZCOC Loans taken / (repaid)	-	-	-	25 00 000	25 00 000
		-	-	-	*25 00 000*	*25 00 000*
2	Purchases	1 39 459	-	-	-	1 39 459
		1 95 043	-	-	-	*1 95 043*
3	Professional Fees	1 01 250	8 000	-	-	1 09 250
		1 01 250	-	-	-	*1 01 250*
4	Payment to Key Managerial Personnel	-	-	18 84 662	-	18 84 662
		-	-	*18 84 666*	-	*18 84 666*
Balances as at 31st March, 2019						
1	Investments	2451 39 89 450	-	-	153 51 00 000	2604 90 89 450
		2451 39 89 450	-	-	*153 51 00 000*	*2604 90 89 450*
2	ZCOC Loans	-	-	-	94 00 000	94 00 000
		-	-	-	*69 00 000*	*69 00 000*
3	Trade Payable	-	-	-	-	-
		1 09 351	-	-	-	*1 09 351*

Note : Figures in Italic represents Previous Year's amount

iii) Disclosure in Respect of Related Party Transactions during the year:

(Amount ₹)

Sr. No.	Particulars	Relationship	2018-19	2017-18
1	**Net Loans taken / (repaid)**			
	Reliance Strategic Investments Limited	Fellow Subsidiary	25 00 000	25 00 000
2	**Purchases**			
	Reliance Industries Limited	Ultimate Holding Company	1 39 459	1 95 043
3	**Professional Fees**			
	Reliance Industries Limited	Ultimate Holding Company	1 01 250	1 01 250
	Reliance Industrial Investments and Holdings Limited	Holding Company	8 000	-
4	**Payment to Key Managerial Personnel**			
	Ms. Vidya Dharra	Payment to Key Managerial Personnel	18 84 662	18 84 666

Note : Professional fees towards key managerial personnel reimbursed to Reliance Industries Limited.

Notes to the Financial Statements for the year ended 31st March, 2019

14. SEGMENT INFORMATION

The Company operating segments are established on the basis of those components which are evaluated regularly by the Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of activities and the differing risks and returns.

The Company has two principal operating and reporting segments; viz. Finance & Investments and Trading as follows:

a) The Finance and Investment segment, which comprises of loans, investments and borrowings of the Company.

b) The Trading segment, denotes wholesale trading of Fabrics undertaken by the company.

c) No operating segments have been aggregated to form the above reportable operating segments.

d) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Year ended 31st March, 2019 (Amount ₹)

Sr.No.	Particulars	Finance & Investments	Trading	Unallocable	Total
1	**Segment Revenue**				
	External Turnover	-	1 39 833	-	1 39 833
	Total Revenue	**-**	**1 39 833**	**-**	**1 39 833**
2	**Income / (expenses)**				
	Depreciation and amortisation	-	-	-	-
3	**Segment Profit**	(21 830)	374	(24 13 642)	(24 35 098)
	Less : Current tax	-	-	-	-
	Less : Deferred tax	-	-	-	-
	Profit after tax	**(21 830)**	**374**	**(24 13 642)**	**(24 35 098)**
4	**Total Assets**	**2604 90 89 450**	**-**	**6 37 040**	**2604 97 26 490**
5	**Total Liabilities**	**-**	**-**	**2 28 466**	**2 28 466**
6	**Other disclosures**				
	Capital Expenditure	-	-	-	-

Year ended 31st March, 2018 (Amount ₹)

Sr No	Particulars	Finance & Investments	Trading	Unallocable	Total
1	**Segment Revenue**				
	External Turnover	-	1 98 723	-	1 98 723
	Total Revenue	**-**	**1 98 723**	**-**	**1 98 723**
2	**Income / (expenses)**				
	Depreciation and amortisation	-	-	-	-
3	**Segment Profit**	(2 070)	3 680	(24 02 080)	(24 00 470)
	Less : Current tax	-	-	-	-
	Less : Deferred tax	-	-	-	-
	Profit after tax	**(2 070)**	**3 680**	**(24 02 080)**	**(24 00 470)**
4	**Total Assets**	**2604 90 89 450**	**-**	**6 67 615**	**2604 97 57 065**
5	**Total Liabilities**	**-**	**-**	**3 23 943**	**3 23 943**
6	**Other disclosures**				
	Capital Expenditure	-	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2019

Reconciliations to amounts reflected in the financial statements (Amount ₹)

Reconciliation of profit	**2018-19**	**2017-18**
Segment profit	(24 35 098)	(24 00 470)
Profit / (Loss) Before Tax	**(24 35 098)**	**(24 00 470)**

Reconciliation of assets	**As at 31st March, 2019**	**As at 31st March, 2018**
Segment operating assets	2604 97 26 490	2604 97 57 065
Total assets	**2604 97 26 490**	**2604 97 57 065**
Segment operating liabilities	2 28 466	3 23 943
Total liabilities	**2 28 466**	**3 23 943**

Notes :

1) Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.
2) Entire Revenue is from sale to its largest customer. No other single customer contributed 10% or more to the Company's revenue for both 2018-19 and 2017-18.

15. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

22. FINANCIAL INSTRUMENTS

Valuation

All financial instruments are measured at amortised cost as described below:

Fair value measurement hierarchy

(Amount ₹)

	As at 31st March, 2019				As at 31st March, 2018			
		Levels of Input used in				Levels of Input used in		
Particulars	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**
Financial Assets								
At Amortised Cost								
Cash and Cash Equivalents	6 37 040	-	-	-	6 67 615	-	-	-
Financial Liabilities								
At Amortised Cost								
Trade Payables	36 000	-	-	-	1 25 351	-	-	-

The financial instruments are categorised 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;

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

Level 3: Inputs based on unobservable market data.

Notes to the Financial Statements for the year ended 31st March, 2019

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company’s activities in investments, dealing in derivatives and outstanding receivables from customers.

Liquidity Risk

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments. Prudent liquidity risk management implies maintaining sufficient cash / marketable securities and matching maturity profiles of financial assets and financial liabilities.

Management 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.

17. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

Investments made is given under the said head

No Loans and Guarantees are given by the Company as at 31st March, 2019

18. The Figures of the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

19. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on April 11, 2019.

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashutosh Jethlia
Partner
Membership No. :136007

Mumbai
Dated : April 11, 2019

For and on behalf of the Board

S. Sudhakar
Chairman

S. Rajagopal
Director

KVVS Murthy
Director

Vidya Dharra
Secretarial Officer