

Reliance Sibur Elastomers Private Limited
Financial Statements
2020-21

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 March 31 2021, 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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, 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 such 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.

Responsibility 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India,

including the Indian Accounting Standards (Ind AS) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 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 with reference to financial statements 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.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2020, prepared in accordance with Indian Accounting Standards, included in these Financial Statements, have been audited by the predecessor auditor. The report of the predecessor auditors on the comparative financial information dated April 24, 2020 expressed an unmodified opinion.

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 1" 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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 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 litigations which would impact 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 D T S & Associates LLP
Chartered Accountants
ICAI Firm registration number:
142412W/W100595

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:
324982E/E300003

Anuj Bhatia
Partner
Membership No.: 122179
UDIN: 21122179AAAAAX3960
Place: Mumbai
Date: April 28, 2021

Vishal Bansal
Partner
Membership No.: 097546
UDIN: 21097546AAAACC9695
Place: Mumbai
Date: April 28, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RELIANCE SIBUR ELASTOMERS PRIVATE LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (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) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) Since the Company has not commenced commercial production of Butyl Rubber and Halogenated Butyl Rubber, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and services tax, duty of custom, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute. The provisions relating to employees' state insurance are not applicable to the Company.

In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowing dues to government or dues to debenture holders during the year.
- (viii) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments and money raised against term loans have been utilized for the purposes for which they were raised.

- (ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (x) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xi) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For D T S & Associates LLP
Chartered Accountants
ICAI Firm registration number:
142412W/W100595

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:
324982E/E300003

Anuj Bhatia
Partner
Membership No.: 122179
UDIN: 21122179AAAAAX3960
Place: Mumbai
Date: April 28, 2021

Vishal Bansal
Partner
Membership No.: 097546
UDIN: 21097546AAAACC9695
Place: Mumbai
Date: April 28, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE SIBUR ELASTOMERS PRIVATE LIMITED

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

We have audited the internal financial controls with reference to financial statements of Reliance Sibur Elastomers Private Limited ("the Company") as of March 31, 2021 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 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 the 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, as amended ("the Act")

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls 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 with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 the ICAI.

For D T S & Associates LLP
Chartered Accountants
ICAI Firm registration number:
142412W/W100595

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:
324982E/E300003

Anuj Bhatia
Partner
Membership No.: 122179
UDIN: 21122179AAAAAX3960
Place: Mumbai
Date: April 28, 2021

Vishal Bansal
Partner
Membership No.: 097546
UDIN: 21097546AAAACC9695
Place: Mumbai
Date: April 28, 2021

Reliance Sibur Elastomers Private Limited
Balance Sheet as at 31st March, 2021

	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Capital Work-in-Progress	1	4244 03.36	4152 36.13
Intangible Assets under Development		83 05.44	82 92.48
Financial Assets			
Investments	2	0.32	0.32
Deferred tax Assets (Net)	3	1.88	-
Other Non Current Assets	4	241 53.38	233 61.18
Total Non-Current Assets		4568 64.38	4468 90.11
Current Assets			
Inventories	5	106 41.55	75 40.76
Financial Assets			
Investments	6	18 40.76	30 89.55
Trade Receivables	7	72 30.03	10 70.74
Cash and Cash Equivalents	8	6 28.22	1 09.79
Other Financial Assets	9	29 03.16	52.04
Other Current Assets	10	260 37.16	236 86.00
Total Current Assets		492 80.88	355 48.88
Total Assets		5061 45.26	4824 38.99
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	2354 53.02	1929 53.02
Other Equity	12	1 26.76	1 24.01
Total Equity		2355 79.78	1930 77.03
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	2338 56.74	2096 88.25
Provisions	14	1 10.31	1 02.67
Total Non-Current Liabilities		2339 67.05	2097 90.92
Current Liabilities			
Financial Liabilities			
Borrowings	15	-	11,000.00
Trade Payables Due to :			
Micro and small enterprises	16	5.28	8.37
Other than micro and small enterprises		161 44.90	64 03.81
Other Financial Liabilities	17	158 65.96	605 38.21
Other Current Liabilities	18	45 23.47	15 74.44
Provisions	19	58.82	46.21
Total Current Liabilities		365 98.43	795 71.04
Total Liabilities		2705 65.48	2893 61.96
Total Equity and Liabilities		5061 45.26	4824 38.99

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 34

For D T S & Associates LLP
Chartered Accountants
(Registration No. 142412W/W100595)

Anuj Bhatia
Partner
Membership No. 122179

For S R B C & CO LLP
Chartered Accountants
(Registration No. 324982E/E300003)

Vishal Bansal
Partner
Membership No. 097546

For and on behalf of the Board

Pawan Kumar Kapil
Sudhakar Saraswatula
Ajay Shah
Virendra Rathod
Vadim Lishchinskiy
Marina Medvedeva
Puneet Madan

} Director

Dhiren Dalal
Shiv Kumar Bhardwaj

} Independent Director

Pankaj Dadhich - Chief Financial Officer
Kanchan Chakrabarti - Chief Executive Officer

Bhavik Gala - Company Secretary

Dated : 28th April, 2021

Reliance Sibur Elastomers Private Limited
Statement of Profit and Loss for the year ended 31st March, 2021

	Notes	<u>2020-21</u>	(₹ in Lakh) <u>2019-20</u>
INCOME			
Value of Sales		500.21	62 86.26
Less: GST Recovered		<u>78.20</u>	<u>9 59.05</u>
Revenue from Operations		422.01	53 27.21
Other Income	20	6.64	30.27
Total Income		<u><u>4 28.65</u></u>	<u><u>53 57.48</u></u>
EXPENSES			
Purchases of Stock-in-Trade		4 07.77	48 71.47
Changes in Inventories of Stock-in-Trade	21	1.57	3 46.88
Other Expenses	22	26.76	72.41
Total Expenses		<u><u>4 36.10</u></u>	<u><u>52 90.76</u></u>
Profit/ (Loss) Before Tax		(7.45)	66.72
Tax Expenses			
Current Tax (Relating to previous year)	23	(8.32)	3 61.90
Deferred Tax		<u>(1.88)</u>	<u>-</u>
Profit /(Loss) for the Year		<u><u>(10.20)</u></u>	<u><u>3 61.90</u></u>
Other Comprehensive Income		2.75	(2 95.18)
Total Comprehensive Income for the year		<u><u>2.75</u></u>	<u><u>(2 95.18)</u></u>
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	24	0.00	(0.02)

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 34
As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
(Registration No. 142412W/W100595)

For S R B C & CO LLP
Chartered Accountants
(Registration No. 324982E/E300003)

Anuj Bhatia
Partner
Membership No. 122179

Vishal Bansal
Partner
Membership No. 097546

For and on behalf of the Board

Pawan Kumar Kapil
Sudhakar Saraswatula
Ajay Shah
Virendra Rathod
Vadim Lishchinskiy
Marina Medvedeva
Puneet Madan

} Director

Dhiren Dalal
Shiv Kumar Bhardwaj

} Independent Director

Pankaj Dadhich - Chief Financial Officer
Kanchan Chakrabarti-Chief Executive Officer

Bhavik Gala - Company Secretary

Dated : 28th April, 2021

Reliance Sibur Elastomers Private Limited
Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

(₹ in Lakh)

	Balance as at 1st April, 2019	Changes during the year 2019-20	Balance as at 31st March, 2020	Changes during the year 2020-21	Balance as at 31st March, 2021
	1644 53.02	285 00.00	1929 53.02	425 00.00	2354 53.02

B. Other Equity

(₹ in Lakh)

Particulars	Balance as at 1st April, 2019	Total Comprehensive Income for the year	Balance as at 31st March, 2020
As on 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

(₹ in Lakh)

Particulars	Balance as at 1st April, 2020	Total Comprehensive Income for the year	Balance as at 31st March, 2021
As at 31st March, 2021			
Reserves and Surplus			
Retained Earnings	1 24.01	2.75	1 26.76
Total	1 24.01	2.75	1 26.76

As per our Report of even date

For D T S & Associates LLPChartered Accountants
(Registration No. 142412W/W100595)**Anuj Bhatia**Partner
Membership No. 122179**For S R B C & CO LLP**Chartered Accountants
(Registration No. 324982E/E300003)**Vishal Bansal**Partner
Membership No. 097546**For and on behalf of the Board**Pawan Kumar Kapil
Sudhakar Saraswatula
Ajay Shah
Virendra Rathod
Vadim Lishchinskiy
Marina Medvedeva
Puneet Madan

Director

Dhiren Dalal
Shiv Kumar Bhardwaj

Independent Director

Pankaj Dadhich - Chief Financial Officer
Kanchan Chakrabarti - Chief Executive Officer

Bhavik Gala - Company Secretary

Dated : 28th April, 2021

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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 integrated Butyl Rubber Plant and Halo Butyl Rubber Plant ('Project') at Jamnagar, Gujarat, India.

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, amended from time to time.

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

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

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.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

(c) Leases

The Company, as a lessee, recognises 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 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 recognises 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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 Intangible Assets Under Development.

(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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

(g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. 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, trial run inventory, 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.

Reliance Sibur Elastomers Private Limited**Notes to the Financial Statements for the year ended 31st March, 2021****(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.

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**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

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.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

(l) Tax Expenses

The tax expense for the period comprises of Current Tax and Deferred Income 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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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 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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

(n) 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.

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 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 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.

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract

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 to cash flows on specified dates that represent 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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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.

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 Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

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

(ii) Financial Liabilities

A. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of 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.

(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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

(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) Property Plant And Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. 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

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) Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

D. GLOBAL HEALTH PANDEMIC ON COVID-19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

1 CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Capital Work-in-Progress	4244 03.36	4152 36.13
Intangible Assets under development		
Technical Know-how and License Fee	83 05.44	82 92.48
	<u>4327 08.80</u>	<u>4235 28.61</u>

1.1 The Company is in the process of setting up a integrated Butyl Rubber and Halo Butyl Rubber Plant ('Project') at Jamnagar, Gujarat, India.

1.2 Capital Work in Progress includes :

- (i) ₹ 33 265.82 Lakh (Previous Year ₹ 113 621.87 Lakh) on account of cost of construction material at site.
(ii) ₹ 835 90.02 Lakh (Previous Year ₹ 740 00.95 lakh) on account of Project Development Expenditure.
(iii) ₹ 319 58.42 Lakh (Previous Year ₹ 244 91.80 lakh) on account of interest & finance charges included in project development expenditure.

1.3 Assets include assets charged as security - Refer Note 13

2 INVESTMENTS- NON-CURRENT

Investments measured at Cost

**Investments in Equity Instruments
- Unquoted, fully paid up**

Jamnagar Utilities & Power Private Limited (JUPPL)
(Class "A" Equity Shares of ₹1 each)

Total

Aggregate amount of Unquoted Investments

	As at 31st March, 2021		(₹ in Lakh) As at 31st March, 2020	
	No. of Shares	Amt - Rs in lakhs	No. of Shares	Amt - Rs in lakhs
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

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

3 DEFERRED TAX ASSETS (NET)

The movement on the deferred tax account is as follows

	As at 31st March, 2021	As at 31st March, 2020
At the start of the year	-	-
Charge to Statement of Profit and Loss (Refer Note 23)	1.88	-
Charge to Other Comprehensive Income	-	-
Total	1.88	-

COMPONENT OF DEFERRED TAX (LIABILITIES) / ASSET

	As at 31st March, 2020	Charge/(Credit) to Statement of Profit and Loss	Other Comprehensive Income	As at 31st March, 2021
Deferred tax asset / (liabilities) in relation to:				
Capital Work in Progress & Intangible Assets under Development	-	(14,888.96)	-	(14,888.96)
Tax Losses	-	14,890.83	-	14,890.83
Total	-			1.88

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

	As at 31st March, 2021	As at 31st March, 2020
Capital Advances#	21 07.89	18 21.27
Advance Income Tax (Net of Provision)	1 15.81	1 42.54
Balance with GST Authorities	219 29.68	213 97.17
Deposits	-	0.20
Total	241 53.38	233 61.18

Refer note no. 25

4.1 Advance Income Tax (Net of Provision)

	As at 31st March, 2021	As at 31st March, 2020
At start of year	1 42.54	2.93
Charge for the year - Current Tax	10.20	(3 61.90)
Tax paid (Net) during the year	(36.93)	5 01.51
At end of year	115.81	1 42.54

5 INVENTORIES

	As at 31st March, 2021	As at 31st March, 2020
Stock-in-Trade	-	1.57
Raw Materials (Including Material In Transit)	3 37.87	2 55.32
Stores, Chemicals and Packing Materials	22 83.55	8 79.07
Inventory generated from trial run operation	80 20.13	64 04.79
Total	106 41.55	75 40.76

6 INVESTMENTS - CURRENT

	Units	As at 31st March, 2021 Amount	Units	As at 31st March, 2020 Amount
Investments measured at Fair Value Through Profit or Loss (FVTPL)				
In Mutual Funds - Unquoted				
Aditya Birla Sun Life Money Manager Fund- Growth- Direct Plan	-	-	760,909.61	2,061.48
HDFC Money Market Fund Direct Growth Option	-	-	20,954.38	884.24
Aditya Birla Sun Life Saving Fund- Growth- Direct Plan	-	-	35,883.23	143.83
Nippon India Low Duration Fund-Direct-Growth Option	60,948	18 40.76	-	-
Total Investments - Current		1,840.76		3,089.55
Aggregate amount of Quoted Investments		-		-
Market Value of Quoted Investments		-		-
Aggregate amount of Unquoted Investments		18 40.76		30 89.55

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

7 TRADE RECEIVABLES (Unsecured and Considered Good))	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Trade receivables	72 30.03	10 70.74
Total	72 30.03	10 70.74
8 CASH AND CASH EQUIVALENTS	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Cash and Cash Equivalents:		
In Current Accounts	6 27.21	13.78
In Fixed Deposits	1.01	96.01
Cash and Cash equivalents as per Balance Sheet	6 28.22	1 09.79
Cash and Cash equivalents as per Statement of Cash flows	6 28.22	1 09.79
8.1 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.		
8.2 Fixed deposit with Banks include ₹ 1.01 lakh (Previous year ₹ 1.01 lakh) as deposit with Banks under Lien.		
9 OTHER FINANCIAL ASSETS- CURRENT	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Interest accrued on Deposits	0.04	0.13
Credit note receivables	27 40.45	-
Others	1 62.67	51.91
Total	29 03.16	52.04
10 OTHER CURRENT ASSETS (Unsecured and Considered Good)	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Balance with GST Authorities	248 46.66	231 72.72
Export Incentive Receivables	4 64.12	1 26.50
Claims Receivables	4 39.62	49.90
Others	2 86.76	3 36.88
Total	260 37.16	236 86.00

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

11 SHARE CAPITAL

Authorised Share Capital	As at 31st March, 2021		(₹ in Lakh) As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10 each	2,500,000,000	2500 00.00	2,220,000,000	2220 00.00
Total		2500 00.00		2220 00.00
Issued, Subscribed and Paid-Up				
Equity Shares of ₹ 10 each fully paid up	2,354,530,198	2354 53.02	1,929,530,198	1929 53.02
Total		2354 53.02		1929 53.02

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

Name of the Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (The Holding Company)	1763,543,119	74.90	1445,218,117	74.90
Sibur Investments AG	590,987,079	25.10	484,312,081	25.10

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares		No. of shares	
Equity Shares outstanding at the beginning of the year	1,929,530,198		1,644,530,198	
Add: Equity Shares issued during the year	425,000,000		285,000,000	
Equity Shares outstanding at the end of the year	2,354,530,198		1,929,530,198	

11.3 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.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

12 OTHER EQUITY	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Retained Earnings		
As per Last Balance Sheet	1 24.01	4 19.19
Add: Profit/ (Loss) for the Year	2.75	(2 95.18)
Total	<u>1 26.76</u>	<u>1 24.01</u>

13 BORROWINGS - NON CURRENT	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Secured- At Amortised Cost		
Term Loans from Banks	2338 56.74	2096 88.25
Total	<u>2338 56.74</u>	<u>2096 88.25</u>

13.1 Term loan represents ECB of US\$ 130.00 Million & 200 Million USD equivalent JPY (Previous Year US \$ 330.00 million) against sanctioned Facility of US\$ 330.00 million.

ECB refinancing has been done in Sept-20, new facility of US\$ 130 Million & US\$ 200 Million equivalent JPY.

13.2 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.

13.3 The Company has satisfied all the covenants prescribed in terms of borrowings.

13.4 Interest rates on term loans are in range of 0.66% to 1.80% (Previous Year 2.52% to 4.50%)

13.5 **Maturity Profile of Secured Term Loans are as set out below :**

(₹ in Lakh)				
Maturity Profile as at 31st March, 2021				
	Maturity Profile		Non-Current	Current
	Above 5 years	1-5 years	Total	1 Year
Term Loans- From Banks *	664 35.04	1693 00.68	2357 35.72	-

(₹ 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

* Includes ₹ 18 78.98 lakh (Previous Year ₹ 18 81.10 lakh) as prepaid finance charges

Note : Term loan is repayable by 8 semi-annual instalments starting from March 2023.

14 PROVISIONS - NON-CURRENT	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Provision for Employee Benefits (Refer Note 28)	1 10.31	102.67
Total	<u>1 10.31</u>	<u>102.67</u>

15 BORROWINGS - CURRENT	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
UNSECURED - AT AMORTISED COST		
Unsecured - Loans from Holding Company	-	11,000.00
Total	<u>-</u>	<u>11,000.00</u>

16 TRADE PAYABLES DUE TO	As at 31st March, 2021	(₹ in Lakh) As at 31st March, 2020
Micro and Small Enterprise	5.28	8.37
Other than Micro and Small Enterprise	161 44.90	6,403.81
Total	<u>161 50.18</u>	<u>6,412.18</u>

16.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

17 OTHER FINANCIAL LIABILITIES	(₹ in Lakh)	
	As at <u>31st March, 2021</u>	As at <u>31st March, 2020</u>
Current maturities of long term Debt	-	38,125.15
Interest accrued but not due on borrowings	1 49.20	4 32.56
Creditors for Capital Expenditure*	77 75.36	199 83.05
Fair Valuation of Derivatives	78 63.14	19 61.94
Others	78.26	35.51
Total	<u>158 65.96</u>	<u>605 38.21</u>

* Includes for Micro and Small Enterprise ₹ 3 87.79 Lakhs (Previous year ₹ 2 180.59 Lakhs)

17.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

18 OTHER CURRENT LIABILITIES	(₹ in Lakh)	
	As at <u>31st March, 2021</u>	As at <u>31st March, 2020</u>
Contract Liabilities	15 59.07	1 93.50
Other Payables ^	29 64.40	13 80.94
Total	<u>45 23.47</u>	<u>15 74.44</u>

^ Includes statutory dues ₹ 2 215.12 Lakhs (Previous year ₹ 1 135.00 Lakhs)

19 PROVISIONS - CURRENT	(₹ in Lakh)	
	As at <u>31st March, 2021</u>	As at <u>31st March, 2020</u>
Provision for Employee Benefits (Refer Note 28)	58.82	46.21
Total	<u>58.82</u>	<u>46.21</u>

20 OTHER INCOME	(₹ in Lakh)	
	<u>2020-21</u>	<u>2019-20</u>
Interest Income		
Interest from Deposits	6.64	16.63
Dividend Income	-	0.16
Gain on Financial Assets measured at FVTPL		
Realised Gain	-	17.70
Unrealised (loss)/gain	-	(4.22)
Total	<u>6.64</u>	<u>30.27</u>

21 CHANGES IN INVENTORIES OF STOCK IN TRADE	(₹ in Lakh)	
	<u>2020-21</u>	<u>2019-20</u>
Inventories (at close)		
Stock-in-Trade	-	1.57
Inventories (at commencement)		
Stock-in-Trade	1.57	348.45
Total	<u>1.57</u>	<u>3 46.88</u>

Reliance Sibur Elastomers Private Limited**Notes to the Financial Statements for the year ended 31st March, 2021****22 OTHER EXPENSES**

	<u>2020-21</u>	<u>2019-20</u>
(₹ in Lakh)		
Establishment Expense		
Professional Fees	9.79	17.02
Rates & Taxes	0.57	0.15
Rent Charges	-	7.83
General Expenses	7.80	22.29
Exchange difference (Net)	-	19.37
Payment to Auditors (Refer Note 22.1)	8.00	5.75
Charity and Donation (Refer Note 22.2)	0.60	-
	26.76	72.41
Total	<u>26.76</u>	<u>72.41</u>

(₹ in Lakh)

22.1 Payment to Auditors as:

	<u>2020-21</u>	<u>2019-20</u>
(a) Fees as Auditors	4.90	3.00
(c) Tax Audit Fees	0.75	0.25
(d) Certification and Consultation Fees	2.35	2.50
Total	<u>8.00</u>	<u>5.75</u>

22.2 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 ₹ 0.59 lakh (Previous Year Nil).

b) Expenditure related to Corporate Social Responsibility is ₹ 0.60 lakh (Previous Year Nil).

c) Details of amount spent towards CSR given below:

	<u>2020-21</u>	<u>2019-20</u>
(₹ in Lakh)		
Particulars		
Promoting Education	0.60	-
Total	<u>0.60</u>	<u>-</u>

d) Total ₹ 0.60 lakh for financial year 2020-21 (Previous Year Nil) is spent through Reliance Foundation.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

23 TAXATION

	Year ended 31st March, 2021	(₹ in Lakh) Year ended 31st March, 2020
a) Income Tax recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	-	3 70.95
In respect of the previous year	(8.32)	(9.05)
Deferred Tax	(1.88)	-
Total Income Tax expenses recognised in the current year	(10.20)	3 61.90

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

	Year ended 31st March, 2021	(₹ in Lakh) Year ended 31st March, 2020
Profit before tax	(7.45)	66.72
Applicable Tax Rate	25.168%	25.168%
Computed Tax Expense	(1.88)	16.79
Tax Effect of :		
Expenses Disallowed	-	0.00
Gain on Investment	-	32.65
Others	(10.20)	312.46
Tax expenses recognised in Statement of Profit and Loss	(12.08)	3 61.90
Deferred Tax Provision (B)		
Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Intangible Assets	1.88	-
Tax expenses recognised in Statement of Profit and Loss (A+B)	(10.20)	3 61.90

24 EARNINGS PER SHARE (EPS)

	2020-21	2019-20
i) Face Value per Equity Share (₹)	10.00	10.00
ii) Basic and Diluted Earnings/ (Loss) per Share (₹)	0.00	(0.02)
iii) Net Profit / (Loss) after Tax as per Statement of Profit	2.75	(2 95.18)
iv) Weighted Average number of Equity Shares used as denominator for calculating EPS	2,110,677,739	1,722,399,050

25 RELATED PARTIES DISCLOSURE

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 (upto 21-09-2020)	Key Managerial Personnel
vi)	Shri Dmitry Khirchenko (W.e.f. 01-08-2020)	Key Managerial Personnel
vii)	Reliance Retail Limited	Fellow Subsidiary
viii)	Reliance Petro Marketing Limited	Fellow Subsidiary
ix)	Sikka Ports & Terminals Limited	Holding's Associates
x)	Jamnagar Utilities & Power Private Limited (Formerly known as Reliance Utilities and Power Private Limited)	Holding's Associates
xi)	Reliance Industrial Infrastructure Limited	Holding's Associates
xii)	Sibur International GmbH	Investing Entity's Subsidiary
xiii)	Reliance Projects & Property Management Services Limited	Fellow Subsidiary
xiv)	Reliance BP Mobility Limited	Fellow Subsidiary
xv)	Reliance Jio Infocomm Limited	Fellow Subsidiary
xvi)	Public Joint Stock Company Sibur	Investing Entity's Holding Company

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

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	Investing Entity's Holding Company	Total
1	Proceeds from issue of Equity Share Capital	318 32.50 <i>213 46.50</i>	106 67.50 <i>71 53.50</i>	-	-	-	-	-	425 00.00 <i>285 00.00</i>
2	Short Term Unsecured Term Loan Repaid	(23,800.00) -	-	-	-	-	-	-	(238 00.00) -
2.1	Short Term Unsecured Term Loan Received	12,800.00 <i>11,000.00</i>	-	-	-	-	-	-	128 00.00 <i>11,000.00</i>
3	Purchase of Property, Plant and Equipment, & Raw materials	517 57.19 <i>391 42.36</i>	-	-	3 07.72 <i>9 12.06</i>	42 66.29 <i>54 92.38</i>	-	-	563 31.20 <i>455 46.80</i>
4	Guarantee Commission Expense	2 43.71 <i>223.82</i>	-	-	-	-	-	-	2 43.71 <i>223.82</i>
5	Sale of Project Materials & By-Products	12 16.38 <i>3 37.56</i>	-	-	-	13.08 -	-	-	12 29.46 <i>3 37.56</i>
6	Sale of Products	-	-	-	-	-	52.59 -	49.79 -	1 02.38 -
7	Interest Expense	738.11 <i>13.18</i>	-	-	-	-	-	-	7 38.11 <i>13.18</i>
8	Purchase of Traded Goods	-	-	-	-	-	407.77 <i>42 99.54</i>	-	407.77 <i>42 99.54</i>
9	Agency Commission Expense	1,028.40 -	-	-	-	-	-	473.66 -	15 02.06 -
10	Payment to Key Managerial Personnel	-	-	1 73.14 <i>1 12.09</i>	-	-	-	-	1 73.14 <i>1 12.09</i>

iii) Balances as at 31st March, 2021

(' in Lakh)

	Holding Company	Investing Entity	Key Managerial Personnel	Fellow Subsidiary	Holding's Associates	Investing Entity's Subsidiary	Investing Entity's Holding Company	Total
1 Equity Share Capital	1763 54.32 <i>1445 21.82</i>	590 98.70 <i>484 31.20</i>	-	-	-	-	-	2354 53.02 <i>1929 53.02</i>
2 Short Term Unsecured Term Loan	- <i>11,000.00</i>	-	-	-	-	-	-	- <i>110 00.00</i>
3 Capital Advance Given	15 00.00 <i>15 00.00</i>	-	-	-	-	-	-	15 00.00 <i>15 00.00</i>
4 Trade Payables & Other Liabilities	107 97.87 <i>46 61.38</i>	-	-	3 34.96 <i>.05</i>	8 94.20 <i>113.76</i>	-	-	111 32.83 <i>56 69.39</i>
5 Trade & Other Receivables	12 43.47 <i>10.06</i>	-	-	-	15.44 -	25.65 -	-	12 84.56 <i>10.06</i>
6 Investment	-	-	-	-	0.32 <i>0.32</i>	-	-	0.32 <i>0.32</i>
7 Interest Accrual on Unsecured Short Term Loan	- <i>13.18</i>	-	-	-	-	-	-	- <i>13.18</i>
8 Agency Commission Payable	1,220.94 -	-	-	-	-	-	-	1,220.94 -
9 Performance Guarantee	82 68.37 <i>82 58.24</i>	20 72.82 <i>20 72.82</i>	-	-	-	-	-	103 41.19 <i>103 31.06</i>
10 Corporate Guarantee	2357 35.72 <i>2496 94.50</i>	-	-	-	-	-	-	2357 35.72 <i>2496 94.50</i>

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

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

Particulars	Relationship	(₹ in Lakh)	
		2020-21	2019-20
1 Proceeds from issue of Equity Share Capital			
Reliance Industries Limited	Holding Company	318 32.50	213 46.50
Sibur Investments AG	Investing Entity	106 67.50	71 53.50
2 Purchase of Property, Plant and Equipment & Raw material			
Reliance Industries Limited	Holding Company	517 57.19	389 18.55
Reliance Retail Limited	Fellow Subsidiary	11.10	5.54
Reliance Petro Marketing Limited	Fellow Subsidiary	36.10	9 06.52
Sikka Ports & Terminals Limited	Holding's Associates	97.97	17 69.35
Jamnaagar Utilities & Power Private Limited	Holding's Associates	41 39.31	35 96.17
Reliance Industrial Infrastructure Limited	Holding's Associates	29.01	1 26.86
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	2 52.90	-
Reliance BP Mobility Limited	Fellow Subsidiary	4.37	-
Reliance Jio Infocomm Limited	Fellow Subsidiary	3.25	-
3 Sale of Project Materials & By-products			
Reliance Industries Limited	Holding Company	12 16.38	3 37.56
Sikka Ports & Terminals Limited	Holding's Associates	13.08	-
4 Sale of Products			
Sibur International GMBH	Investing Entity's Subsidiary	52.59	-
5 Purchase of Traded Goods			
Sibur International GMBH	Investing Entity's Subsidiary	4 07.77	42 99.54
6 Payment to Key Managerial Personnel			
Shri Kanchan Chakrabarti #	Key Managerial Personnel	51.92	51.14
Shri Pankaj Dadhich#	Key Managerial Personnel	50.46	49.28
Smt. Vineeta Golchha#	Key Managerial Personnel	6.18	11.66
Shri Dmitry Khirchenko	Key Managerial Personnel	64.58	-
7 Interest Expense			
Reliance Industries Limited	Holding Company	738.11	13.18
8 Guarantee Commission Expense			
Reliance Industries Limited	Holding Company	243.71	223.82
9 Agency Commission Expense			
Public Joint Stock Company Sibur	Investing Entity's Holding Company	473.66	-
Reliance Industries Limited	Holding Company	1,028.40	-
10 Corporate Guarantee			
Reliance Industries Limited	Holding Company	2357 35.72	2496 94.50

Reimbursement to Holding Company towards Remuneration.
Transactions with related parties entities were made on prevailing arm's length price.

25.1 Compensation of Key Managerial Personnel

The remuneration of Director and other member of Key Managerial Personnel during the year was as follows :

	(₹ in Lakh)	
	2020-21	2019-20
i) Short-term benefits	1 64.61	1 05.77
ii) Post employment benefits	8.53	6.32
Total	1 73.14	1 12.09

26 Contingent Liabilities and Commitments

	(₹ in Lakh)	
	As at 31st March, 2021	As at 31st March, 2020
A) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	199 29.15	407 88.35
B) Contingent Liabilities		
Gujarat Green Cess & Bond with Customs Authorities	32.80	11.42

27 Income Tax assessments of the Company have been completed up to Assessment Year 2018-19. There is no disputed demand outstanding up to the said Assessment Year.

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

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

28 Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

Particulars	(₹ in Lakh)	
	2020-21	2019-20
Employer's Contribution to Provident Fund	31.49	17.86
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	17.71	8.69

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

28.1 Defined Benefit Plan

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

	(₹ in Lakh)	
	Gratuity (Un-Funded)	
	2020-21	2019-20
Defined Benefit Obligation at beginning of the year	105.18	-
Add: On Acquisition / Transfer	-	88.71
Current Service Cost	13.59	16.47
Interest Cost	7.19	-
Actuarial (Gain)/ Loss	(12.32)	-
Benefits Paid	(0.53)	-
Defined Benefit Obligation at year end	113.11	105.18

II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

	(₹ in Lakh)	
	Gratuity (Un-Funded)	
	2020-21	2019-20
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	-	-

III. Reconciliation of Fair Value of Assets and Obligations

	(₹ in Lakh)	
	Gratuity (Un-Funded)	
	2020-21	2019-20
Fair Value of Plan Assets	-	-
Present Value of Obligation	(113.11)	(105.18)
Amount recognised in Balance Sheet [Surplus/(Deficit)]	(113.11)	(105.18)

IV. Expenses capitalised during the year

	(₹ in Lakh)	
	Gratuity (Un-Funded)	
	2020-21	2019-20
In Income Statement		
Current Service Cost	13.59	16.47
Past Service Cost	-	88.71
Interest Cost	7.19	-
Return on Plan Assets	-	-
Net Cost for the period	20.78	105.18
In Other Comprehensive Income		
Actuarial (Gain)/ Loss	(12.32)	-
Return on Plan Assets	-	-
Net (Income)/ Expense for the period	(12.32)	-

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

V. Investment Details

	As at 31st March, 2020		As at 31st March, 2021	
	₹ in Lakh	% Invested	₹ in Lakh	% Invested
Insurance Policies	-	-	-	-
GOI Securities	-	-	-	-
Public Securities	-	-	-	-

VI. Actuarial Assumptions

Mortality Table (IALM)	Gratuity (Un-Funded)	
	2020-21 2006-08 (Ultimate)	2019-20 2006-08 (Ultimate)
Discount Rate (per annum)	6.95%	6.84%
Rate of Escalation in Salary (per annum)	6.00%	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. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2020-21.

VIII. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee (₹ in Lakh)

Particulars	31st March, 2021		31st March, 2020	
	Decrease	Increase	Decrease	Increase
Delta Effect of (-/+) 0.5% Change in Rate of Discounting	6.25 5.5%	(5.68) -5.0%	6.08 5.8%	(5.53) -5.3%
Delta Effect of (-/+) 0.5% Change in Rate of Salary Increase	(5.75) -5.1%	6.27 5.5%	(5.60) -5.3%	6.10 5.8%
Mortality Rate (- / + 10% of mortality rates)	(0.01) .0%	0.01 .0%	(0.01) .0%	0.01 .0%
Attrition Rate (- / + 25% of attrition rates)	(0.28) -0.2%	0.26 0.2%	(0.14) -0.1%	0.12 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

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

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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

29 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, 2021	As at 31st March, 2020
Gross Debt (A)	2338 56.74	2588 13.40
Cash and Marketable Securities (B)	24 68.98	31 99.34
Net Debt (C=A-B)	2313 87.76	2556 14.06
Total Equity [As per Balance Sheet] (D)	2355 79.78	1930 77.03
Net Gearing Ratio (C/D)	0.98	1.32

30 FINANCIAL INSTRUMENTS

A. Fair Valuation Measurement Hierarchy

(₹ in Lakh)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	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	72 30.03	-	-	-	1,070.74	-	-	-
Cash and Cash Equivalents	6 28.22				1 09.79			
Other Financial Assets	28 86.44	-	-	-	49.97	-	-	-
At FVTPL								
Investments	18 40.76	18 40.76	-	-	30 89.55	30 89.55	-	-
Other Financial Assets	16.72	-	16.72	-	2.07	-	2.07	-
Financial Liabilities								
At Amortised Cost								
Borrowings	2338 56.74	-	-	-	2206 88.25	-	-	-
Trade Payables	161 50.18	-	-	-	6,412.18	-	-	-
Other Financial Liabilities	80 02.82	-	-	-	585 76.27	-	-	-
At FVTPL								
Other Financial Liabilities	78 63.14	-	78 63.14	-	19 61.94	-	1,961.94	-

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.

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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 carrying value of the remaining financial instruments is equivalent to fair value.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

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, 2021			As at 31st March, 2020		
	USD	Euro	JPY	USD	Euro	JPY
Borrowings*	950 43.00	-	140,692.72	2496 94.50	-	-
Other Payables / Creditors	20 27.40	6 02.28	1 67.06	32 19.80	10 88.34	5 89.18
Trade and Other Receivables	(24 58.15)	-	-	(4 39.46)	-	-
Derivatives						
Forwards	1407 55.22	(3 59.47)	(1407 74.88)	1,202.54	(12 80.79)	(3 01.43)
Exposure	2353 67.47	2 42.81	84.90	2536 77.37	(1 92.45)	287.75

* Includes ₹ 18 78.98 lakh (Previous Year ₹ 18 81.10 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, 2021			As at 31st March, 2020		
	USD	Euro	JPY	USD	Euro	JPY
1% Depreciation in INR						
Impact on Equity	(2,353.67)	(2.43)	(0.85)	(2,536.77)	1.92	(2.88)
Impact on P&L	-	-	-	-	-	-
1% Appreciation in INR						
Impact on Equity	2,353.67	2.43	0.85	2,536.77	(1.92)	2.88
Impact on P&L	-	-	-	-	-	-

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 31st March, 2021		As at 31st March, 2020	
	Borrowings - Floating Rate	2357 35.72		2496 94.50
Derivatives - Interest Rate Swaps	749 37.75		397 24.13	

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

(₹ in Lakh)				
Interest Rate Sensitivity				
	As at 31st March, 2021		As at 31st March, 2020	
	Up Move	Down Move	Up Move	Down Move
Floating Rate Loans	(23 57.36)	23 57.36	(24 96.95)	24 96.95
Interest Rate Swaps	9 46.20	(9 46.20)	10 38.17	(10 38.17)
Impact on Equity	(14 11.16)	14 11.16	(14 58.78)	14 58.78

Reliance Sibur Elastomers Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

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.

(₹ in Lakh)							
Maturity Profile as at 31st March, 2021							
	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Borrowings							
Non-Current*	-	-	-	664 35.04	1028 65.64	664 35.04	2357 35.72
Current	-	-	-	-	-	-	-
Total	-	-	-	66,435.04	102,865.64	66,435.04	2357 35.72
Derivative Liabilities							
Forwards	462.91	49,242.45	-	91,450.27	-	-	141,155.63
Interest Rate Swaps	-	-	21,933.00	53,004.75	-	-	74,937.75
Total	462.91	49,242.45	21,933.00	144,455.02	-	-	216,093.38

* Includes ₹ 18 78.98 lakhs as prepaid finance charges

(₹ in Lakh)							
Maturity Profile as at 31st March, 2020							
	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	-	11,000.00	-	-	-	-	110 00.00
Total	-	302 07.27	192 07.27	768 29.08	768 29.08	576 21.81	2606 94.50
Derivative Liabilities							
Forwards	1,961.89	-	-	-	-	-	1,961.89
Interest Rate Swaps	-	-	-	28,374.38	11,349.75	-	39,724.13
Total	1,961.89	-	-	28,374.38	11,349.75	-	41,686.02

* Includes ₹ 18 81.10 lakhs as prepaid finance charges

Reliance Sibur Elastomers Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

- 31** 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 Maker (being the Board and executive officers of the Company), who is responsible for allocating resources and assessing performance obtains and reviews financial information, considering the Project as a single operation. Accordingly, the Company has single reportable segment under Indian Accounting Standard 108 "Operating Segments".
- 32** The comparative financial information of the Company for the year ended 31 March, 2020 prepared in accordance with Ind AS included in this Financial Statements is based on Financial Statements audited by predecessor joint auditors M/s. Deloitte Haskins & Sells, Chartered Accountants & M/s. Chaturvedi & Shah LLP, Chartered Accountants vide their report dated 24 April, 2020.
- 33** The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

34 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors at its meeting held on 28th April, 2021.

As per our Report of even date

For D T S & Associates LLP
 Chartered Accountants
 (Registration No. 142412W/W100595)

For S R B C & CO LLP
 Chartered Accountants
 (Registration No. 324982E/E300003)

Anuj Bhatia
 Partner
 Membership No. 122179

Vishal Bansal
 Partner
 Membership No. 097546

For and on behalf of the Board

Pawan Kumar Kapil
 Sudhakar Saraswatula
 Ajay Shah
 Virendra Rathod
 Vadim Lishchinskiy
 Marina Medvedeva
 Puneet Madan

} Director

Dhiren Dalal
 Shiv Kumar Bhardwaj

} Independent Director

Pankaj Dadhich - Chief Financial Officer
 Kanchan Chakrabarti - Chief Executive Officer

Bhavik Gala - Company Secretary

Dated : 28th April, 2021