

**Reliance Chemicals and Materials Limited.**  
**Financial Statements**  
**For the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

# Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RELIANCE CHEMICALS AND MATERIALS LIMITED

#### Report on Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Reliance Chemicals and Materials Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, 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 period ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended (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 31st March, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

#### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 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.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Financial Statements and our auditors' 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.

## Independent Auditor's Report

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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.

### **Responsibilities of Management and Those Charged with Governance 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.

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 implementation and maintenance of 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, the 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 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.

## Independent Auditor's Report

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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.

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.

## Independent Auditor's Report

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### Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2020, issued by the Central Government in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as "the Order"), we give in "Annexure B" 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 prescribed 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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 our separate Report in "Annexure A." 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. According to the information and explanations provided to us, the Company has not paid any managerial remuneration during the period.

## Independent Auditor's Report

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- 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 and as represented by the management:
- i. The Company does not have any pending litigations which would have an 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.
  - iv.
    - a) Management has represented that, to the best of its knowledge and belief and as disclosed in the Note no.20 of notes to account, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) Management has represented to us that, to the best of its knowledge and belief and as disclosed in the Note No.20 of notes to account, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2)(h)(iv)(a) & (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the period.

## Independent Auditor's Report

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vi. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

### **For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

### **Sandesh Ladha**

Partner

Membership No.: 047841

UDIN: 23047841BGVNJP2948

Place: Mumbai

Date: 20th April, 2023

## Independent Auditor's Report

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### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF REIANCE CHEMICALS AND MATERIALS LIMITED

(Referred to in paragraph 2(f), under the heading 'Report on Other Legal and Regulatory Requirements' section 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 and Materials Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the period 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial



## Independent Auditor's Report

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controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based

## **Independent Auditor's Report**

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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 Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

### **Sandesh Ladha**

Partner

Membership No.: 047841

UDIN: 23047841BGVNJP2948

Place: Mumbai

Date: 20th April, 2023

## Independent Auditor's Report

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

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

i.

a) According to the information and explanations given to us Company does not have any Property, Plant & Equipment (PPE) and Intangible asset as at end of the reporting period. Therefore, the provisions of Clause (i) (a), (b), (c), (d) of paragraph 3 of the Order is not applicable to the Company.

e) As per the information and explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and rules made thereunder.

ii.

a) During the period, the company had no inventory in its books. Thus, Clause (ii) (a) of paragraph 3 of the Order is not applicable to the company.

b) As per the information and explanations given to us and books of account and records examined by us, no working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets has been sanctioned. Therefore, clause (ii) (b) of Paragraph 3 of the Order is not applicable to the Company.

iii.

As per the information and explanations given to us and books of account and records examined by us, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, during the period under audit to companies, firms, Limited Liability Partnerships or any other parties during the period. Therefore, the provisions of Clause (iii) (a), (b), (c), (d), (e), (f) of Paragraph 3 of the Order is not applicable to the Company.

iv.

The Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, during the period to parties covered under Section 185 and 186 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause (iv) of Paragraph 3 of the Order is not applicable to the Company.

## Independent Auditor's Report

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- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public or amounts which are deemed to be 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 provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. In our opinion and according to the information and explanation and explanations given to us, the requirements for maintenance of cost records by the Company pursuant to Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government under section 148 of the Act is not applicable to the Company for the period under Audit.
- vii. In respect of statutory dues:
- a) According to the records of the Company examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, whichever is applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited as on 31st March, 2023, on account of disputes.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the period.
- ix.
- a. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company does not have any loans or other borrowings and therefore the provisions of Clause (ix)(a) of Paragraph 3 of the Order are not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

## Independent Auditor's Report

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c. According to the information and explanations provided to us, the Company has not raised any term loans, therefore the provisions of Clause (ix)(c) of Paragraph 3 of the Order are not applicable to the Company.

d. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or joint ventures, therefore the provisions of Clause (ix)(e) of Paragraph 3 of the Order are not applicable to the Company.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates or joint ventures, therefore the provisions of Clause (ix)(f) of Paragraph 3 of the Order are not applicable to the Company.

x.

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

b. During the period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of section 42 and section 62 of the Act are not applicable.

xi.

a. 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 has been noticed or reported during the period.

b. According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

## Independent Auditor's Report

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- c. The Company is not required to have Whistle Blower Mechanism under applicable rules and regulation. Further, as represented to us by the management, there are no whistle blower complaints received by the Company during the period.
- xii. In our opinion, the Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, to the extent applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.
- xv. According to the information and explanations given to us, during the period, the Company has not entered into any non-cash transactions with its directors or directors of its Holding Company or persons connected with them and hence the provisions of Section 192 of the Act are not applicable to the Company.
- xvi. a. To the best of our knowledge and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b. In our opinion and according to information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934.
- c. In our opinion and according to information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. The Group does not have any Core Investment Company (CIC) as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.
- xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses amounting to Rs 299.92 lakhs during the period under audit.

## Independent Auditor's Report

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- xviii. There has been no resignation of the statutory auditors during the period. Therefore, the reporting under Clause(xviii) of Paragraph 3 of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 17 of notes to account, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations provided to us and as per Section 135 of the Act, the Company is not required to comply with the CSR requirements. Accordingly, reporting under Clause (xx) of Paragraph 3 of the Order is not applicable.

### **For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

### **Sandesh Ladha**

Partner

Membership No.: 047841

UDIN: 23047841BGVNJP2948

Place: Mumbai

Date: 20th April, 2023

# RELIANCE CHEMICALS AND MATERIALS LIMITED

## Balance Sheet as at March 31, 2023

	Note	(Rs. In Lakh) As at 31st March, 2023
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Capital Work-in-Progress	1	5,217.98
Other Non- Current Assets	2	0.10
<b>Total Non Current Assets</b>		<b><u>5,218.08</u></b>
<b>CURRENT ASSETS</b>		
Financial Assets		
Cash and Cash Equivalents	3	17.22
Other Current Assets	4	2,252.94
<b>Total Current Assets</b>		<b><u>2,270.16</u></b>
<b>Total Assets</b>		<b><u>7,488.24</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	5	4,801.00
Other Equity	6	(299.92)
<b>Total Equity</b>		<b><u>4,501.08</u></b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
<b>Current Liabilities</b>		
Financial Liabilities		
Trade Payables Due to:	7	
Micro and Small Enterprises		-
Other than Micro and Small Enterprises	8	0.54
Other Financial Liabilities	8	2,687.39
Other Current Liabilities	9	299.23
<b>Total Current Liabilities</b>		<b><u>2,987.16</u></b>
<b>Total Liabilities</b>		<b><u>2,987.16</u></b>
<b>Total Equity and Liabilities</b>		<b><u>7,488.24</u></b>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 21	-

As per our Report of even date

For and on behalf of the board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No: 101720W/W100355

**Sandesh Ladha**

Membership No: 047841

Date : 20th April,2023

**Rajkumar Mullick**

Director

DIN:06530175

**Sanjiv Singh**

Director

DIN:05280701

**Venkata Ganesh Ramamurthy**

Director

DIN:09478275

Date : 20th April,2023



**RELIANCE CHEMICALS AND MATERIALS LIMITED**  
**Statement of Profit and Loss for the period 2<sup>nd</sup> November, 2022 to**  
**31<sup>st</sup> March, 2023**

	Note	(Rs. In Lakh) 2nd November,2022 to 31st March,2023
<b>INCOME</b>		
Value of Sales		-
Income from Services		-
<b>Value Of Sales &amp; Services (Revenue)</b>		<u>-</u>
Less : GST Recovered		-
<b>Revenue From Operations</b>		<u>-</u>
Other Income	10	0.04
<b>Total Income</b>		<u><u>0.04</u></u>
<b>EXPENSES</b>		
Other Expenses	11	299.96
<b>Total Expenses</b>		<u><u>299.96</u></u>
<b>Profit/(Loss) Before Exceptional items &amp; Tax</b>		<b>(299.92)</b>
Exceptional item (Net of tax)		-
<b>Profit/(Loss) Before Tax</b>		<b>(299.92)</b>
<b>Tax Expenses:</b>		
Current Tax		-
Deferred Tax		-
Excess current tax provision for earlier year reversed		-
<b>Profit/(Loss) for the period</b>		<u><u>(299.92)</u></u>
<b>Other Comprehensive Income</b>		
a) Items that will not be reclassified to Profit or Loss		-
b) Items that will be reclassified to Profit or Loss		-
Sub Total		-
<b>Total Comprehensive Income</b>		<u><u>(299.92)</u></u>
<b>Earnings per equity share of face value of Rs. 10 each</b>	12	
<b>Basic &amp; Diluted EPS(in Rs.)</b>		<b>(0.62)</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

As per our Report of even date

**1 to 21**

For and on behalf of the board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No: 101720W/W100355

**Sandesh Ladha**

Membership No: 047841

Date : 20th April,2023

**Rajkumar Mullick**

Director

DIN:06530175

**Sanjiv Singh**

Director

DIN:05280701

**Venkata Ganesh Ramamurthy**

Director

DIN:09478275

Date : 20th April,2023

## RELIANCE CHEMICALS AND MATERIALS LIMITED

Statement of Changes in Equity for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023

## A Equity Share Capital

Equity Shares outstanding at the beginning of the reporting period	Allotment during the period	Chages during the period	(Rs. In Lakh)
			Balance as at 31st March, 2023
-	4,801.00	-	4,801.00

## B Other Equity

	Reserves and Surplus			(Rs. In Lakh)
	Application Money pending Allotment	Retained Earnings	Other Comprehensive Income	Total
Balance as at 2nd November 2022	0			-
Add: Share Capital Money received during the period	4801			4,801.00
Less: Share capital Alloted during the period	-4801			(4,801.00)
Total Comprehensive Income for the period		-299.92		(299.92)
Transferred to/(from) Retained Earnings				-
Balance as at 31st March 2023	-	(299.92)	-	(299.92)

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 21

As per our Report of even date

For and on behalf of the board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No: 101720W/W100355

**Sandesh Ladha**

Membership No: 047841

Date : 20th April,2023

**Rajkumar Mullick**

Director

DIN:06530175

**Sanjiv Singh**

Director

DIN:05280701

**Venkata Ganesh Ramamurthy**

Director

DIN:09478275

Date : 20th April,2023

**RELIANCE CHEMICALS AND MATERIALS LIMITED**  
**Cash Flow Statement for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

	(Rs in Lakh)
	2nd November,2022 to 31st March,2023
<b>A: Cash Flow from Operating Activities</b>	
Net Profit/(Loss) before tax as per Statement of Profit & Loss	(299.92)
Adjusted for :	
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(299.92)</b>
Adjusted for:	
Trade and Other Receivables	(2,252.94)
Trade and Other Payables	2,987.16
	<b>734.22</b>
<b>Cash Generated from Operations</b>	<b>434.30</b>
Net Taxes (Paid) / Refunds	
<b>Net Cash from/ (used in) Operating Activities</b>	<b>434.30</b>
<b>B: Cash Flow from Investing Activities</b>	
Purchase of tangible and intangible assets	(5,217.98)
Payment of Deposits	(0.10)
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(5,218.08)</b>
<b>C: Cash Flow From Financing Activities</b>	
Prcoceeds from Issue of Equity Share Capital	4,801.00
<b>Net Cash from/ (used in) Financing Activities</b>	<b>4,801.00</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>17.22</b>
<b>Opening balance of Cash and Cash equivalents</b>	<b>-</b>
<b>Closing balance of Cash and Cash equivalents (Refer Note 3)</b>	<b>17.22</b>

The Company has recognized Negative Figures in bracket which represent Cash Outflow.

**Significant Accounting Policies**

See accompanying Notes to the Financial Statements 1 to 21

As per our Report of even date

For and on behalf of the board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No: 101720W/W100355

**Sandesh Ladha**

Membership No: 047841

Date : 20th April,2023

**Rajkumar Mullick**

Director

DIN:06530175

**Sanjiv Singh**

Director

DIN:05280701

**Venkata Ganesh Ramamurthy**

Director

DIN:09478275

Date : 20th April,2023

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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**A. CORPORATE INFORMATION**

Reliance Chemicals and Material Limited (“the Company”) is an entity incorporated in India on 2nd November, 2022 having CIN U24304MH2022PLC392999. The company is an executing entity of the Oil to Chemical growth project of its Ultimate Holding Company.

The registered office of the Company is located at 9th Floor, Maker chambers IV, 222, Nariman point Mumbai, Mumbai City, MH-400021, India.

The objects of the company are to carry on the business of manufacturing of all types of petro-chemicals, Vinyls, Hydrogen & its derivatives, Rare & Industrial gases, Bio energy products & carbon fibre.

**B. SIGNIFICANT ACCOUNTING POLICIES****B.1 BASIS OF PREPARATION AND PRESENTATION**

The Company has been incorporated on 2nd November 2022 and hence these financial statements are for the period 2nd November 2022 to 31st March 2023. These being the Company’s first financial statements, there are no previous year’s figures.

The Financial Statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013,(as amended from time to time) and Presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Company’s financial statements are presented in Indian Rupees (Rs.), which is also its functional currency and all values are rounded to the nearest lakh (`,00,000), 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;

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

**(b) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. 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 of the 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.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits 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.

**(d) Impairment of Non-Financial Assets - Property, Plant and Equipment**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment 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 asset, 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.

**(e) 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.

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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**(f) 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.

**(g) Tax Expenses**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit or 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 in Equity.

**- 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 or substantively enacted at the Balance sheet date.

**- Deferred Tax**

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

Deferred tax 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.

**( h ) Foreign Currencies Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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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 capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such 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. 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 Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

**(i) 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 is generally the principal as it typically controls the goods or services before transferring them to the customer.

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

Revenue 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,



**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

**Contract balances:**

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional and initially measured at transaction cost.

**(j) Financial instruments****i) Financial Assets****A. Initial Recognition and Measurement:**

All financial assets are initially recognized at fair value except for trade receivable which is measured initially at transaction cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

**B. Subsequent Measurement****a) Financial Assets Measured 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 represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

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

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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**c) Financial Assets Measured 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. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. 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 :

(1) 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

(2) 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

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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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) 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.

**iv) 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. Non financial assets and liabilities are offsetted when offsetting reflects substance of transactions or events.

**(k) 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 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

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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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 (Including Capital work in progress)**

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. Property, plant and equipment are depreciated over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is revised if there are significant changes from previous estimates.

**b) 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.

**c) 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.

**d) Impairment of Financial and Non-Financial Assets:**

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

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) 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.

**f) Fair Value Measurement**

For estimates relating to fair value of financial instruments refer note 16 of financial statements.

**D. STANDARDS ISSUED BUT NOT EFFECTIVE**

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 102 – Share-based Payment
- iii. Ind AS 103 – Business Combination
- iv. Ind AS 107 – Financial Instruments Disclosures
- v. Ind AS 109 – Financial Instrument
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 - Interim Financial Reporting

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

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023****1. Property, Plant and Equipment and Capital Work-in-Progress**

(Rs in Lakhs)

Capital Work-in-Progress	5,217.98
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**1.1 Capital Work-in-Progress (CWIP)****(a) Aging schedule as at 31st March,2023:**

(Rs in Lakhs)

CWIP	Amount in CWIP for period of				Total
	< 1 year	1-2 year	2-3 year	> 3 year	
Projects in Progress	5,217.98	-	-	-	5,217.98
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5,217.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,217.98</b>

The Company does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(Rs in Lakhs)

<b>2. Other Non Current Assets</b>	
<i>(Unsecured and Considered Good)</i>	<b>As at 31st March, 2023</b>
Security Deposits	0.10
<b>Total</b>	<b>0.10</b>

(Rs in Lakhs)

<b>3. Cash and Cash Equivalents</b>	
	<b>As at 31st March, 2023</b>
<b>Balances with Banks :</b>	
In Current Accounts	17.22
In Deposits	-
<b>Total</b>	<b>17.22</b>

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

(Rs in Lakhs)

<b>4. Other Current Assets</b>	
<i>(Unsecured &amp; Considered Good)</i>	<b>As at 31st March, 2023</b>
Balance with Customs, Central Excise, GST and State Authorities	332.29
Advance to Vendors	1,920.65
<b>Total</b>	<b>2,252.94</b>

(Rs in Lakhs)

**5. Share Capital****As at  
31st March, 2023****Authorised Share Capital:**

<b>1,000,000,000</b>	Equity Shares of Rs. 10 each	100,000.00
<b>Total</b>		<b>100,000.00</b>

**Issued, Subscribed and Paid-Up Share Capital:****Fully paid-up**

<b>48,010,000</b>	Equity Shares of Rs. 10 each	4,801.00
<b>Total</b>		<b>4,801.00</b>

- (i) Reliance Projects & Property Management Services Limited, the Holding Company, along with its nominees holds 48,010,000 fully paid up Equity Shares.

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

(ii) The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31st March,	
	No. of Shares	% held
Reliance Projects & Properties Management Services Limited	48,010,000	100

(iii) Reconciliation of opening and closing number of shares:

Particulars	As at 31st March,
	2023
	No. of shares
Equity Shares outstanding at the beginning of the period	-
Add: Equity Shares issued during the period	48,010,000
Less: Reduction during the period	-
Equity Shares outstanding at the end of the period	48,010,000

Rights, Preferences and Restrictions attached to Equity Shares: The Equity Shareholder is eligible for 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 Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the number of equity shares held.

(IV) Shareholding of Promoter as at March 31, 2023.

Sr. no.	Class of Equity Share	Promoter's Name	No. of shares at the beginning of the period	change during the period	No. of shares at the end of the period	% of total shares	% change during the period
1	Equity Shares of ` 10 each	Reliance Projects & Properties Management Services Limited	-	48,010,000	48,010,000	100	100



**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

	(Rs in Lakhs)	
	As at	
	31st March, 2023	
<b>6 Other Equity</b>		
<b>Application Money Pending Allotment</b>		
As per last Balance Sheet	-	
Add: For the period	4801	
Less: Allotted during the period	(4801)	-
<b><u>Reserves and Surplus</u></b>		
<b>Retained Earnings</b>		
As per last Balance Sheet	-	
Add: Profit/(Loss) for the period	(299.92)	(299.92)
<b>Other Comprehensive Income</b>		
As per last Balance Sheet	-	
Add: For the period	-	-
<b>Total</b>		<b>(299.92)</b>

	(Rs in Lakhs)
	As at
	31 <sup>st</sup> March,
	2023
<b>7. Trade Payables due to</b>	
Micro and Small Enterprises <sup>(i)</sup>	
Other than Micro and Small Enterprises	0.54
<b>Total</b>	<b>0.54</b>

(i) There are no overdues to Micro, Small and Medium Enterprises as at March 31, 2023 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023****7.1 Trade Payable ageing as at 31st March, 2023****(Rs in Lakhs)**

Particulars	Not Due	Outstanding from due date of payment				Total
		< 1 year	1-2 Year	2-3 Year	> 3 Years	
MSME	-	-	-	-	-	-
Others	-	0.54	-	-	-	0.54
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>0.54</b>	-	-	-	<b>0.54</b>

**(Rs in Lakhs)**

<b>8. Other Financial Liabilities - Current</b>	<b>As at 31st March, 2023</b>
Creditors for Capital Expenditure	2,687.39
<b>Total</b>	<b>2,687.39</b>

**(Rs in Lakhs)**

<b>9. Other Current Liabilities</b>	<b>As at 31st March, 2023</b>
Other Payables*	299.23
<b>Total</b>	<b>299.23</b>

\*Includes Statutory Dues

**(Rs in Lakhs)**

<b>10. Other Income</b>	<b>2nd November,2022 to 31st March,2023</b>
Other Non Operating Income	0.04
<b>Total</b>	<b>0.04</b>

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

(Rs in Lakhs)

<b>11. Other Expenses</b>	<b>2nd November,2022 to 31st March,2023</b>
Rates and Taxes	299.46
Payment to Auditors	0.50
Professional Fees	60.00
Less: Transfer to Capital Work in Progress	(60.00)
<b>Total</b>	<b>299.96</b>

(Rs in Lakhs)

<b>11.1 Payment to Auditor as :</b>	<b>2nd November,2022 to 31st March,2023</b>
Fees as Auditors	0.50
<b>TOTAL</b>	<b>0.50</b>

2nd November,2022  
to 31st March,2023**12 Earning Per Share (EPS) :**

Face Value Per Equity Share (in Rs.) 10.00

Basic &amp; Diluted Earnings per share (in Rs.) (0.62)

Net Profit/(Loss) after tax as per statement of profit and loss attributable to Equity Shareholders (Rs. In Lakh) (299.92)

Weighted Average number of equity shares used as denominator for calculating Basic &amp; Diluted EPS: 48,010,000

**13 Related Party Disclosures**

As per Indian Accounting Standard 24 , the disclosures of transactions with the related parties are given below:

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

(i) List of Related Parties where control exists and Related Parties with whom transactions have taken place and the relationship:

SNo.	Name of the Related Party	Relationship
1	Reliance Projects & Property Management Services Limited	Holding Company
2	Reliance Industries Limited	Ultimate Holding Company
3	Reliance Corporate IT Park Limited	Fellow Subsidiary

(ii) Transactions during the period from 2nd November '22 to 31st March'23 with related parties:

SNo.	Nature of Transactions	Holding Company	Ultimate Holding Company	Fellow Subsidiary	Total
	<b>(Excluding reimbursements)</b>				
1	Equity Share Capital	4,801.00	-	-	<b>4,801.00</b>
2	Professional Fees	10.00	50.00	-	<b>60.00</b>
3	Capital work in Progress	-	21.88	0.17	<b>22.05</b>

**Balance as at 31st March, 2023**

(Rs in Lakhs)

SNo.	Nature of Transactions	Holding Company	Ultimate Holding Company	Fellow Subsidiary	Total
	<b>Balance as at 31st March, 2023</b>				
1	Share Capital	4,801.00	-	-	<b>4,801.00</b>
2	Sundry Creditors for Capital Expenditure	-	13.12	0.17	<b>13.29</b>

(Rs in Lakhs)

14	Contingent Liabilities & Commitments	As at 31st March, 2023
I)	<b>Contingent Liabilities</b>	
	There are No Contingent Liabilities.	-
II)	<b>Commitments</b>	
	<b>Estimated amount of contracts remaining to be executed on Capital Account and not provided for</b>	
	<b>(i) In respect of Others</b>	<b>31,766.38</b>

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023****15 Capital management**

The capital structure of the company consists of equity of the company.

**15.1 Gearing ratio**

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

Particulars	(Rs. In Lakhs)
	As at 31st March, 2023
Gross Debt	0.00
Cash and Marketable Securities	17.22
Net Debt (A)	-17.22
Total Equity (as per Balance Sheet) (B)	4501.08
<b>Net Gearing ratio (A/B)</b>	<b>-0.00</b>

Cash and Marketable Securities include Cash and equivalents of Rs.17.22 lakhs.

**16 FINANCIAL INSTRUMENTS****A. Fair valuation measurement hierarchy:**

Particulars	(Rs. In Lakhs)			
	As at 31st March, 2023			
	Carrying amount	Level of Input used in		
Level 1		Level 2	Level 3	
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Cash and Cash Equivalents	17.22	-	-	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Trade Payables	0.54	-	-	-

**Valuation Methodology**

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

- a) The fair value of investment in quoted Equity Shares and Mutual Funds is measured at quoted price or NAV.

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

b) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The financial instruments are categorized into two 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.

**B. Financial Risk Management**

The different types of risk the company is exposed to are liquidity risk, credit risk and market risk.

**(i) Liquidity Risk**

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

**Maturity Profile of Borrowings is as set out below:**

Particulars	Current	1 to 2 Years	2 to 5 Years	More than 5 Years
Borrowings	-	-	-	-

**(ii) 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 cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023****(iii) Market Risk****(a) Foreign Currency Risk**

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EUR and GBP.

Foreign currency risk arises from recognised assets and liabilities and future commercial transactions that are in foreign currency.

Foreign currency exposure profile is given below:

(Rs. in lakhs)

	As at 31st March, 2023		
	USD	EUR	GBP
Trade and Other Payables	-	1,964.60	-
Trade and Other Receivables	-	-	-
<b>Net Exposure</b>	-	<b>1,964.60</b>	-

**Foreign Currency Sensitivity**

(Rs. in lakhs)

	As at 31st March, 2023		
	USD	EUR	GBP
1 % Depreciation in INR	-	-	-
Impact on P&L	-	(19.65)	-
<b>Total</b>	-	<b>(19.65)</b>	-
1 % Appreciation in INR	-	-	-
Impact on P&L	-	19.65	-
<b>Total</b>	-	<b>19.65</b>	-

**(b) Interest Rate Risk**

Fluctuation in future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk.

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

interest rate risk as defined in IND AS 107.

Interest rate exposure profile is given below:

(Rs. in lakhs)

Particulars	As at 31st March, 2023
<b>Borrowings</b>	-
Non-Current-Fixed	-
<b>Total</b>	-

17	Ratio Analysis :-			
Sr. no.	Particulars	2022-23	2021-22	% change
1	Current Ratio	0.76	-	NA
2	Debt-Equity Ratio	-	-	NA
3	Debt Service Coverage Ratio	-	-	NA
4	Return on Equity Ratio	-	-	NA
5	Inventory Turnover Ratio	-	-	NA
6	Trade Receivables Turnover Ratio	-	-	NA
7	Trade Payables Turnover Ratio	-	-	NA
8	Net Capital Turnover Ratio	-	-	NA
9	Net Profit Ratio	-	-	NA
10	Return on Capital Employed (Excluding Working Capital Financing)	-	-	NA
11	Return on Investment	0.00	-	NA



**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023****17.1 Formula for computation of ratios are as follows:**

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest, Tax and Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
4	Return on Equity Ratio	$\frac{\text{Profit After Tax}}{\text{Average Net Worth}}$
5	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold (Cost of Material Consumed + Purchases + Changes in Inventory + Manufacturing Expenses)}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
6	Trade Receivables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Working Capital (Current Assets-Current Liabilities)}}$
9	Net Profit Ratio	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Value of Sales \& Services}}$
10	Return on Capital Employed (Excluding Working Capital financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income}}{\text{Average Capital Employed}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalants \& other marketable Securities}}$

18. The company is an executing entity of the Oil to Chemical growth project of its Ultimate Holding Company. All the activities of the Company revolve around its main business. Accordingly, the company has only one identifiable segment reportable under Ind AS 108 "Operating Segments". The Board of Directors (the chief Operational Decision Maker as defined in Ind AS 108-Operating Segments) monitors the operating

**RELIANCE CHEMICALS AND MATERIALS LIMITED****Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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results on the entity's business for the purpose of making decisions about resources allocation and performance assessment.

19. Details of loans given, investments made, guarantee given and securities provided u/s 186 (4) of the Companies Act, 2013.

i) Loan given as on 31st March, 2023 ₹ Nil.

ii) Investment made by the Company as at 31st March, 2023 ₹ Nil.

iii) Guarantees given and securities provided by the Company in respect of loan as on 31st March, 2023 ₹ Nil.

**20 Other Statutory Information**

(i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

(ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income-tax Act, 1961.

(v) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**RELIANCE CHEMICALS AND MATERIALS LIMITED**

**Notes to the Financial Statements for the period 2<sup>nd</sup> November, 2022 to 31<sup>st</sup> March, 2023**

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21. The Financial statements were approved for issue by the Board of Directors on 20th April,2023.

As per our Report of even date

For and on behalf of the board

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No: 101720W/W100355

**Sandesh Ladha**

Membership No: 047841

Date : 20th April,2023

**Rajkumar Mullick**

Director

DIN:06530175

**Sanjiv Singh**

Director

DIN:05280701

**Venkata Ganesh Ramamurthy**

Director

DIN:09478275

Date : 20th April,2023