RELIANCE GAS PIPELINES LIMITED

FINANCIAL STATEMENTS

2017-18

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE GAS PIPELINES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of

Reliance Gas Pipelines Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs(financial position), profit or loss(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) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact on its financial position.

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

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

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. -101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

"Annexure A" to the Independent Auditors' Report on the financial statements of Reliance Gas Pipelines Limited

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

i) In respect of its fixed assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold are held in the name of the company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements for the said lands are held in the name of the company and building's are in the name of the Company.

ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the order is not applicable to the company.

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

iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.

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

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

viii) In our opinion and according to the information and explanations given to us, the Company has not raised loans from government or by issue of debentures and no amounts were due for repayment to financial institution and bank; hence clause (viii) of paragraph 3 of the order is not applicable to the Company.

ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans has been applied for the purpose for which they are raised.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

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

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

For **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no**.** 101720W)

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: April 24, 2018

Annexure "B" To the Independent Auditor's Report On the Ind AS Financial Statements Of Reliance Gas Pipelines Limited

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

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

We have audited the internal financial controls over financial reporting of

Reliance Gas Pipelines Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31^{st} March, 2018, 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.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. -101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

Balance Sheet as at 31st March, 2018

₹ in Lakhs

	Note		As at 31st March, 2018		As at 31st March, 2017
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	**1**	**1,00,944.14**		1,293.74	
Capital Work-in-Progress	**1**	**2,18,942.60**		206,596.10	
Deferred Tax Assets (Net)	**2**	**515.00**		-	
Other Non- Current Assets	**3**	**7,220.74**		9,911.42	
Total Non-Current Assets			**3,27,622.48**		2,17,801.26
Current Assets					
Inventories	**4**	**135.15**		-	
Financial Assets					
Investments	**5**	**20,792.94**		727.75	
Trade Receivables	**6**	**588.21**		-	
Cash and Cash Equivalents	**7**	**183.19**		591.83	
Other Financial Assets	**8**	**3,938.06**		795.49	
Other Current Assets	**9**	**6,827.72**		17,120.99	
Total current Assets			**32,465.27**		19,236.06
Total Assets			**3,60,087.75**		2,37,037.32
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	**10**	**37,300.00**		37,300.00	
Other Equity	**11**	**36,915.38**		36,604.30	
Total Equity			**74,215.38**		73,904.30
Non-Current Liabilities					
Financial Liabilities					
Borrowings	**12**	**115,415.14**		145,000.00	
Other Non-Current Liabilities	**13**	**128,500.00**		-	
Total Non-Current Liabilities			**243,915.14**		145,000.00
Current Liabilities					
Financial Liabilities					
Trade Payables	**14**	**11,041.03**		-	
Other Financial Liabilities	**15**	**24,652.18**		17,180.68	
Other Current Liabilities	**16**	**6,081.25**		773.33	
Provisions	**17**	**182.77**		179.01	
Total Current Liabilities			**41,957.23**		18,133.02
Total Equity and Liabilities			**3,60,087.75**		2,37,037.32

Significant Accounting Policies

See accompanying notes to Financial Statements **1 to 31**

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Rgn No. - 101720W

Jignesh Mehta
Partner
Mem No. - 102749

Mumbai
Dated : 24th April, 2018

For and on behalf of the board

S. Sudhakar
Amit Mehta
Shivkumar R. Bhardwaj
Chandrakant S. Gokhale
Geeta Fulwadaya
Venkata Ravikumar Prekki
Directors

Vikas Pethe Company Secretary
Ramanathan Ravichandran Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2018

	Note				₹ in Lakhs
	Note		**2017-18**		2016-17
INCOME					
Revenue from Operations	**18**		**64,058.25**		-
Other Income	**19**		**6,714.46**		-
Total Income			**70,772.71**		**-**
EXPENDITURE					
Purchase of Traded Goods			**54,362.49**		
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	**20**		**(135.15)**		
Employee Benefits Expense	**21**		**318.48**		-
Finance Costs	**22**		**2,399.86**		-
Depreciation / Amortisation Expense			**2,499.10**		-
Other Expenses	**23**		**11,080.28**		7.57
Total Expenses			**70,525.06**		7.57
Profit Before Tax			**247.65**		(7.57)
Tax Expenses:					
Current Tax		**454.75**		-	
Deferred Tax	**2**	**(515.00)**		-	
			(60.25)		**-**
Profit for the Year			**307.90**		(7.57)
Other Comprehensive Income					-
a) Items that will be reclassified to Profit or Loss					
b) Other item not to be reclassified in Profit or Loss account					
Remeasurement of Defined Benefit Plan			**3.18**		**-**
Income tax on above					
Total Comprehensive Income for the Year attributable to equity holders			**311.08**		(7.57)
Earnings per equity share of face value of ₹ 10 each					
Basic	**24**		**0.08**		(0.00)
Diluted	**24**		**0.01**		(0.00)
Significant Accounting Policies					
See accompanying notes to Financial Statements	**1 to 31**				

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Rgn No. - 101720W

Jignesh Mehta
Partner
Mem No. - 102749

Mumbai
Dated : 24th April, 2018

For and on behalf of the board

S. Sudhakar
Amit Mehta
Shivkumar R. Bhardwaj
Chandrakant S. Gokhale
Geeta Fulwadaya
Venkata Ravikumar Prekki
Directors

Vikas Pethe Company Secretary
Ramanathan Ravichandran Chief Financial Officer

Statement of Changes in Equity
For the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

₹ in Lakhs

Balance at the beginning of the reporting period i.e 31st March, 2016	Changes in Equity Share Capital during the year 2016-17	Balance at the end of the reporting period i.e 31st March, 2017	Changes in Equity Share Capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
15,000 .00	22,300.00	37,300.00	-	**37,300.00**

B. OTHER EQUITY

₹ in Lakhs

	Retained Earnings	Instrument Classified as Equity	Other Comprehensive Income	Total
AS ON 31st MARCH, 2017				
Balance at the beginning of Reporting Period, i.e, 31st March, 2016	(153.13)	36,765.00	-	36,611.87
Zero Coupon Optionally Fully Convertible Debenture Redeemed	-	(36,765.00)	-	(36,765.00)
Issue of Optional Fully Convertible Preference Shares*	-	36,765.00	-	36,765.00
Total Comprehensive Income for the year	(7.57)	-	-	(7.57)
Balance at the end of the Reporting Period i.e, 31st March, 2017	(160.70)	36,765.00	-	36,604.30
AS ON 31st MARCH, 2018				
Balance at the beginning of Reporting Period, i.e, 1st April, 2017	(160.70)	36,765.00	-	36,604.30
Total Comprehensive Income for the year	307.90	-	3.18	311.08
Balance at the end of Reporting Period i.e, 31st March, 2018	**147.20**	**36,765.00**	**3.18**	**36,915.38**

* Refer Note 11 for Details of 6% Non-cumulative Optionally Convertible Preference Shares.

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Rgn No. - 101720W

Jignesh Mehta
Partner
Mem No. - 102749

Mumbai
Dated : 24th April, 2018

For and on behalf of the board

S. Sudhakar
Amit Mehta
Shivkumar R. Bhardwaj
Chandrakant S. Gokhale
Geeta Fulwadaya
Venkata Ravikumar Prekki
Directors

Vikas Pethe Company Secretary
Ramanathan Ravichandran Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2018

			2017-18		₹ in Lakhs 2016-17
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and Loss		**247.65**		(7.57)
	Adjusted for:				
	Depreciation / Amortisation Expense	**2,499.10**		-	
	Dividend Income	**(714.46)**		-	
	Finance Costs	**2,399.86**		-	
			4,184.50		-
	Operating Profit before Working Capital Changes				
	Adjusted for:				
	Trade and Other Receivables	**6,563.40**		(7,593.27)	
	Inventories	**(135.15)**		-	
	Trade and Other Payables	**1,44,852.71**		741.64	
			1,51,280.96		(6,851.63)
	Cash Generated from Operations		**1,55,713.11**		(6,859.20)
	Taxes Paid (Net)		**(654.58)**		(3.60)
	Net Cash Flow from / (used in) Operating Activities		**1,55,058.53**		(6,862.80)
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	**(1,09,407.19)**		(84,385.79)	
	Purchase of Investments	**(5,18,326.77)**		(1,10,119.80)	
	Proceeds from sale of Investments	**4,98,261.53**		1,13,791.33	
	Dividend Income	**714.46**			
	Net (Investment in) / Withdrawal of Fixed Deposits	**189.40**		4.24	
	Net Cash Flow from/(used in) Investing Activities		**(1,28,568.57)**		(80,710.02)

Cash Flow Statement for the year ended 31st March, 2018 (Contd.)

₹ in Lakhs

		2017-18		2016-17
C: CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowing - Non-Current	-		75,000.00	
Redemption of Zero Coupon Unsecured Optionally Fully Convertible Debentures	-		(36,765.00)	
Repayment of Borrowing - Non-Current	**(14,100.00)**		-	
Proceeds from Issue of Equity Shares	-		22,300.00	
Proceeds from Issue of 9% Non-cumulative Optionally Convertible Preference Shares	-		36,765.00	
Interest Paid	**(12,609.20)**		(9,550.08)	
Net Cash Flow from/(used) in Financing Activities		**(26,709.20)**		87,749.92
Net Increase/(Decrease) in Cash and Cash Equivalents		**(219.24)**		177.10
Opening Balance of Cash and Cash Equivalents		**219.24**		42.14
Closing Balance of Cash and Cash Equivalents (Refer Note "7")		**0.00**		219.24

Change in Liability arising from financing activities

₹ in Lakhs

	As at April 1, 2017	Cashflow	As at March 31, 2018
Borrowing - Non-Current (Refer Note 12)	145,000.00	(14,100.00)	**130,900.00**
Total	145,000.00	(14,100.00)	**130,900.00**

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Rgn No. - 101720W

Jignesh Mehta
Partner
Mem No. - 102749

Mumbai
Dated : 24th April, 2018

For and on behalf of the board

S. Sudhakar
Amit Mehta
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Chandrakant S. Gokhale
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Venkata Ravikumar Prekki
Directors

Vikas Pethe Company Secretary
Ramanathan Ravichandran Chief Financial Officer

Notes on Financial Statements for the year ended 31st March, 2018

A. CORPORATE INFORMATION

Reliance Gas Pipelines Limited ("the Company") is a limited company incorporated in India.

The addresses of its registered office and principal place of business is 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400 021. The Company is mainly engaged in the business of providing Pipeline Infrastructure services.

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 financials assets and liabilities

(ii) Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the notified under the relevant provisions of the companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is 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) 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 arrangements 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 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.

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.

Depreciation on Property, plant and equipment is provided using Straight Line Method of depreciation. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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

(b) Finance 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 Profit and Loss Statement in the period in which they are incurred.

(c) Inventories

Inventories are measured at lower of cost or net realisable value. Cost is determined on weighted average basis.

Notes on Financial Statements for the year ended 31st March, 2018

(d) 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 risks 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.

(f) Employee Benefits Expense

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

The Company recognizes 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 recognized as a liability after deducting the contribution already paid. 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, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days 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.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(g) Tax Expenses

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

Notes on Financial Statements for the year ended 31st March, 2018

Current tax

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

Deferred tax

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(h) Foreign Currencies transactions and translation

Translation in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

(i) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has commenced its commercial operations for Shahdol Phulpur Pipeline (SHPPL) w.e.f 1.10.2017. The income and expenses related to the Shahdol Phulpur Pipeline (SHPPL) are recognised in the Statement of Profit and Loss from the aforesaid date.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

(j) Financial instruments

(i) Financial Assets

Initial recognition

A. The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

Financial assets measured at Amortised Cost (AC)

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

Notes on Financial Statements for the year ended 31st March, 2018

Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

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

Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

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

(ii) Financial liabilities

A. Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent Measurement:

Financial liabilities are subsequently 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.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

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

a) Depreciation / Amortisation and useful lives of Property, Plant and Equipment:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their 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 adjusted 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. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

d) Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

e) Impairment of Financial Assets:

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

D) STANDARDS ISSUED BUT NOT EFFECTIVE:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing issued Ind AS

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

i. Ind AS 21 – The Effects of Changes in Foreign Currency Rates

ii. Ind AS 40 – Investment Property

iii. Ind AS 12 – Income Taxes

iv. Ind AS 28 – Investments in Associates and Joint Ventures and

v. Ind AS 112 – Disclosure of Interests in Other Entities

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

Notes on Financial Statements for the year ended 31st March, 2018

1. Property, Plant and Equipment and Capital Work-in-Progress

₹ in Lakhs

Description	Gross Block				Depreciation/Amortisation				Net block	
	As at 1st April 2017	Additions/ Adjustment	Deductions/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Deductions/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
(i) Property, Plant and Equipment										
Own Assets:										
Leasehold Land	83.84	-	-	83.84	9.46	2.80	-	12.26	71.58	74.38
Freehold Land	1,142.84	-	-	1,142.84	-	-	-	-	1,142.84	1,142.84
Buildings	51.82	9,497.69	-	9,549.51	51.82	158.81	-	210.63	9,338.88	-
Plant & Machinery	5.85	81,961.52	-	81,967.37	4.58	1,566.70	-	1,571.28	80,396.09	1.26
Electrical Installations	35.03	2,558.51	-	2,593.54	9.69	124.39	-	134.08	2,459.46	25.34
Equipments $	17.67	8,050.51	-	8,068.18	10.60	643.94	-	654.54	7,413.64	7.08
Furniture & Fixtures	54.44	89.61	-	144.05	16.08	9.46	-	25.54	118.51	38.36
Vehicles	6.71	-	-	6.71	2.23	1.34	-	3.57	3.14	4.48
Sub-Total	**1,398.20**	**1,02,157.84**	**-**	**1,03,556.04**	**104.46**	**2,507.44**	**-**	**2,611.90**	**1,00,944.14**	**1,293.74**
Previous year	1,170.54	227.69	-	1,398.23	69.96	34.53	-	104.49	1,293.74	1,100.58
Capital Work-in-Progress									**2,18,942.60**	2,06,596.10

$ Includes Office Equipments

Note : Depreciation of ₹ 8.33 Lakhs (Previous year ₹ 34.53 Lakhs) has been capitalised.

Notes on Financial Statements for the year ended 31st March, 2018

1. Property, Plant and Equipment

1.1 Capital Work in Progress includes:

Cost of Construction Materials at Site ₹ 14,256.51 Lakhs (Previous Year ₹ 33,689.96 Lakhs)

2. Deferred Tax Assets (Net)

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
At the start of the year	**-**	-
Charge/(Credit) to Statement of Profit and Loss	**(515.00)**	-
At the end of the year	**(515.00)**	-

<u>Component of Deferred Tax Assets :</u>

₹ in Lakhs

Deferred Tax Assets in relation to:	As at 31st Mar, 2017	Charge/(Credit) to Statement of Profit and Loss	Others (Including Exchange Difference)	As at 31st Mar, 2018
Property, Plant and Equipment	-	34,747.15	-	**34,747.15**
Provisions	-	(63.87)	-	**(63.87)**
Others	-	(35,198.28)	-	**(35,198.29)**
Total	**-**	(515.00)	**-**	**(515.00)**

₹ in Lakhs

3. Other Non Current Assets *(Unsecured and Considered Good)*	As at 31st March, 2018	As at 31st March, 2017
Capital Advances	**7,012.14**	9,904.93
Advance Income Tax (Net of Provision)	**204.38**	4.55
Others [(i)]	**4.22**	1.94
Total	**7,220.74**	9,911.42

[(i)] Includes Loans related to employees.

₹ in Lakhs

3.1. Taxation	As at 31st March, 2018	As at 31st March, 2017
Income Tax recognised in Statement of Profit and Loss		
Current Tax	**454.75**	**-**
Deferred Tax	**(515.00)**	**-**
Total Income Tax expenses recognised in the Current Year	**(60.25)**	**-**

Notes on Financial Statements for the year ended 31st March, 2018

₹ in Lakhs

3.1. Taxation (Continued)	As at 31st March, 2018	As at 31st March, 2017
The income Tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit Before Tax	**247.65**	-
Applicable Tax Rate	**34.608%**	-
Computed Tax Expense	**85.71**	-
Tax effect of :		
Others	**369.04**	-
Current Tax Provision (A)	**454.75**	-
Incremental Deferred Tax Liability/(Asset) on account of Property, Plant and Equipment	**34,747.15**	-
Incremental Deferred Tax Liability/(Asset) on account of Financial Assets and Other Items	**(35,262.16)**	-
Deferred Tax Liability/(Asset) (B)	**(515.00)**	-
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**(60.25)**	-
Effective Tax Rate	**-**	-
Advance Income Tax (Net of Provision)		
At start of year	**4.55**	0.95
Charge for the year - Current Tax	**(454.75)**	-
Tax paid (Net) during the year	**654.58**	3.60
At the end of year	**204.38**	4.55

₹ in Lakhs

4. Inventories	As at 31st March, 2018	As at 31st March, 2017
Stock-In-Trade	**135.15**	-
Total	**135.15**	-

₹ in Lakhs

5. Investments - Current	As at 31st March, 2018		As at 31st March, 2017	
Investments measured at Fair Value through Profit and Loss	**Units**	**Amount**	Units	Amount
In Mutual Funds - Unquoted				
UTI Mutual Fund	**6,57,025**	**5,198.02**	2,46,436	226.61
HDFC Mutual Fund	**50,690**	**523.24**	49,140	501.14
ICICI Prudential Mutual Fund	**10,30,20,452**	**15,071.68**	-	-
Total	**-**	**20,792.94**	-	727.75
Aggregate Amount of unquoted investments		**20,792.94**		727.75

Category-wise current investment	**As at 31st March, 2018**	As at 31st March, 2017
measured at FVTPL (Mutual Funds)	**20,792.94**	727.75

Notes on Financial Statements for the year ended 31st March, 2018

₹ in Lakhs

		As at 31st March, 2018	As at 31st March, 2017
6.	**Trade Receivables** *(unsecured and considered good)*		
	Trade Receivables	**588.21**	-
	Total	**588.21**	-

₹ in Lakhs

		As at 31st March, 2018	As at 31st March, 2017
7.	**Cash and Cash Equivalents**		
	Cash on Hand	**-**	-
	Bank Balances*	**183.19**	591.83
	Cash and Cash Equivalents as per Balance Sheet	**183.19**	591.83
	Cash and Cash Equivalents as per Cash Flow Statement	**-**	219.24

* Deposits of ₹ 183.19 Lakhs (Previous Year ₹ 372.59 Lakhs) held with government authorities

₹ in Lakhs

		As at 31st March, 2018	As at 31st March, 2017
8.	**Other Financial Assets - Current**		
	Security Deposits	**528.06**	762.98
	Interest Accrued on Investment	**31.74**	32.51
	Others	**3,378.26**	-
	Total	**3,938.06**	795.49

₹ in Lakhs

		As at 31st March, 2018	As at 31st March, 2017
9.	**Other Current Assets (Unsecured and Considered Good)**		
	Balance with Customs, Central Excise, GST & State Authorities	**6,135.33**	14,723.17
	Others *	**692.39**	2,397.82
	Total	**6,827.72**	17,120.99

* includes Advance to employees and vendors.

₹ in Lakhs

		As at 31st March, 2018		As at 31st March, 2017	
10.	**Share Capital**				
	Authorised Share Capital:	**Units**	**Amount**	Units	Amount
	Equity Shares of ₹ 10 each	**500,000,000**	**50,000.00**	500,000,000	50,000.00
	Preference Shares of ₹10 each	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
	Total		**150,000.00**		150,000.00
	Issued, Subscribed and Paid-Up:				
	Fully paid-up				
	Equity Shares of ₹ 10 each	**373,000,000**	**37,300.00**	373,000,000	37,300.00
	Total		**37,300.00**		37,300.00

Notes on Financial Statements for the year ended 31st March, 2018

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

Name of the Shareholders	**No. of Shares**	**As at 31st March, 2018 % held**	No. of Shares	As at 31st March, 2017 % held
Reliance Industries Limited	**373,000,000**	**100**	373,000,000	100
(Shares held by Holding Company)				

(ii) **Reconciliation of opening and closing number of shares**

Particulars	**As at 31st March, 2018 No. of shares**	As at 31st March, 2017 No. of shares
Equity Shares outstanding at the beginning of the year	**373,000,000**	150,000,000
Add: Equity Shares issued during the year	**-**	223,000,000
Equity Shares outstanding at the end of the year	**373,000,000**	373,000,000

(iii) No bonus shares have been issued during the last five years.

(iv) The Company has one class of ordinary shares which carry equal voting rights on income and distribution of assets on liquidation or otherwise.

11 Other Equity

₹ in Lakhs

		As at 31st March, 2018		As at 31st March, 2017
Retained Earnings				
As per last Balance Sheet	**(160.70)**		(153.13)	
Add: Transfer from profit & loss account	**307.90**		(7.57)	
		147.20		(160.70)
Instrument classified as Equity				
a) Zero Coupon Unsecured Optionally Fully Convertible Debenture of ₹ 10 each				
As per Last Balance Sheet	-		36,765.00	
Issued during the Year	-		-	
Redeemed during the Year	-		(36,765.00)	
Sub Total		**-**		-
b) 6% Non Cumulative Optionally Convertible Preference Shares of ₹10 each, Issued and Fully Subscribed (Refer Note 11.1)				
As per Last Balance Sheet	**36,765.00**		-	
Issued during the year	**-**		36,765.00	
Sub Total		**36,765.00**		36,765.00
Other Comprehensive Income (OCI)				
As per last Balance Sheet	**-**		-	
Add : Movement in OCI (Net) during the year	**3.18**		-	
		3.18		-
Total		**36,915.38**		36,604.30

Notes on Financial Statements for the year ended 31st March, 2018

11.1 6% Non Cumulative Optionally Convertible Preference Shares of ₹10 each.

(i) All the above 36,76,50,000 (Previous Year 36,76,50,000) 6% Non-cumulative Optionally Convertible Preference Shares of 10 each, fully paid up are held by Reliance Industries Limited, the holding company.

(ii) **Terms of 6% Non Cumulative Optionally Convertible Preference Shares**

Each Preference share shall be redeemable at ₹10, at any time at the option of the Company but not later than 15 years from the date of allotment. Such early redemption shall also be subject to approval of Company's Lenders, if required. The Preference shares may be converted into 1 (One) Equity Share of ₹10 each at par at any time at the option of the Company, but not later than 15 years from the date of Allotment of the Preference Shares.

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

Particulars	**31st March, 2018**	March 31, 2017
	No. of shares	No. of shares
Preference Shares outstanding at the beginning of the year	**36 76 50 000**	-
Add: Preference Shares issued during the year	**-**	36 76 50 000
Preference Shares outstanding at the end of the year	**36 76 50 000**	36 76 50 000

₹ in Lakhs

12. Borrowings	**As at 31st March, 2018**		As at 31st March, 2017	
	Non-Current	**Current**	Non-Current	Current
Secured - at Amortised Cost				
Term Loans from Banks(i)	**115,415.14**	**15,484.86**	145,000.00	-
Total	**115,415.14**	**15,484.86**	145,000.00	-

i The Term Loans referred above are from IDFC Bank Limited and HDFC Bank Limited

ii The Term Loan from IDFC Limited of ₹ 15,000 Lakhs (Previous year ₹ 30,000 Lakhs) which is secured / to be secured on first ranking pari passu basis by way of mortgage / hypothecation in respect of all immovable properties, present and future, of the Shadol Phulpur Pipeline (SHPPL) Project, all movable assets of SHPPL Project excluding Specified Investments and Loans and Advances made out of free surplus cash or out of the additional funds infused by Reliance Industries Limited and Specified Bank Accounts, both present and future, all intangible assets and uncalled capital of SHPPL Project, both present and future, all bank accounts of SHPPL Project excluding Specified Bank Accounts and exclusive first charge on Debt Service Reserve Account (DSRA), all other current assets of the SHPPL Project including receivables but excluding Cenvatable taxes and also excluding investments made out of balance proceeds lying in the DSRA and Specified Investments and Loans and Advances, assignment of all rights, tittle and interest in the SHPPL Project Documents [with value exceeding ₹10 (ten) Crore during construction period and SHPPL Project Document with value exceeding ₹ 30 (thirty) Crore after construction period] (excluding Authorization letter from PNGRB) including but not limited to contractors guarantee, liquidated damages, letters of credit, guarantee or performance bonds that may be provided by the counter party to the SHPPL Project Documents, Assignment/co-insurance in favour of the Lender or Security Trustee of all insurance policies in relation to SHPPL Project Assets noting the interest of Lender/Security Trustee.

iii The Term Loan from HDFC Bank of ₹ 1,15,900 Lakhs (Previous year ₹ 1,15,000 Lakhs) is to be secured (i) on a first ranking pari passu basis by way of equitable or registered mortgage on all immovable assets, both present and future, related to SHPPL Project and exclusive first charge by way of equitable or registered mortgage on all the immovable assets, both present and future, related to Dahej-Naguthane Ethane Pipeline (DNEPL) Project, excluding the respective projects goodwill, right of use/way and intangible assets and any other investment made out of any additional funds brought in by the Promoter (over and above the Equity commitments) or any free cash flow, if any. (ii) in case of SHPPL Project by way of first ranking pari passu charge and in case of DNEPL Project by way of second ranking pari passu charge on the respective projects current assets, operating cash flow, loans and advances, receivables, commissions, revenues of whatsoever nature and whenever arising, excluding any other investments/loans/advances made out of any additional funds brought in by the Promoter (over and above the Equity commitments) or any free cash flow, if any.

Notes on Financial Statements for the year ended 31st March, 2018

iv Maturity Profile of Secured Term Loan is as set out below:

₹ in Lakhs

	Maturity Profile				
	> 5 years	3-5 years	1-3 years	**Non-Current Total**	**Current 1 year**
Term Loans - from Banks	53,475.71	30,969.71	30,969.71	**115,415.14**	**15,484.86**

₹ in Lakhs

13. Other Non-Current Liabilities	**As at 31st March, 2018**	As at 31st March, 2017
Others*	**128,500.00**	-
Total	**128,500.00**	**-**

* Deferred Income received from Reliance Industries Limited.

₹ in Lakhs

14 Trade Payables	**As at 31st March, 2018**	As at 31st March, 2017
Micro, Small and Medium Enterprises (i)	**-**	-
Others	**11,041.03**	-
Total	**11,041.03**	**-**

(i) There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

₹ in Lakhs

15. Other Financial Liabilities - Current	**As at 31st March, 2018**	As at 31st March, 2017
Current Maturities of Long Term Debt	**15,484.86**	-
Creditors for Capital Expenditure	**8,672.44**	16,634.73
Interest Accrued but not due on Borrowings	**494.88**	545.95
Total	**24,652.18**	17,180.68

₹ in Lakhs

16. Other Current Liabilities	**As at 31st March, 2018**	As at 31st March, 2017
Others*	**6,081.25**	773.33
Total	**6,081.25**	773.33

* Includes deferred Income received from Reliance Industries Limited, statutory dues and payables to Employees

₹ in Lakhs

17. Provisions - Current	**As at 31st March, 2018**	As at 31st March, 2017
Provision for Employee Benefits	**182.77**	179.01
Total	**182.77**	179.01

Notes on Financial Statements for the year ended 31st March, 2018

₹ in Lakhs

18. Revenue from Operations	As at 31st March, 2018	As at 31st March, 2017
Sale of Traded Goods	**70,377.30**	-
Sale of Services	**5,211.43**	-
Less : GST Recovered	**11,530.48**	-
Total	**64,058.25**	**-**

₹ in Lakhs

19. Other Income	As at 31st March, 2018	As at 31st March, 2017
Dividend Income		
From Current Investments	**714.46**	-
Other Non-Operating Income	**6,000.00**	-
Total	**6,714.46**	**-**

₹ in Lakhs

20. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	As at 31st March, 2018	As at 31st March, 2017
Inventories (at close)		
Finished Goods/ Stock-In-Trade	**135.15**	
Inventories (at commencement)		
Finished Goods/ Stock-In-Trade	-	
Total	**(135.15)**	**-**

₹ in Lakhs

21. Employee Benefits Expense	As at 31st March, 2018	As at 31st March, 2017
Salaries and Wages	**256.40**	-
Contribution to Provident and Other Funds	**24.84**	-
Staff Welfare Expenses	**37.24**	-
Total	**318.48**	**-**

21.1 Employee Benefits

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

Defined Contribution Plan

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

₹ in Lakhs

	2017-18	2016-17
Employers Contribution to Provident Fund	**50.66**	99.75
Employers Contribution to Pension Fund	**25.07**	45.32
Employers Contribution to Superannuation Fund	**-**	0.00
Total	**75.73**	145.08

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan.

Notes on Financial Statements for the year ended 31st March, 2018

I Reconciliation of Opening and closing balances of Defined Benefit obligation

	Gratuity (Funded)	
	2017-18	2016-17
Defined Benefit obligation at beginning of the year	**401.62**	32.82
Current Service Cost	**44.33**	8.17
Interest cost	**29.94**	2.63
Actuarial (gain) / loss on obligations	**(20.97)**	358.01
Benefits paid	**(17.78)**	-
Defined Benefit obligation at end of the year	**437.14**	401.62

II Reconciliation of Opening and closing balances of fair value of plan assets

	Gratuity (Funded)	
	2017-18	2016-17
Fair value of plan assets at the beginning of the year	**401.62**	32.82
Expected return on plan assets	**(5.18)**	0.16
Actuarial Gain / (Loss)	**-**	-
Interest Income	**29.94**	-
Employer Contribution	**28.54**	368.65
Benefits Paid	**(17.78)**	-
Fair value of plan assets at the end of the year	**437.14**	401.62

III Reconciliation of fair value of assets and obligations

	Gratuity (Funded)	
	2017-18	2016-17
Fair value of plan assets at end of year	**437.14**	401.62
Present Value of obligation	**437.14**	401.62
Amount recognised in Balance Sheet	-	**-**

IV Expenses recognised during the year

	Gratuity (Funded)	
	2017-18	2016-17
Current Service Cost	**44.33**	8.17
Transferred to Capital Work-In-Progress	**(35.41)**	(8.17)
Expense recognised in Income Statement	**8.92**	**-**
Interest Cost	**-**	3
Transferred to Capital Work-In-Progress	**-**	(3)
Expense recognised in Income Statement	-	**-**
Expected return on plan assets	**5.18**	(0.16)
Transferred to Capital Work-In-Progress	**(4.14)**	0.16
Expense recognised in OCI	**1.04**	**-**

Notes on Financial Statements for the year ended 31st March, 2018

IV Expenses recognised during the year (Continued)

	Gratuity (Funded)	
	2017-18	2016-17
Actuarial (gain) / loss	**(20.97)**	358.01
Transferred to Capital Work-In-Progress	**16.75**	(358.01)
Expense recognised in OCI	**(4.22)**	**-**
Net Income Recognised in Income Statement	**8.92**	**-**
Net Income Recognised in Other comprehensive Income	**(3.18)**	-

V Investment details

	As at 31st March, 2018		As at 31st March, 2017	
	(Rs in Lakhs)	**% invested**	(Rs in Lakhs)	% invested
Insurance Policies	**437.14**	**100%**	401.62	100%
Others (including bank balances)				
	437.14	**100%**	401.62	100%

VI Actuarial Assumptions

	Gratuity (Funded)	
	2017-18	2016-17
Mortality Table (LIC)	**(Ultimate)**	(Ultimate)
Discount rate (per annum)	**8.00%**	8.00%
Expected rate of return on plan assets (per annum)	**8.00%**	8.00%
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.

The expected rate of return on plan assets is determined considering several factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the company's policy for plan assets management.

VIII The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

IX Sensitivity Analysis

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

Notes on Financial Statements for the year ended 31st March, 2018

Particulars	Decrease	As at 31st March 2018 Increase	Decrease	As at 31st March 2017 Increase
Projected Benefit Obligation on Current Assumptions				
Change in rate of discounting (delta effect of +/- 0.5%)	**456.19**	**419.37**	17.98	16.72
Change in rate of salary increase (delta effect of +/- 0.5%)	**418.96**	**456.47**	17.02	18.15
Change in rate of employee turnover (delta effect of +/- 0.5%)	**4,352.56**	**438.94**	2.27	2.15

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest Risk

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

Longevity Risk

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

Salary Risk

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

₹ in Lakhs

22. Finance Costs	**As at 31st March, 2018**	As at 31st March, 2017
Interest Expenses*	**2,399.86**	-
Total	**2,399.86**	**-**

*Interest Expenses are net of Interest Capitalised of ₹10,160.96 Lakhs (Previous Year ₹ 9,729.95 Lakhs)

Notes on Financial Statements for the year ended 31st March, 2018

₹ in Lakhs

23	**Other Expenses**		**2017-18**		2016-17
	Establishment Expenses				
	Payment to Auditors	**0.66**		0.51	
	Other Repairs	**26.33**		-	
	Repairs to Machinery	**57.89**		-	
	Store, chemicals and fuel consumption	**587.13**		-	
	Electricity & Water	**6.58**		-	
	Exchange Difference	**0.04**		-	
	Telephone Expenses	**4.02**		-	
	Travelling and Conveyance Expenses	**38.95**		-	
	Labour processing, production royalty and machinery hire charges	**1.38**		-	
	Professional Fees Paid to Others	**10,104.14**		-	
	General Expenses	**253.16**		7.06	
			11,080.28		7.57
	Total		**11,080.28**		7.57

23.1	**Payment to Auditors as:**		
		2017-18	2016-17
	Statutory Audit Fees	**0.35**	0.32
	Tax Audit Fees	**0.10**	-
	Certification and Filing Fees	**0.21**	0.19
	TOTAL	**0.66**	0.51

₹ in Lakhs

24	**Earning Per Share (EPS)**	**2017-18**	2016-17
	Basic Earnings Per Share		
	Net Profit/(Loss) after tax as per statement of profit and loss	**307.90**	(7.57)
	Dividend on Cumulative Preference Share	**-**	-
	Net Profit attributable to Equity Shareholders	**307.90**	(7.57)
	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**3,730.00**	2,103.84
	Basic Earnings per share of face value of ₹10 each (In ₹)	**0.08**	(0.00)
	Diluted Earnings Per Share		
	Net Profit / (Loss) after tax as per statement of profit and loss	**307.90**	(7.57)
	Net Profit / (Loss) attributable to Equity Shareholders	**307.90**	(7.57)
	Weighted Average number of equity shares used as denominator for calculating EPS:	**3,730.00**	2,103.84
	Add: Number of Zero Coupon optionally fully Convertible Debentures in to Equity Shares	-	3,626.14
	Add: Number of 6% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each	**36,765.00**	50.36
	Total weighted average number of Equity Shares	**40,495.00**	5,780.34
	Diluted Earnings per share of face value of ₹ 10 each (In ₹)	**0.01**	(0.00)

Notes on Financial Statements for the year ended 31st March, 2018

25 Related Parties Disclosures

As per IND AS - 24, the disclosures of transactions with Related Parties as designed in IND AS are given below:

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

S. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Reliance Corporate IT Park Limited	Fellow Subsidiary
3	Reliance Retail Limited	Fellow Subsidiary
4	Reliance Jio Infocomm Limited	Fellow Subsidiary
5	Shri R Suresh (Chief Executive Officer)	Key Managerial Personnel
6	Shri Vikas Pethe (Company Secretary)	Key Managerial Personnel
7	Shri Ramanathan Ravichandran (Chief Financial Officer)	Key Managerial Personnel

(ii) Transactions during the year with Related Parties:

₹ in Lakhs

S.No.	Nature of Transactions (Excluding reimbursements)	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
1)	**Purchase of Capital Goods**	**762.77**	**375.05**	**-**	**1,137.82**
		878.38	*75.38*	-	*953.76*
2)	**Purchase of Traded Goods**	**54,362.49**	-	**-**	**54,362.49**
		-	-	-	-
3)	**Purchase of Fuel**	**916.95**	**-**	**-**	**916.95**
		-	-	-	-
4)	**Equity Share Capital Issued**	**-**	**-**	**-**	**-**
		22,300.00	-	-	*22,300.00*
5)	**Sale of Services**	**19,677.42**	**-**	**-**	**19,677.42**
		282.01	*3.05*	-	*285.06*
6)	**Sale of Traded Goods**	**65,126.45**	**8.44**	**-**	**65,134.89**
7)	**Miscellaneous Income**	**6,000.00**	**-**	**-**	**6,000.00**
		-	-	-	-
8)	**Issue of Preference Share Capital**	**-**	**-**	**-**	**-**
		36,765.00	-	-	*36,765.00*
9)	**Redemption of Zero Coupon Optionally Fully Convertible Debentures**	**-**	**-**	**-**	**-**
		36,765.00	-	-	*36,765.00*
10)	**Finance Charges Paid**	**51.01**	-	**-**	**51.01**
		-	-	**-**	**-**
11)	**Professional Fees Paid**	**1.01**	**10,100.00**	**-**	**10,101.01**
		-	-	-	-
12)	**Telephone Expenses**	**-**	**12.69**	**-**	**12.69**
		-	-	-	-
13)	**Remuneration to Key Managerial Personnel**	**-**	**-**	**177.73**	**177.73**
		-	-	*191.95*	*191.95*

Notes on Financial Statements for the year ended 31st March, 2018

₹ in Lakhs

S No.	Nature of Transactions (Excluding reimbursements)	Holding Company	Fellow Subsidiaries	KMP's	Total
	Balances as at 31st March, 2018				
14)	**Equity Shares**	**37,300.00**	**-**	**-**	**37,300.00**
		37,300.00	*-*	*-*	*37,300.00*
15)	**Trade Receivables**	**585.09**	**-**	**-**	**585.09**
		-	-	-	-
16)	**Other Receivable**	**1,868.03**	**9.96**	**-**	**1,877.99**
		282.01	*0.97*	*-*	*282.98*
17)	**Creditors for Capital Expenditure**	**114.00**	**37.97**	**-**	**151.97**
		-	-	-	-
18)	**Trade Payables/Advance**	**2.09**	**10,908.00**	**-**	**10,910.09**
		2.45	*16.45*	*-*	*18.90*
19)	**Deferred Revenue**	**132,500.00**	**-**	**-**	**132,500.00**
		-	-	-	-
20)	**Preference Share Capital**	**36,765.00**	**-**	**-**	**36,765.00**
		36,765.00	*-*	*-*	*36,765.00*

Note:

Figures in Italic represents Previous Year's amount.

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

	Particulars	Relationship	2017-18	2016-17
1	Purchase of Capital Goods			
	Reliance Industries Limited	Holding Company	**762.77**	878.38
	Reliance Retail Limited	Fellow Subsidiary	**62.08**	59.58
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**312.97**	15.80
2	Purchase of Traded Goods			
	Reliance Industries Limited	Holding Company	**54,362.49**	-
3	Purchase of Fuel			
	Reliance Industries Limited	Holding Company	**916.95**	-
4	Issue of Equity Share Capital			
	Reliance Industries Limited	Holding Company	-	22,300.00
5	Sales of Services			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	-	3.05
	Reliance Industries Limited	Holding Company	**19,677.42**	282.01
6	Sale of Traded Goods			
	Reliance Industries Limited	Holding Company	**65,126.45**	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**8.44**	-
7	Miscellaneous Income			
	Reliance Industries Limited	Holding Company	**6,000.00**	-
8	Issue of Preference Shares			
	Reliance Industries Limited	Holding Company	-	36,765.00
9	Redemption of Zero Coupon Optionally Fully Convertible Debentures			
	Reliance Industries Limited	Holding Company	-	(36,765.00)

Notes on Financial Statements for the year ended 31st March, 2018

	Particulars	Relationship	2017-18	2016-17
10	Finance Charges Paid			
	Reliance Industries Limited	Holding Company	**51.01**	-
11	Professional Fees Paid			
	Reliance Industries Limited	Holding Company	**1.01**	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**10,100.00**	-
12	Telephone Expenses			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**12.69**	-
13	Remuneration to Key Managerial Personnel			
	Shri R Suresh (Chief Executive Officer)	Key Managerial Personnel	**86.55**	105.83
	Shri Vikas Pethe (Company Secretary)	Key Managerial Personnel	**16.98**	14.29
	Shri Ramanathan Ravichandran (Chief Financial Officer)	Key Managerial Personnel	**74.20**	63.10
	Shri E V S Rao (Chief Financial Officer)	Key Managerial Personnel	**-**	8.73
	Balances as at 31st March, 2018			
14	Equity Share Capital			
	Reliance Industries Limited	Holding Company	**37,300.00**	37,300.00
15	Trade Receivables			
	Reliance Industries Limited	Holding Company	**585.09**	-
16	Other Receivable			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**9.96**	0.97
	Reliance Industries Limited	Holding Company	**1,868.03**	282.01
17	Creditors for Capital Expenditure			
	Reliance Industries Limited	Holding Company	**114.00**	2.45
	Reliance Retail Limited	Fellow Subsidiary	**-**	16.45
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**37.97**	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary		
18	Trade Payables			
	Reliance Industries Limited	Holding Company	**2.09**	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**10,908.00**	-
19	Deferred Revenue			
	Reliance Industries Limited	Holding Company	**132,500.00**	-
20	Preference Share Capital			
	Reliance Industries Limited	Holding Company	**36,765.00**	36,765.00

Note:

1. Professional Fees towards Key Managerial Personnel payments reimbursed to Reliance Industries Limited.

Notes on Financial Statements for the year ended 31st March, 2018

26 Contingent Liabilities and Commitments

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	**5,657.24**	22,380.55
(B) Contingent Liabilities		
Bank Guarantees given to Government Authorities	**1,350.94**	1,574.81

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

28 Capital management and financial instruments

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

The capital structure of the company consists of net debt (borrowings as detailed in note 12) and total equity of the company.

28.1 Net Gearing Ratio

The Net Gearing Ratio at end of the reporting period was as follows.

₹ in Lakhs

Particulars	**As at 31st March, 2018**	As at 31st March, 2017
Gross Debt	**130,900.00**	145,000.00
Cash and Cash Equivalents (including liquid investments)	**20,976.13**	1,319.58
Net Debt (A)	**109,923.87**	143,680.42
Total Equity (as per Balance Sheet) (B)	**74,215.38**	73,904.30
Net Gearing Ratio (A / B)	**1.48**	1.94

Debt is defined as long-term and short-term borrowings (excluding derivative contracts and contingent consideration) as described in note 12.

28.2 Financial Instruments

Valuation

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

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

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

Notes on Financial Statements for the year ended 31st March, 2018

(A) Fair Value Measurement Hierarchy :

₹ in Lakhs

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	**588.21**					
Cash and Cash Equivalents	**183.19**	**-**	**-**	591.83	-	-
Other Financial Assets	**3,938.06**	**-**	**-**	795.49	-	-
At FVTPL						
Investments	**20,792.94**	**20,792.94**		727.75	727.75	
At Amortised Cost						
Borrowings	**130,900.00**	**-**	**-**	145,000.00	-	-
Trade Payables	**11,041.03**					
Other Financial Liabilities	**9,167.32**	**-**	**-**	17,180.68	-	-

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, whether directly or indirectly.

(B) Financial Risk Management

The different types of risks 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.

(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 relating to outstanding receivables.

(iii) Market Risks

(a) Foreign Currency Risk

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

Notes on Financial Statements for the year ended 31st March, 2018

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:

	As at 31st March, 2018			As at 31st March, 2017		
	USD	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
Trade and Other Payables	**40.32**	**9.35**	**487.93**	39.93	131.94	478.94
Net Exposure	**27.83**	**9.35**	**487.93**	39.93	131.94	478.94

Foreign currency sensitivity analysis (assuming a currency movement of 1%) is appended in table below:

	As at 31st March, 2018			As at 31st March, 2017		
	USD	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
1% Depreciation in INR						
Impact on Equity	**0.40**	**0.09**	**4.88**	25.89	91.43	387.48
Total	**0.28**	**0.09**	**4.88**	25.89	91.43	387.48
1% Appreciation in INR						
Impact on Equity	**(0.40)**	**(0.09)**	**(4.88)**	(25.89)	(91.43)	(387.48)
Total	**(0.28)**	**(0.09)**	**(4.88)**	(25.89)	(91.43)	(387.48)

(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 interest rate risk as defined in IND AS 107.

Please refer to interest rate exposure profile appended in table below:

₹ in Lakhs

Particulars	**As at 31st March, 2018**	As at 31st March, 2017
Loans		
Long Term Fixed Rate	**130,900.00**	145,000.00
Total	**130,900.00**	145,000.00

The Rate of interest is linked to banks MCLR and remains fixed till next reset date.

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

i) Loans given ₹ NIL (Previous year ₹ NIL)

ii) Investments made ₹ NIL (Previous year ₹ NIL)

iii) Guarantees given and Securities provided by the Company in respect of loan ₹ NIL (Previous year ₹ NIL)

30 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on April 24, 2018.

Notes on Financial Statements for the year ended 31st March, 2018

31 Segment Information

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments') in deciding how to allocate resources and in allocating performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two Principal and operating segments; viz. Petrochemcials and Oil & Gas.

The accounting policies adopted for Segment reporting are in line with the accounting policy of the Company with following additional policies for the segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.

(i) Primary Segment Information ₹ in Lakhs

Particulars	Pipeline Business		Petrochemical		Total Amount	
	2017 - 18	2016 - 17	**2017 - 18**	2016 - 17	**2017 - 18**	2016 - 17
Segment Turnover	5,211	-	70,377	-	**75,589**	-
Less : GST Recovered	(795)	-	(10,736)	-	**(11,530)**	-
	-	-	-	-		
Net Turnover	4,416	-	59,642	-	**64,058**	-
	-	-	-	-		
Segment Result before Interest and Tax	1,333	-	1,314	-	**2,648**	(8)
Interest	2,400	-	-	-	**2,400**	-
Profit Before Tax	(1,067)	-	1,314	-	**248**	(8)
Current Tax	-	-	455	-	**455**	-
Deferred Tax	(515)	-	-	-	**(515)**	-
Profit After Tax	(552)	-	860	-	**308**	(8)
	-	-	-	-		
Segment Assets	105,584	-	254,504	-	**360,088**	237,037
Segment Liabilities	105,584	-	254,504	-	**360,088**	237,037
Capital Expenditure	-	-	218,943	-	**218,943**	206,596
Depreciation	2,499	-	-	-	**2,499**	-

(ii) The Reportable Segments are further described below :

- The Petrochemical segment includes operations of DNEPL (Dahej Nagothane Pipeline) and Ethane Trading.
- The Pipeline Business segment includes operations of SHPPL (Shahdol Phulpur Pipeline).
- Revenue from one customer contributed 10% or more to the Company's revenue for FY 2017-18.

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Rgn No. - 101720W

Jignesh Mehta
Partner
Mem No. - 102749

Mumbai
Dated : 24th April, 2018

For and on behalf of the board

S. Sudhakar
Amit Mehta
Shivkumar R. Bhardwaj
Chandrakant S. Gokhale
Geeta Fulwadaya
Venkata Ravikumar Prekki
Directors

Vikas Pethe Company Secretary
Ramanathan Ravichandran Chief Financial Officer