



**Reliance Gas Transportation Infrastructure Limited**

**Financial Statements  
2014-2015**

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**Reliance Gas Transportation Infrastructure Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Reliance Gas Transportation Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' 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 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matter in the Notes to the financial statements:

Note 19.1 of the Financial Statements in respect of matter relating to recognition of revenue based on expected final levelised tariff which is pending for approval from the Petroleum and Natural Gas Regulatory Board (PNGRB) and consequent recognition of unbilled income, since 1st April 2009, being the difference between the expected final levelised tariff and provisional levelised tariff as approved by PNGRB.

Our opinion is not modified in respect of above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matter relating to recognition of revenue based on expected final levelised tariff as described under the Emphasis of Matter paragraph above are sub-judice and pending resolution of the authority, effect thereof on the functioning of the company as such cannot be commented upon.
  - f) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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) As per representation received from the management, the Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer Note 28 to the financial statements).
    - (ii) The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Chaturvedi & Shah**  
Chartered Accountants  
(Registration No 101720W)

**Sandesh Ladha**  
Partner  
Membership No.47841

**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015**

**For Lodha & Co.**  
Chartered Accountants  
(Registration No 301051E)

**H.K. Verma**  
Partner  
Membership No.55104

## Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, 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.
2. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories.
3. The Company has not granted any loan during the year to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. 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, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues 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, 2015 for a period of more than six months from the date of becoming payable.
  - b) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Duty of Customs, Wealth Tax, Service Tax, Duty of Excise or Value Added Tax or Cess which have not been deposited as on 31st March, 2015 on account of disputes except as follows:

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates.	Forum where dispute is pending
1	Finance Act, 1994	Service Tax	524.26	2008-09 to 2011-12	CESTAT, Mumbai

- c) According to the records of the Company and information and explanation provided to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The Company has accumulated losses at the end of the financial year which is more than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by the audit. The company had incurred cash losses in immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
10. According to the information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company has raised new terms loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
12. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah**  
Chartered Accountants  
(Registration No 101720W)

**Sandesh Ladha**  
Partner  
Membership No.47841  
**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015**

For **Lodha & Co.**  
Chartered Accountants  
(Registration No 301051E)

**H.K. Verma**  
Partner  
Membership No.55104

**Balance Sheet as at 31st March, 2015**

	Note	As at 31st March, 2015	As at 31st March, 2014	(₹ in Crore)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	3	3,025.16	3,025.16	
Reserves and Surplus	4	<u>(4,377.96)</u>	<u>(3,941.87)</u>	
		<b>(1,352.80)</b>		(916.71)
<b>Non-Current Liabilities</b>				
Long Term Borrowings	5	14,910.29	15,207.01	
Other Long Term Liabilities	6	760.55	781.11	
Long Term Provisions	7	<u>884.58</u>	<u>866.22</u>	
		<b>16,555.42</b>		16,854.34
<b>Current Liabilities</b>				
Trade Payables	8	34.09	56.00	
Other Current Liabilities	9	1,332.16	1,391.16	
Short Term Provisions	10	<u>11.31</u>	<u>47.16</u>	
		<b>1,377.56</b>		1,494.32
<b>Total</b>		<u><b>16,580.18</b></u>	<u><b>17,431.95</b></u>	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Fixed Assets	11			
Tangible Assets		13,545.23	14,447.76	
Intangible Assets		0.01	0.04	
Capital Work-in-Progress		<u>4.70</u>	<u>16.13</u>	
		<b>13,549.94</b>	<b>14,463.93</b>	
Long Term Loans and Advances	12	<u>59.09</u>	<u>59.70</u>	
		<b>13,609.03</b>		14,523.63
<b>Current Assets</b>				
Current Investments	13	-	50.21	
Inventories	14	286.12	308.66	
Trade Receivables	15	58.39	57.74	
Cash and Bank Balances	16	60.56	59.62	
Short Term Loans and Advances	17	19.52	20.89	
Other Current Assets	18	<u>2,546.56</u>	<u>2,411.20</u>	
		<b>2,971.15</b>		2,908.32
<b>Total</b>		<u><b>16,580.18</b></u>	<u><b>17,431.95</b></u>	

**Notes on Financial Statements**

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As per our report of even date

**For and on behalf of the Board****For Chaturvedi & Shah**  
Chartered Accountants**For Lodha & Co**  
Chartered Accountants**R. K. Dhadda**  
Managing Director**K. R. Raja**  
Director**Sandesh Ladha**  
Partner**H.K.Verma**  
Partner**Mahesh Kamdar**  
Director**N. G. Tanjore**  
Director**S. Anantharaman**  
Director**K. M. Chhapru**  
Director**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015****Bijay Agrawal**  
Company Secretary**M Sundar**  
Chief Financial Officer

**Statement of Profit and Loss for the year ended 31st March, 2015**

	Note	2014-15	2013-14
(₹ in Crore)			
<b>INCOME</b>			
Revenue from Operations	19	1,356.66	1,412.43
Other Income	20	78.44	97.86
<b>Total Revenue</b>		<u>1,435.10</u>	<u>1,510.29</u>
<b>EXPENDITURE :</b>			
Employee Benefits Expense	21	45.37	45.77
Finance Costs	22	656.63	868.22
Depreciation and Amortisation Expense	11	874.54	3,118.61
Other Expenses	23	294.65	906.45
<b>Total Expenses</b>		<u>1,871.19</u>	<u>4,939.05</u>
<b>Profit / (Loss) Before Tax</b>		<b>(436.09)</b>	<b>(3,428.76)</b>
Tax Expense			
Provision for Current Tax		-	-
Income Tax Paid / Reversal for earlier years		-	(56.58)
Less: MAT Credit Entitlement reversed		-	30.28
		-	(26.30)
<b>Profit / (Loss) for the year</b>		<u><b>(436.09)</b></u>	<u><b>(3,402.46)</b></u>
<b>Earnings per equity share of face value of ₹ 1 each:</b>			
Basic and Diluted (in ₹)	24	<b>(0.19)</b>	(1.50)
<b>Notes on Financial Statements</b>	<b>1-30</b>		

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants**For Lodha & Co**  
Chartered Accountants**Sandesh Ladha**  
Partner**H.K.Verma**  
Partner**For and on behalf of the Board****R. K. Dhadda**  
Managing Director**K. R. Raja**  
Director**Mahesh Kamdar**  
Director**N. G. Tanjore**  
Director**S. Anantharaman**  
Director**K. M. Chhapru**  
Director**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015****Bijay Agrawal**  
Company Secretary**M Sundar**  
Chief Financial Officer

**Cash Flow Statement for the year ended 31st March, 2015**

	2014-15	(₹ in Crore) 2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	<b>(436.09)</b>	(3,428.76)
Adjusted for:		
Depreciation and amortisation	<b>874.54</b>	3,118.61
Loss / (Profit) on sale of current investments (Net)	<b>(4.63)</b>	(2.73)
Loss / (Profit) on sale of Fixed Assets (Net)	<b>(17.11)</b>	(1.19)
Unrealised Exchange Difference	<b>(11.26)</b>	394.48
Interest Income	<b>(4.34)</b>	(34.26)
Finance Costs	<b>656.63</b>	868.22
	<b>1,493.83</b>	4,343.13
<b>Operating profit / (loss) before working capital changes</b>	<b>1,057.74</b>	914.37
Trade and Other Receivables	<b>(155.66)</b>	(204.60)
Inventories	<b>22.54</b>	(9.16)
Trade and Other Payables	<b>(45.98)</b>	(372.88)
	<b>(179.10)</b>	(586.64)
<b>Cash Generated from Operations</b>	<b>878.64</b>	327.73
Taxes Paid	-	(0.27)
Net cash from / (used in) Operating Activities	<b>878.64</b>	327.46
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(5.03)</b>	(19.41)
Sale of Fixed Assets	<b>61.19</b>	3.78
Purchase of Current Investments	<b>(1,340.56)</b>	(1,454.10)
Sale of Current Investments	<b>1,395.40</b>	1,416.61
Deposits placed with Banks	<b>(5.93)</b>	(3.63)
Interest Income	<b>25.97</b>	12.61
Net cash from / (used in) Investing Activities	<b>131.04</b>	(44.14)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	<b>853.28</b>	3,477.76
Repayment of Long Term Borrowings	<b>(1,200.00)</b>	(2,811.71)
Interest and Finance charges paid	<b>(667.95)</b>	(951.04)
Net cash from / (used in) Financing Activities	<b>(1,014.67)</b>	(284.99)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(4.99)</b>	(1.67)
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>17.27</b>	18.94
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>12.28</b>	17.27

## Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3 (AS-3) "Cash flow Statements"
- The figures in ( ) represents cash outflow

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For Lodha & Co**  
Chartered Accountants

**Sandesh Ladha**  
Partner

**H.K.Verma**  
Partner

**For and on behalf of the Board**

**R. K. Dhadda**  
Managing Director

**K. R. Raja**  
Director

**Mahesh Kamdar**  
Director

**N. G. Tanjore**  
Director

**S. Anantharaman**  
Director

**K. M. Chhapru**  
Director

**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015**

**Bijay Agrawal**  
Company Secretary

**M Sundar**  
Chief Financial Officer

## Notes on Financial Statements for the year ended 31st March, 2015

### Note 1. SIGNIFICANT ACCOUNTING POLICIES

#### a Basis of preparation of Financial Statements

The financial statements have been prepared in compliance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed assets which are carried at revalued amounts.

#### b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

#### c Fixed Assets

- i) Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation, amortisation and impairment loss, if any.
- ii) Line pack gas has been considered as fixed assets.
- iii) All costs, including financing costs, net changes on foreign exchange contracts and adjustments arising from exchange rate variations relating to long term borrowings attributable to the fixed assets are capitalised.
- iv) All the expenditure (net of income earned) related to Project incurred during the construction period till commencement of operations are treated as Project Development Expenditure pending capitalisation, and are included under Capital Work-In-Progress and the same are allocated on all the Fixed Assets of the Project on completion.

#### d Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer software is amortised over a period of 5 years on straight line method.

#### e Depreciation

Depreciation on Fixed Assets including revalued amount is provided on straight line method over the useful life as per Schedule II to the Companies Act, 2013 / technically evaluated life. Loose tools are depreciated over a period of three years; Premium on leasehold land is amortised over the period of lease; line pack gas is not depreciated. In respect of additions or extensions forming an integral

part of existing assets, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided over the residual life of the respective assets.

#### f Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been an increase in the recoverable value due to a change in the estimate.

#### g Investments

Current investments are carried at the lower of cost and quoted/fair value, computed scrip wise. Non-current Investments are stated at cost. Provision for diminution in the value of non current investments is made only if such a decline is other than temporary in the opinion of the management.

#### h Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in the following cases :-
  - (a) Upto accounting period 31st March, 2007, in respect of all Foreign Currency Monetary Items relating to acquisition of fixed assets such difference is adjusted to the carrying cost of the fixed assets.
  - (b) With effect from 1st April, 2007 in respect of long term Foreign Currency monetary Items relating to acquisition of depreciable fixed assets such difference is adjusted to the carrying cost of the depreciable fixed assets and in respect of other long term Foreign Currency Monetary items, the same is transferred to "Foreign Currency Monetary Translation Difference Account" and amortised over the

## Notes on Financial Statements for the year ended 31st March, 2015

balance period of such long term Foreign Currency Monetary items but not beyond 31st March 2020.

### i Inventories

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition and are determined on weighted average basis.

### j Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company which can be reasonably measured and when no significant uncertainty exists as to its realisation.

- i) Income from transportation of gas is recognised on completion of delivery in respect of the quantity of gas delivered to customers.

In respect of quantity of gas received from customers under deferred delivery basis, Income for the quantity of gas retained in the pipeline is recognised by way of deferred delivery charges for the period of holding the gas in the pipeline at a mutually agreed rate.

Income is accounted net of service tax.

- ii) Amount received upfront in lumpsum under Agreement from Customers is recognised on a pro-rata basis over the period of the relevant Agreement.
- iii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.
- iv) Dividend is recognised when the right to receive is established.

### k Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### l Financial Derivative Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses are recognised in the Statement of Profit and Loss .

### m Employee Benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognised as an expense in the

Statement of Profit and Loss for the year in which the employee has rendered services:

- (a) Contribution to defined contribution plans viz. Provident Fund, Superannuation Fund and Pension Scheme are recognized as and when incurred.
- (b) Long-term employee benefits viz. gratuity and leave encashment are recognized at the present value of the amounts payable determined at the close of the year based on actuarial valuation techniques using the Projected Unit Credit Method. Actuarial gains and losses are charged to the Statement of Profit and Loss .

### n Provision for Current and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future. In case of carried forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Entitlement credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

### o Premium payable on redemption of Redeemable Preference Shares

Premium payable on redemption of Redeemable Preference Shares in excess of premium, if any, received at the time of issue of such Shares is provided and charged to the statement of profit and loss on a pro-rata basis over the tenure of such shares, subject to availability of profits.

### p Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### NOTE 2

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Crore)

**NOTE 3. SHARE CAPITAL**

	As at 31st March, 2015	As at 31st March, 2014
<b>Authorised :</b>		
7000 00 00 000 Equity Shares of ₹ 1 each (7000 00 00 000)	<b>7,000.00</b>	7,000.00
300 00 00 000 Preference Shares of ₹ 10 each (300 00 00 000)	<b>3,000.00</b>	3,000.00
	<b>10,000.00</b>	10,000.00
<b>Issued, Subscribed and Fully Paid up :</b>		
2275 16 25 000 Equity Shares of ₹ 1 each fully paid up (2275 16 25 000)	<b>2,275.16</b>	2,275.16
75 00 00 000 9% Non-cumulative Redeemable Preference (75 00 00 000) Shares of ₹ 10 each fully paid up	<b>750.00</b>	750.00
<b>TOTAL</b>	<b>3,025.16</b>	3,025.16

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :  
There is no movement in Equity Shares and 9% Non-cumulative Redeemable Preference Shares outstanding at the beginning and at the end of the year.

3.2 The details of Shareholders holding more than 5% shares and details of Shares held by holding company or holding company of holding company or by subsidiaries / associates of holding company :

Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
(a) Equity Shares				
Reliance Utilities Private Limited, (Holding Company) along with its nominees	<b>2275 16 25 000</b>	<b>100.00%</b>	2275 16 25 000	100.00%
(b) 9% Non-cumulative Redeemable Preference Shares				
Reliance Industries Limited (Associate company of Holding Company of Holding Company)	<b>50 00 00 000</b>	<b>66.67%</b>	50 00 00 000	66.67%
Reliance Ports And Terminals Limited (Holding Company of Holding Company)	<b>25 00 00 000</b>	<b>33.33%</b>	25 00 00 000	33.33%

3.3 The 9% Non-cumulative Redeemable Preference Shares shall be redeemed at ₹ 125 per Preference Share (including premium of ₹ 115 per Preference Share), in five equal instalments of ₹ 25 each per Preference Share on 31st March,2025, 31st March,2026, 31st March,2027, 31st March,2028 and 31st March,2029.  
At the option of the Company, the above Redeemable Preference Shares are redeemable at any time before the dates mentioned above by giving 30 days notice to the Preference shareholders at a price calculated to give a yield of 8% p.a to the Preference shareholders after taking into account redemption made and dividends already distributed.

## Notes on Financial Statements for the year ended 31st March, 2015

### 3.4 Rights and Restrictions to Equity Shares / Preference Shares

Equity Shares - The Equity Shares of the Company, rank pari passu in all respects including voting rights and entitlement to dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares - The preference shares of the company have priority over the equity shares of the company

i) For receiving dividend

ii) For repayment of capital in the event of liquidation of the company

in proportion to their holding.

The preference shareholders will have voting rights incase the dividend is not paid for a consecutive period of two years.

(₹ in Crore)

### NOTE 4. RESERVES AND SURPLUS

	As at 31st March, 2015	As at 31st March, 2014
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	4,235.02	4,235.02
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet (Refer Note 4.1)	4.29	4.29
<b>Surplus in Statement of Profit and Loss</b>		
As per Last Balance Sheet	(8,181.18)	(4,778.72)
Add: Profit / (Loss) for the year	(436.09)	(3,402.46)
<b>TOTAL</b>	<u>(4,377.96)</u>	<u>(3,941.87)</u>

#### 4.1 Debenture Redemption Reserve

The Company is required to create a Debenture Redemption Reserve (DRR) in terms of section 71(4) of the Companies Act, 2013 of ₹ 875 Crore for Debenture Series PPD - 2 and Debenture Series PPD - 3 over the tenure of the Debentures, out of profits of the Company. Upto 31st March, 2015 DRR of ₹ 380.21 Crore (Previous Year ₹ 292.71 Crore) was required to be created, however the Company has created DRR of ₹ 4.29 Crore (Previous Year ₹ 4.29 Crore) only. In view of the loss for the current year no further amount could be credited to the above reserve account.

### NOTE 5. LONG TERM BORROWINGS

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
<b>A. DEBENTURES</b>		
<b>Secured</b>		
Non Convertible Debentures	1,000.00	1,000.00
<b>Unsecured</b>		
Non Convertible Debentures	2,500.00	2,500.00
<b>B. TERM LOANS</b>		
<b>Secured</b>		
From Banks	3,161.78	4,223.11
From Financial Institution	243.83	332.50
<b>C. LOANS FROM RELATED PARTIES</b>		
<b>Unsecured</b>		
Loan from Body Corporates (Refer Note 25)	6,258.06	5,404.78
<b>D. LOANS FROM OTHERS</b>		
<b>Unsecured</b>		
Loan from Body Corporate	1,746.62	1,746.62
<b>TOTAL</b>	<u>14,910.29</u>	<u>15,207.01</u>

## Notes on Financial Statements for the year ended 31st March, 2015

5.1 The Term Loans from Banks and Financial Institution and Secured Non - Convertible Debentures referred to above and including current maturities of long term debt as given in Note 9 are secured on first ranking pari passu basis by way of mortgage / hypothecation / charge of all the immovable properties, all tangible and intangible moveable assets excluding specified investments and loans and advances, all bank accounts excluding specified bank accounts, all revenues and receivables excluding receivables representing CENVAT credit, assignment of the company's rights / title / interest / benefits / claims / demands in each letter of credit / guarantee or performance bond and insurance contracts relating to the cross-country pipeline network for transportation of natural gas set up by the Company between Kakinada in Andhra Pradesh and Bharuch in Gujarat. The security created for the Non-Convertible Debentures excludes Debt Service Reserve Account.

5.2 Rate of Interest and Maturity profile of Non Convertible Debentures are set out below :

Rate of Interest	Maturity Profile	
	2021-22	2018-19
10.95% (Secured)	-	1,000.00
10.25% (Unsecured)	2,500.00	-

5.3 Maturity profile of Term Loans are set out below:

Year	2019-20	2018-19	2017-18	2016-17
Secured Term Loans	4.17	1,101.44	1,150.00	1,150.00

The Company has a right to prepay these loans subject to compliance with terms and conditions of respective loans.

5.4 Maturity profile of Unsecured Loans are set out below:

Year	2024-25	2023-24	2021-22
Unsecured Loans	853.28	3,151.40	4,000.00

The above Loans from Body Corporates are subordinated both for interest, if any, and principal repayment to all the existing term loans and secured non-convertible debentures of the Company.

5.5 With respect to the rupee term loans from Banks and financial institution, amounting to ₹ 4,505.61 Crore (including current maturities of ₹ 1100 Crore – Refer Note no 9), the Company has since received sanctions from Banks for refinancing of the existing rupee term loans in terms of the RBI scheme for refinancing of the existing project term loans and fixing a longer repayment period taking into account the project lifecycle and cash flows. On availing the sanctions, the maturity profile of the outstanding rupee term loan amount as on the date of availment will stand revised as under;

Year	2027-28 to 2030-31	2021-22 to 2026-27	2015-16 to 2020-21
No of years	4	6	6
% of outstanding loan	10% per annum	7.50% per annum	2.50% per annum

### NOTE 6. OTHER LONG TERM LIABILITIES

Others	₹ in Crore)	
	As at 31st March, 2015	As at 31st March, 2014
Provision for Premium on Redemption of Preference Shares (Refer Note 6.1)	637.50	637.50
Income Received In Advance	15.41	18.69
Other Payables	107.64	124.92
<b>TOTAL</b>	<b>760.55</b>	<b>781.11</b>

6.1 Provision for Premium on Redemption of Preference Shares

In view of loss for the year, the Company has not provided for prorata premium payable on redemption of preference shares of ₹ 318.75 Crore (Previous Year ₹ 318.75 Crore). Further, cumulative amount of premium on redemption of preference shares not provided till 31.03.2015 is ₹ 1275 Crore (Previous Year ₹ 956.25 Crore)

6.2 Other Payables includes Security Deposits from customers.

**Notes on Financial Statements for the year ended 31st March, 2015****NOTE 7. LONG TERM PROVISIONS**

	As at 31st March, 2015	As at 31st March, 2014
Other Long Term Provision*	884.58	866.22
<b>TOTAL</b>	<b>884.58</b>	<b>866.22</b>

\* Represents mark to market provision for derivative transaction.

**NOTE 8. TRADE PAYABLES**

	As at 31st March, 2015	As at 31st March, 2014
Micro and Small Enterprises	0.98	1.54
Others	33.11	54.46
<b>TOTAL</b>	<b>34.09</b>	<b>56.00</b>

8.1 The details of amounts outstanding to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr No. Particulars	As at 31st March, 2015	As at 31st March, 2014
a Principal amount due and remaining unpaid	-	-
b Interest due on (a) above and the unpaid interest	-	-
c Interest paid on all delayed payments under the MSMED Act	-	-
d Payment made beyond the appointed day during the year	-	-
e Interest due and payable for the period of delay other than (c) above	-	-
f Interest accrued and remaining unpaid	-	-
g Amount of further interest remaining due and payable in succeeding years	-	-

**NOTE 9. OTHER CURRENT LIABILITIES**

	As at 31st March, 2015	As at 31st March, 2014
Current Maturities of Secured Long-term Debt (Refer Note 5.1)	1,100.00	1,150.00
Interest Accrued But Not Due On Borrowings	198.32	202.61
Income Received In Advance	3.27	3.28
Creditors for Capital Expenditure	12.98	13.37
Other payables*	17.59	21.90
<b>TOTAL</b>	<b>1,332.16</b>	<b>1,391.16</b>

\* Includes Statutory dues, Security deposits received and Advances from customers.

**NOTE 10. SHORT TERM PROVISIONS**

	As at 31st March, 2015	As at 31st March, 2014
Provision for Leave encashment/ Gratuity / Superannuation (Refer Note 21)	2.95	2.95
Provision for Wealth Tax	0.04	0.03
Other Short Term Provision*	8.32	44.18
<b>TOTAL</b>	<b>11.31</b>	<b>47.16</b>

\* Represents mark to market provision for derivative transaction.

**Notes on Financial Statements for the year ended 31st March, 2015**
**NOTE 11**

(₹ in Crore)

**FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2014	Additions	Deduction	As at 31.03.2015	Upto 31.03.2014	For the year	Deduction	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible assets</b>										
<b>Owned Assets</b>										
Freehold Land	56.21	0.61	-	<b>56.82</b>	-	-	-	-	<b>56.82</b>	56.21
Buildings	427.14	3.76	0.69	<b>430.21</b>	83.69	14.13	0.70	<b>97.12</b>	<b>333.09</b>	343.45
Plant and Machinery	25,824.43	10.10	81.07	<b>25,753.46</b>	11,867.79	856.41	37.37	<b>12,686.83</b>	<b>13,066.63</b>	13,956.64
Furniture and Fixtures	8.29	0.02	-	<b>8.31</b>	2.61	1.03	-	<b>3.64</b>	<b>4.67</b>	5.68
Vehicles	4.57	1.41	0.60	<b>5.38</b>	1.18	0.69	0.30	<b>1.57</b>	<b>3.81</b>	3.39
Office Equipment	4.01	0.16	0.14	<b>4.03</b>	1.23	2.23	0.05	<b>3.41</b>	<b>0.62</b>	2.78
Line pack gas	78.14	-	-	<b>78.14</b>	-	-	-	-	<b>78.14</b>	78.14
<b>Sub-Total</b>	<b>26,402.79</b>	<b>16.06</b>	<b>82.50</b>	<b>26,336.35</b>	<b>11,956.50</b>	<b>874.49</b>	<b>38.42</b>	<b>12,792.57</b>	<b>13,543.78</b>	<b>14,446.29</b>
<b>Leased Assets</b>										
Leasehold Land	1.56	-	-	<b>1.56</b>	0.09	0.02	-	<b>0.11</b>	<b>1.45</b>	1.47
<b>Sub-Total</b>	<b>1.56</b>	<b>-</b>	<b>-</b>	<b>1.56</b>	<b>0.09</b>	<b>0.02</b>	<b>-</b>	<b>0.11</b>	<b>1.45</b>	<b>1.47</b>
<b>Total (A)</b>	<b>26,404.35</b>	<b>16.06</b>	<b>82.50</b>	<b>26,337.91</b>	<b>11,956.59</b>	<b>874.51</b>	<b>38.42</b>	<b>12,792.68</b>	<b>13,545.23</b>	<b>14,447.76</b>
<b>Intangible assets</b>										
Software*	1.53	-	-	<b>1.53</b>	1.49	0.03	-	<b>1.52</b>	<b>0.01</b>	0.04
<b>Total (B)</b>	<b>1.53</b>	<b>-</b>	<b>-</b>	<b>1.53</b>	<b>1.49</b>	<b>0.03</b>	<b>-</b>	<b>1.52</b>	<b>0.01</b>	<b>0.04</b>
<b>TOTAL (A+B)</b>	<b>26,405.88</b>	<b>16.06</b>	<b>82.50</b>	<b>26,339.44</b>	<b>11,958.08</b>	<b>874.54</b>	<b>38.42</b>	<b>12,794.20</b>	<b>13,545.24</b>	<b>14,447.80</b>
Previous year	26,358.88	61.16	14.16	26,405.88	8,840.88	3,118.61	1.41	11,958.08	14,447.80	17,518.00
<b>Capital Work-in-Progress</b>									<b>4.70</b>	16.13

\* Other than internally generated

11.1 Building includes ₹ 78.20 Crore (Previous Year ₹ 78.20 Crore) being building constructed on land owned by others.

11.2 The Company, based on the report by an internationally reputed firm in pipeline engineering and project management, had revalued fixed assets relating to East West pipeline of the Company as at 30.11.2011, viz. Freehold Land, Buildings, Plant and Machinery, Furnitures and Fixtures and Office Equipment by an incremental amount of ₹ 8688.46 Crore.

11.3 Effective 1st April, 2014, the Company has provided depreciation as per Schedule II to the Companies Act, 2013.

**NOTE 12. LONG TERM LOANS AND ADVANCES**

(₹ in Crore)

	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Unsecured, considered good</b>		
Capital Advances	<b>0.31</b>	0.31
Security Deposits	<b>1.38</b>	1.30
Balance with Custom Authorities etc.	<b>1.77</b>	1.77
Advance Income Tax (Net)	<b>55.63</b>	56.32
<b>TOTAL</b>	<b>59.09</b>	<b>59.70</b>

**Notes on Financial Statements for the year ended 31st March, 2015****NOTE 13. CURRENT INVESTMENTS**

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
<b>Investments in Mutual Fund</b>		
<b>In Units-Unquoted, fully paid up</b>		
- L&T Cash Fund - Growth of ₹ 1000 each (1 92 705)	-	20.00
- Principal Cash Management Fund - Regular (2 42 795) Plan Growth of ₹ 1000 each	-	30.21
<b>TOTAL</b>	<u>-</u>	<u>50.21</u>
Total Amount of Unquoted Investments	-	50.21
13.1 Current investments are carried at the lower of cost or quoted / fair value.		

**NOTE 14. INVENTORIES**

	As at 31st March, 2015	As at 31st March, 2014
Stock of Natural Gas and Fuel	22.01	38.14
Stores and Spares	264.11	270.52
<b>TOTAL</b>	<u>286.12</u>	<u>308.66</u>
14.1 Inventories are measured at lower of cost or net realisable value.		

**NOTE 15. TRADE RECEIVABLES**

	As at 31st March, 2015	As at 31st March, 2014
(Unsecured and Considered Good)		
Over Six Months from due date	-	-
Others	58.39	57.74
<b>TOTAL</b>	<u>58.39</u>	<u>57.74</u>

**NOTE 16. CASH AND BANK BALANCES**

	As at 31st March, 2015	As at 31st March, 2014
<b>Cash and Cash Equivalents</b>		
Balances with banks in Current Account	12.28	17.27
<b>Other Bank Balances</b>		
In bank deposits to the extent held as security against guarantees of ₹ 0.78 Crore (Previous Year ₹ 0.51 Crore) and other commitments of ₹ 47.50 Crore (Previous Year ₹ 41.84 Crore)	48.28	42.35
<b>TOTAL</b>	<u>60.56</u>	<u>59.62</u>

**NOTE 17. SHORT TERM LOANS AND ADVANCES**

	As at 31st March, 2015	As at 31st March, 2014
<b>Unsecured, Considered Good and to other than related parties</b>		
Deposits	0.07	0.07
Balance with Custom, Central Excise Authorities etc.	3.36	3.49
Others Advances*	16.09	17.33
<b>TOTAL</b>	<u>19.52</u>	<u>20.89</u>

\* Includes advances to Vendors, Interest Receivable on Fixed Deposits with Banks, Cenvat Credit in the process of being availed.

**Notes on Financial Statements for the year ended 31st March, 2015**

**NOTE 18. OTHER CURRENT ASSETS**

	As at 31st March, 2015	As at 31st March, 2014
Unbilled Income (Refer Note 19.1)	2,516.00	2,276.00
Assets held for Disposal	15.83	15.84
Income Tax Refund Receivable	-	117.04
Other Receivables	14.73	2.32
<b>TOTAL</b>	<b>2,546.56</b>	<b>2,411.20</b>

(₹ in Crore)

**NOTE 19. REVENUE FROM OPERATIONS**

	2014-15	2013-14
<b>Income from Services</b>		
Income from Transportation of Gas	1,228.63	1,288.67
Income to be recovered after final tariff determination	240.00	233.00
Other Operating Income		
Deferred Delivery Services	12.06	20.72
Others	3.27	10.94
	<b>15.33</b>	<b>31.66</b>
	<b>1,483.96</b>	1553.33
Less: Service Tax	127.30	140.90
	<b>1,356.66</b>	<b>1,412.43</b>

- 19.1 Presently, the customers are being billed for transportation of gas as per the zone wise provisional tariff approved by the Petroleum and Natural Gas Regulatory Board (PNGRB). The company has filed application for determination of final tariff and subsequent revisions as directed by PNGRB, and are pending for consideration before them. Pending approval, the Company has continued to recognise revenue as per the expected final levelised tariff. Accordingly an unbilled income of ₹ 240 Crore for the year ended 31st March 2015 (₹ 2276 Crore for the period from 1st April 2009 till 31st March 2014) being the difference between the income determined as per the expected final levelised tariff and the provisional levelised tariff on the aggregate volume of gas transported during the period has been recognised. Customers will be billed on receipt of approval from PNGRB for the final levelised tariff as well as the zonal final tariff for every zone arrived at based on the final levelised tariff. Any difference between the final billing to Customers and the amount recognised based on expected final levelised tariff will be accounted for in the year in which the final billing is done.

**NOTE 20. OTHER INCOME**

	2014-15	2013-14
<u>Interest Income</u>		
From Fixed Deposits	4.25	12.96
On Income Tax Refund	0.07	21.26
From Others	0.02	0.04
Net Gain on Sale of Current Investments	<b>4.63</b>	34.26
Profit on Sale of Fixed Assets	17.11	2.73
Investment Advisory Services	34.81	1.19
Other Non-Operating Income	17.55	27.00
	<b>78.44</b>	<b>97.86</b>

## Notes on Financial Statements for the year ended 31st March, 2015

### NOTE 21. EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	2014-15	2013-14
Salaries, Wages and Bonus	38.80	38.74
Contribution to Provident Fund and other Funds	2.26	2.28
Staff welfare expenses	4.31	4.75
	<u>45.37</u>	<u>45.77</u>

21.1 The disclosure as per Accounting Standard 15 (AS-15) 'Employee Benefits', are given below:

#### Defined Contribution Plan

Contribution to defined Contribution Plan, recognised as expense for the year are as under:

	2014-15	2013-14
Employer's Contribution to Provident Fund	1.42	1.53
Employer's Contribution to Superannuation Fund	0.14	0.20
Employer's Contribution to Pension Scheme	0.47	0.30

#### Defined Benefit Plan

The company operated post retirement benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### i) Reconciliation of opening and closing balances of Defined Benefit obligation

	(₹ in Crore)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
a. Defined Benefit obligation at beginning of the year	4.68	3.94	2.93	2.31
b. Current Service Cost	0.51	0.54	0.16	0.16
c. Interest Cost	0.37	0.31	0.23	0.18
d. Actuarial (gain) / loss	(0.39)	0.05	(0.36)	0.35
e. Benefits paid	(0.16)	(0.16)	(0.02)	(0.07)
f. Defined Benefit Obligation at the year end	5.01	4.68	2.94	2.93

#### ii) Reconciliation of opening and closing balances of fair value of plan assets

	(₹ in Crore)	
	2014-15	2013-14
	Gratuity (Funded)	Gratuity (Funded)
a. Fair value of Plan Assets at beginning of the year	4.68	2.79
b. Expected Return on Plan Assets	0.37	0.26
c. Actuarial Gain / (Loss)	0.05	0.56
d. Employer Contributions	0.07	1.23
e. Benefits paid	(0.16)	(0.16)
f. Fair value of Plan Assets at the year end	5.01	4.68
g. Actual return on plan assets	0.42	0.82

**Notes on Financial Statements for the year ended 31st March, 2015**

**iii) Reconciliation of fair value of assets and obligations**

(₹ in Crore)

	<b>As at 31.03.15 Gratuity (Funded)</b>	As at 31.03.14 Gratuity (Funded)	As at 31.03.13 Gratuity (Funded)	As at 31.03.12 Gratuity (Funded)	As at 31.03.11 Gratuity (Funded)
a. Fair value of Plan Assets at year end	<b>5.01</b>	4.68	2.79	1.42	0.96
b. Present value of Obligation as at year end	<b>5.01</b>	4.68	3.94	2.72	1.43
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	-	-	(1.15)	(1.30)	(0.48)

(₹ in Crore)

	<b>As at 31.03.15 Leave Encashment (Unfunded)</b>	As at 31.03.14 Leave Encashment (Unfunded)	As at 31.03.13 Leave Encashment (Unfunded)	As at 31.03.12 Leave Encashment (Unfunded)	As at 31.03.11 Leave Encashment (Unfunded)
a. Fair value of Plan Assets at year end	-	-	-	-	-
b. Present value of Obligation as at year end	<b>2.94</b>	2.93	2.31	1.53	0.96
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	<b>(2.94)</b>	(2.93)	(2.31)	(1.53)	(0.96)

(The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 on 'Employee Benefits' are not available in the valuation report and hence, are not furnished)

**iv) Expenses recognised during the year**

(₹ in Crore)

	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2014-15</b>	2013-14	<b>2014-15</b>	2013-14
a. Current Service Cost	<b>0.51</b>	0.54	<b>0.16</b>	0.16
b. Interest Cost	<b>0.37</b>	0.31	<b>0.23</b>	0.18
c. Expected Return on Plan Assets	<b>(0.37)</b>	(0.26)	-	-
d. Actuarial (Gain)/Loss	<b>(0.44)</b>	(0.51)	<b>(0.36)</b>	0.35
e. Expenses recognised during the year	<b>0.07</b>	0.08	<b>0.03</b>	0.69

**v) Investment Details**

**Particulars of Investments - Gratuity (%)**

The Gratuity Trust has taken Gratuity Policies from various Insurance Companies, therefore percentage of investments in GOI Securities, Public Financial Institutions etc. are not ascertainable.

**Notes on Financial Statements for the year ended 31st March, 2015**

vi) Assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Mortality Table (LIC)	<b>2006-08</b>	2006-08	<b>2006-08</b>	2006-08
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount Rate	<b>8.00%</b>	8.00%	<b>8.00%</b>	8.00%
Salary escalation	<b>6.00%</b>	6.00%	<b>6.00%</b>	6.00%
Expected Rate of Return on Plan Assets	<b>8.00%</b>	8.00%	-	-

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 expected rate of return on plan assets is determined considering RBI Bond Interest rate or historical return on plan assets.

vii) The expected contributions for defined benefit plan for the next financial year will be in line with FY 2014-15.

**NOTE 22. FINANCE COSTS**

	(₹ in Crore)	
	2014-15	2013-14
Interest Expenses	<b>656.60</b>	868.22
Other Borrowing Costs	<b>0.03</b>	-
	<u><b>656.63</b></u>	<u>868.22</u>

**NOTE 23. OTHER EXPENSES**

	(₹ in Crore)	
	2014-15	2013-14
<b>OPERATION AND MAINTAINANCE EXPENSES</b>		
Stores and Spare (Refer Note 23.3)	<b>24.99</b>	33.72
Electricity, Power and Fuel	<b>104.17</b>	94.25
Repairs - Machinery	<b>43.87</b>	42.37
Other Operational Expenses	<b>7.23</b>	9.55
	<u><b>180.26</b></u>	<u>179.89</u>
<b>ADMINISTRATION EXPENSES</b>		
Payment to and Provision for Managerial personnel on deputation	<b>1.93</b>	0.24
Insurance	<b>6.90</b>	14.54
Rent	<b>0.22</b>	0.41
Repairs - Others	<b>1.06</b>	0.69
Rates and Taxes	<b>2.91</b>	0.99
Contracted and others services	<b>31.51</b>	51.74
Travelling and Conveyance	<b>18.16</b>	15.39
Payment to Auditors (Refer Note 23.1)	<b>0.51</b>	0.50
Professional Fees	<b>8.83</b>	10.03
Letter of credit and bank charges	<b>0.07</b>	0.17
Loss on Sale of Assets held for Disposal	-	0.05
Net Loss / (Gain) on Foreign Currency Transaction and Translation	<b>27.72</b>	604.35
General Expenses	<b>14.53</b>	27.43
Wealth Tax	<b>0.04</b>	-
	<u><b>114.39</b></u>	<u>726.56</u>
	<u><b>294.65</b></u>	<u>906.45</u>

**Notes on Financial Statements for the year ended 31st March, 2015**

**23.1 PAYMENT TO AUDITORS AS :**

	(₹ in Crore)	
	2014-15	2013-14
(a) Auditor		
Statutory Audit Fees	0.40	0.38
Tax Audit Fees	0.05	0.05
(b) Certification Fees	0.03	0.04
(c) Expenses Reimbursed	0.02	0.02
(d) Cost Audit Fees	0.01	0.01
	<b>0.51</b>	<b>0.50</b>

**23.2 EXPENDITURE IN FOREIGN CURRENCY**

	(₹ in Crore)	
	2014-15	2013-14
Consultation Fees	4.71	5.34
Repairs and Maintenance	28.58	29.26
Others	0.14	0.04
	<b>33.43</b>	<b>34.64</b>

**23.3 VALUE OF STORES AND SPARES CONSUMED**

	2014-15		2013-14	
	(₹ in Crore)	% of Consumption	(₹ in Crore)	% of Consumption
Imported	14.67	58.69	16.89	50.10
Indigenous	10.32	41.31	16.83	49.90
	<b>24.99</b>	<b>100.00</b>	<b>33.72</b>	<b>100.00</b>

**23.4 VALUE OF IMPORTS ON C.I.F BASIS IN RESPECT OF**

	(₹ in Crore)	
	2014-15	2013-14
Stores and spares	6.03	7.05
Capital Goods	0.49	1.76
	<b>6.52</b>	<b>8.81</b>

**NOTE 24. EARNINGS PER SHARE (EPS)**

	2014-15	2013-14
i) Net Profit / (Loss) as per Statement of Profit and Loss (₹ in crore)	<b>(436.09)</b>	(3,402.46)
ii) Weighted Average number of equity shares used as denominator for calculating Basic and Diluted EPS	<b>2275 16 25 000</b>	2275 16 25 000
iii) Earnings per share of face value of ₹ 1 each		
- For Basic and Diluted (₹)	<b>(0.19)</b>	(1.50)

## Notes on Financial Statements for the year ended 31st March, 2015

### NOTE 25. RELATED PARTY DISCLOSURES

As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', the disclosures of transactions with the Related Parties are given below:

#### i) Name of Related Party

Entities which exercise control on the company

Reliance Industries Holding Private Limited

Reliance Ports and Terminals Limited

Reliance Utilities Private Limited

Associate Company

Reliance Industries Limited

Fellow Subsidiary Company

Reliance Investment and Trading Private Limited

Reliance Consolidated Holding Private Limited

Key Managerial Person

Mr. R. K. Dhadda

#### ii) Transactions during the year with Related parties:

**Name of related party/Nature of transaction**

**(Excluding reimbursement and share premium)**

	2014-15	(₹ in Crore) 2013-14
<b>(a) Reliance Ports and Terminals Limited</b>		
<b>Preference Share capital</b>		
Closing Balance	250.00	250.00
<b>Loan</b>		
Opening Balance	4,000.00	4,000.00
Loan Taken	853.28	-
Closing Balance	4,853.28	4,000.00
<b>Transportation charges</b>	0.03	0.16
<b>Sale of Asset held for disposal</b>	0.01	-
<b>Trade Payables</b>		
Closing Balance	-	0.02
<b>(b) Reliance Utilities Private Limited</b>		
<b>Equity Share Capital</b>		
Closing Balance	2,275.16	2,275.16
<b>Loan</b>		
Opening Balance	-	155.35
Loan Taken	-	-
Loan Repaid	-	155.35
Closing Balance	-	-
<b>Other Receivables</b>		
Closing Balance	0.06	-

**Notes on Financial Statements for the year ended 31st March, 2015**

	2014-15	2013-14
		(₹ in Crore)
<b>(c) Reliance Industries Limited</b>		
<b>Preference Share capital</b>		
Closing Balance	500.00	500.00
<b>Sale of materials</b>	0.25	0.22
<b>Purchase of fuel</b>	52.16	68.79
<b>Sale of Assets</b>	45.55	3.82
<b>Income from Services (Including Service Tax)</b>	196.81	185.32
<b>Trade Receivables</b>		
Closing Balance	7.47	8.51
<b>Other Receivables</b>		
Closing Balance	-	1.46
<b>Trade Payables</b>		
Closing Balance	3.13	10.40
<b>(d) Reliance Investment and Trading Private Limited</b>		
<b>Loan</b>		
Opening Balance	-	180.00
Loan Taken	-	324.35
Loan Repaid	-	504.35
Closing Balance	-	-
<b>(e) Reliance Consolidated Holding Private Limited</b>		
<b>Loan</b>		
Opening Balance	1,404.78	-
Loan Taken	-	1,404.79
Loan Repaid	-	0.01
Closing Balance	1,404.78	1,404.78
<b>(f) Mr. R.K.Dhadda</b>		
Remuneration	1.50	0.24

**NOTE 26. TAXATION**
**26.1 Deferred tax**

The Company has Deferred Tax Assets of ₹ 4029.71 Crore (Previous year ₹ 4608.11 Crore) relating to provision for employee benefits, unabsorbed depreciation and business loss, and Deferred Tax Liability of ₹ 2537.09 Crore (Previous year ₹ 2989.75 Crore) relating to fixed assets, resulting in a Net Deferred Tax Assets of ₹ 1492.62 Crore (Previous year ₹ 1618.36 Crore). As a matter of prudence the same has not been recognized in books of account.

**26.2 Current tax**

In view of the loss for the current year and carried forward business loss of earlier years, no provision for current tax has been made.

**NOTE 27.** The continued decline in the natural gas production in the KG –D6 block and consequent lower pipeline capacity utilisation of the company has resulted in Company incurring losses and erosion of Net worth since financial year 2011-12. Typically, infrastructure projects of this nature are expected to yield returns only over a longer period. The long term prospects of the Company appear better considering enhanced level of exploration activities, new gas discoveries in the KG basin and expected commissioning of LNG terminals on the east coast. The promoters of the Company have agreed to provide the necessary financial support to the Company as and when required. Further, the Company has received sanctions from banks for refinance of the existing rupee term loan which will be repayable over a period of 16 years i.e. till 2030-31 (Refer Note 5.5) which in effect aligned to the economic life of the pipeline and the expected cash flows. In view of the above, the Directors are of the opinion that there is no material uncertainty in respect of the Company's ability to continue as a going concern.

**Notes on Financial Statements for the year ended 31st March, 2015****NOTE 28. CONTINGENT LIABILITIES AND COMMITMENTS  
(to the extent not provided for)**

	As at 31st March, 2015	(₹ in Crore) As at 31st March, 2014
<b>i) Contingent Liabilities</b>		
a Guarantee issued by Bank	<b>20.31</b>	20.04
b Special Additional Duty under dispute not acknowledged as debt	<b>2.64</b>	2.64
c The company is contesting the order of the Commissioner of Service tax seeking to deny the credit of ₹ 262.13 Crore in respect of input services and capital goods availed by the company during the pre-commissioning period of East West Pipeline and to impose penalty of equivalent amount thereon. The matter is currently at the Appellate level. Based on the legal interpretation of the cenvat credit provisions and decision of High Court and Appellate Authority on similar issues, the company has been legally advised that the above demand is not sustainable, and accordingly no provision is considered necessary.		
<b>ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	<b>5.58</b>	0.45
iii) In respect of pending litigations, the company does not anticipate any material impact on its financial position.		

**NOTE 29. FINANCIAL AND DERIVATIVE INSTRUMENTS**

- i) Derivative contracts entered into by the Company and outstanding as on 31st March, 2015  
Nominal amount of derivative contracts entered into by the Company for hedging currency related risks and outstanding as on 31st March, 2015 amounts to ₹ 4500 Crore (Previous Year ₹ 4500 Crore)

Particulars	As at 31st March, 2015	(₹ in Crore) As at 31st March, 2014
Currency Swaps	<b>4500.00</b>	4500.00
ii) All derivative and financial instruments acquired by the Company are for hedging purposes only		
iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2015 amounts to ₹ 7.49 Crore (Previous Year ₹ 9.74 Crore)		

**NOTE 30. SEGMENT REPORTING**

The company is mainly in the business of transportation of natural gas and this is the only segment to be reported as per Accounting Standard on Segment Reporting (AS-17).

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For Lodha & Co**  
Chartered Accountants

**Sandesh Ladha**  
Partner

**H.K.Verma**  
Partner

**Place : Mumbai**  
**Dated: 28<sup>th</sup> May, 2015**

**For and on behalf of the Board**

**R. K. Dhadda**  
Managing Director

**K. R. Raja**  
Director

**Mahesh Kamdar**  
Director

**N. G. Tanjore**  
Director

**S. Anantharaman**  
Director

**K. M. Chhapru**  
Director

**Bijay Agrawal**  
Company Secretary

**M Sundar**  
Chief Financial Officer