

**Reliance Gas Transportation Infrastructure Limited**

**Annual Report 2016 - 2017**

**BRIEF OVERVIEW OF THE COMPANY****Corporate Identity Number (CIN) of the Company:**

U60300GJ1999PLC040064

**Name of the Company:**

Reliance Gas Transportation Infrastructure Limited

**Registered Office:**

101, Shivam Appartments,  
9, Patel Colony, Bedi Bunder Road,  
Jamnagar - 361 008, Gujarat.

**Board of Directors:**

Shri K R Raja : Director  
Shri R K Dhadda : Managing Director  
Shri Mahesh Kamdar : Director  
Shri Natarajan T G : Director  
Shri S Anantharaman : Director  
Ms. Komal Chhapru : Director

**Chief Financial Officer:**

Shri Ritesh Shiyal

**Company Secretary:**

Shri Venkataraman Ramachandran

**Auditors:**

M/s. Chaturvedi & Shah,  
Chartered Accountants,  
714-715, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai - 400 021.

M/s. Lodha & Co.,  
Chartered Accountants,  
14, Government Place East,  
Kolkata - 700 069.

**Registrar & Transfer Agents:**

Karvy Computershare Private Limited,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032.

## DIRECTORS' REPORT

Dear Members,

The Board of Directors of the Company are pleased to present the Eighteenth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2017.

### Financial Results

The financial performance of the Company, for the year ended March 31, 2017 is summarized below:

	2016-17	2015-16
<b>Turnover</b>	<b>820.99</b>	1,050.03
<b>Profit/ (Loss) before Tax</b>	<b>(678.19)</b>	(1,261.92)
Less: Current Tax	-	-
Deferred Tax	<b>(286.95)</b>	474.14
<b>Profit / (Loss) for the year</b>	<b>(391.24)</b>	(1,736.06)
Add: Other Comprehensive Income	<b>3.65</b>	(0.45)
<b>Total Comprehensive Income for the year attributable to the owners of the Company</b>	<b>(387.59)</b>	(1736.51)
Add: Balance brought forward from previous year	<b>(11,895.61)</b>	(10,159.55)
Add: Movement in Other Comprehensive Income	<b>(3.65)</b>	0.45
Add: Other Additions	<b>896.62</b>	-
<b>Balance carried to Balance Sheet</b>	<b>(11,390.23)</b>	(11,895.61)

Figures for financial year 2015-16 have been restated as per Ind AS and therefore may not be comparable with financials for financial year 2015-16 approved by the Board of Directors and disclosed in the financial statement of previous year.

### Operations:

During the year, Company has successfully completed the Eight year of commercial operations of Kakinada – Hyderabad – Ahmedabad Gas Pipeline known as East West Pipeline ("EWPL").

During the year, EWPL transported over 6.39 Billion Standard Cubic Meters (SCM) of natural gas. Average gas transmission during the year was ~17.2 MMSCMD. On a cumulative basis, 93.49 Billion SCM of gas has been transported since commencement of commercial operations.

Combined annual revenue of ₹120.04 Crores has been generated through DDS (Deferred Delivery Service) and transportation of swap quantity through optimized pipeline operations.

Against the application of the company for capacity reassessment to the Petroleum & Natural Gas Regulatory Board (PNGRB), PNGRB has declared capacity for Financial Year 2010-11 and 2011-12 as 85 MMSCMD and 95 MMSCMD while mentioning that changes in contractual parameters in following years may be considered for capacity

reassessment. The Company has challenged the PNGRB order in APTEL and matter is sub-judice. Further, the applications for the period from Financial Year 2012-13 to Financial Year 2015-16 submitted by the Company are under review by the PNGRB.

The Company continues its certification under ISO 9001:2008, ISO 14001:2004, and OSHAS 18001:2007 (Integrated Management System) which is the testimony to its commitment to the best industry practices in all facets of operation and maintenance.

The Company has taken up implementation of Operation Management System (OMS) which will help to meet its objectives by ensuring all operating activities are systematic and effective. Also this will help us assess and prioritize risk, continuously improve the way the Company works, and measure and embed improvement in local operating performance. All 16 high priority sub elements assessed at Level 4 and 5 against target of minimum Level 3. The company has also developed Entity level risk register along with risk owners and are reviewed periodically for status of mitigation and new risks.

### Health, Safety and Environment:

The Company's policy on Health, Safety, Environment and Quality (HSEQ) is – "Safety of Person Overrides All Production Targets". Hence the priorities are excellence in personnel safety and operations.

The Company is committed to conducting its business in a safe, reliable and compliant manner and preserving the environment. Regular internal and external safety and integrated management system audits were conducted during the year. The Integrated management system was recertified in January 2017 for OHSAS 18001: 2007 and revised ISO-9001:2015 and ISO-14001:2015 standards by M/s Bureau Veritas India Pvt. Limited. This year the PNGRB (Technical Standard and Specification Including Safety) Regulation's compliance audit was conducted for the KSPL-I & II pipelines by Third Party Inspection Agency approved by PNGRB. The Company conducted 2 days Emergency Response Capability Development Program through OCTO, USA and trained 37 employees. The Company is also regularly conducting emergency mock drills to enhance response and emergency preparedness.

The Company has also demonstrated its commitment for a cleaner and greener environment and also efforts have also been made to create awareness for the environment amongst the employees by celebrating events such as the World Environment day where tree plantations were carried out.

The Company is committed to compliance with all the HSE, statutory and regulatory requirements.

### Dividend

The Board of Directors has not recommended any dividend on Equity Shares, 9% Non-Cumulative Redeemable Preference Shares, 9% Cumulative Optionally Convertible Preference Shares (Series I) and 9% Cumulative Optionally Convertible Preference Shares (Series II) for the year under review.

### Issue and Allotment of Preference Shares

During the year under review, the Company has issued and allotted 800,00,00,000, 9% Cumulative Optionally Convertible Preference Shares of ₹ 10 each for cash at par on preferential basis to Reliance Ports And Terminals Limited.

### Reclassification and Increase in Authorized Share capital

During the year under review, the Company has cancelled 4500,00,00,000 (Four Thousand Five Hundred Crore) unissued Equity Shares of Re.1/- each and simultaneously issued 450,00,00,000 (Four Hundred Fifty Crore) Preference Shares of ₹10/- each.

Subsequent to reclassification, the Company has increased the authorised Share Capital of the Company from 10,000 Crore (Rupees Ten Thousand Crore Only) comprising of 2500,00,00,000 (Two Thousand Five Hundred Crore) Equity Shares of Re. 1 each and 750,00,00,000 (Seven Hundred Fifty Crore) Preference Shares of ₹ 10 each to 12000 Crore (Rupees Twelve Thousand Crore Only) comprising of 2500,00,00,000 (Two Thousand Five Hundred Crore) Equity Shares of Re. 1 each and 950,00,00,000 (Nine Hundred Fifty Crore) Preference Shares of ₹ 10 each.

### Holding Company

During the year under review pursuant to Section 2(87) of the Companies Act, 2013 ("the Act") the Company has ceased to be the Subsidiary of Reliance Utilities Private Limited and has become a direct subsidiary of Reliance Ports and Terminals Limited. During the year under review no company has become or ceased to be Company's associate or Joint Venture Company.

The audited financial statement of the Company and all other documents required to be attached thereto may be accessed on the Company's website <https://rgtil.com> These documents will also be available for inspection on all working days, that is, except Saturdays, Sundays and Public Holidays during business hours at the Registered Office of the Company.

### Directors' Responsibility Statement

The Board of Directors of the Company state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Contracts and arrangements with Related Parties**

During the year under review, the transactions which were within the purview of Section 188 of the Companies Act, 2013 were on an arm's length basis and entered into in the ordinary course of business.

#### **Corporate Social Responsibility**

During the year under review, the Board of Directors of the Company have approved the amendment to the Corporate Social Responsibility Policy of the Company with reference to frequency of the meetings to be held. The amended Corporate Social Responsibility Policy (CSR Policy) indicates the activities to be undertaken by the Company.

The amended CSR policy may be accessed on the Company's website.

In terms of the CSR Policy, the focus areas of engagement shall be rural transformation, affordable healthcare solutions, access to quality education, environmental sustainability and protection of national heritage.

The Company's average net profit for the three immediately preceding financial years is negative. Hence, in terms of the Companies Act, 2013, the Company was not required to spend any amount on CSR activities.

Amended CSR Policy is annexed herewith and marked as **Annexure I**

#### **Risk Management**

The Company has in place a Risk Management Policy which provides for a robust risk management framework to identify and assess risks such as operating, financial, regulatory and other risks. There is an adequate risk management infrastructure in place capable of addressing such risks.

#### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

#### **Directors and Key Managerial Personnel**

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri K R Raja (DIN: 00006673) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review Shri Ramachandran Venkataraman was appointed as a Company Secretary of the Company with effect from December 16, 2016 in place of Shri Bijay Agrawal, who has resigned as a Company Secretary of the Company with effect from December 15, 2016. Further, Shri. Ritesh Shiyal was appointed as the Chief Financial Officer (CFO) of the Company with effect from December 14, 2016 in place of Shri M Sundar, who has resigned as a CFO of the Company with effect from October 25, 2016.

The members of the Company at the Annual General Meeting of the Company held on September 30, 2015 had approved the appointment of Shri S Anantharaman and Shri Natarajan T G as Independent Directors of the Company to hold office for a term of 3(three) consecutive years from March 31, 2015 to March 30, 2018. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company has also recommended the re-appointment of Shri S Anantharaman and Shri Natarajan T G, as Independent Directors of the Company for one more term of up to five consecutive years commencing from March 31, 2018 to March 30, 2023. Members' approval by way of special resolution is being sought at the ensuing Annual General Meeting of the Company for the re-appointment of Shri S Anantharaman and Shri Natarajan T G.

The Company has received the declarations from Shri S Anantharaman and Shri Natarajan T G stating that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

During the year, Shri. R K Dhadda was re-appointed as Managing Director of the Company for a period of 1 year with effect from March 1, 2017.

On the basis of the policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors, evaluation feedback was obtained from all the Directors by way of a structured questionnaire for the evaluation of the Board, its Committees and the Individual Directors covering, inter-alia, various aspects of their performance including composition and skills, board dynamics, understanding of Company's operations, contribution at meetings and inter-personal skills. The responses received were evaluated by the Board.

The following policies of the Company are annexed herewith marked as **Annexure IIA** and **Annexure IIB**:

- a) Policy for Appointment of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## Auditors and Auditors' Report

### Statutory Auditors

As per the provisions of the Act, the period of office of M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Lodha & Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors has recommended the appointment of M/s. D T S & Associates, Chartered Accountants (Firm Registration No. 142412W), as Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the sixth Annual General Meeting following the ensuing Annual General Meeting.

They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Cost Auditor:

The Board of Directors of the Company has appointed Shri Suresh Damodar Shenoy, Cost Accountant as cost auditor of the Company for the financial year 2016-17 to conduct the Cost Audit of the Company's cost accounting records relating to transportation of natural gas through its cross-country pipeline between Kakinada in Andhra Pradesh and Bharuch in Gujarat.

### Secretarial Auditor

The Board of Directors of the Company has appointed Shashikala Rao & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Disclosures:

#### Audit Committee

The Audit Committee of the Board of Directors of the Company comprises Shri K R Raja (Chairman), Shri S Anantharaman and Shri Natarajan T G as Members. All the recommendations made by the Audit Committee were accepted by the Board.

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) comprises Shri K R Raja (Chairman), Shri Mahesh Kamdar (DIN: 00013915), Shri S Anantharaman and Shri Natarajan T G as Members.

### Vigil Mechanism

The Company has in place Vigil Mechanism Policy for employees including Directors of the Company to report their genuine concerns or grievances. During the year under review, the Board of Directors of the Company have approved the amendment to the said Policy for updating details in view of change in Company Secretary of the Company. The provisions of this Policy are in line with the provisions of Section 177(9) of the Act.

The amended policy on vigil mechanism may be accessed on the Company's website.

### Meetings of the Board

Six meetings of the Board of Directors were held during the year.

### Particulars of loans given, investments made, guarantees given and securities provided

The Company is providing Infrastructural facilities, and hence is exempted from the provisions of section 186 of the Act relating to loan made, guarantee given and security provided.

During the year under review, the Company has not made any investments in the securities of any Body Corporate.

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

#### A) Conservation of Energy:

##### (i) Steps taken for conservation of energy :

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company carries out its operations in an environmental friendly manner and is in the look-out for different way and means to reduce the consumption of energy in its operations.

The following energy conservation measures were undertaken during the year:

- a. Reduction in Electricity contract demand resulted in reduction of payable fix charges for 1 no. remote MLV /M&R facilities.

- b. Load optimization at Compressor Station (CS) - CS04, CS07 and CS09 including other measures such as stoppage of 1 no. 125 KVA GEG at CS 04 & CS 09, supply from state Electricity utility for CS 07 resulted in Electricity consumption reduction by 40 million units on YOY basis.
- (ii) **Steps taken by the Company for utilising alternate sources of energy:**  
At CS 07, captive generating sets were stopped and electrical load was shifted to State Electricity Utility (SEB)
- (iii) **The capital investment on energy conservation equipment :**  
To optimise power consumption 2x40 KVA UPS sets were replaced with 2x10 KVA inverter sets at CS 04, CS 05, CS 07 and CS 08
- (i) **Major efforts made towards technology absorption:**  
The company has undertaken following technology absorption measures during the year 2016-2017:
1. Up gradation of remote operation of the bypass valves at 22 remote operated MLVS of the EWPL Pipeline.
  2. Installation of excess flow valve in impulse tube of pressure transmitter and power gas tubing of gas over oil actuator valves at all remote MLVs
  3. Installation of Ultrasonic gas detector and Open path gas detector having ppm (parts per million) measurement at all EWPL installations to enhance the Fire & Gas detection system.
  4. Spiking of Ethane in the existing natural gas pipeline
    - OLGA study was conducted in-house for analyzing the temperature effect of the co-mingled stream of ethane and natural gas.
    - Prepared in house calculation sheet on basis of calorific value/ mol% limitation for spiking of ethane into Natural gas.
    - Now Ethane is being spiked successfully into Natural gas streams.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**  
Not Applicable
- (iii) **Information regarding imported technology (Imported during last three years):**  
The Company has not imported any technology during the last three years
- (iv) **Expenditure incurred on research and development:**  
None
- C) Foreign Exchange Earnings and Outgo:**
- |  |                 |
|--|-----------------|
| Foreign Exchange earned in terms of actual inflows | - Nil           |
| Foreign Exchange Outgo in terms of actual outflows | - ₹ 15.85 Crore |
- Extract of Annual Return**  
Extract of Annual Return of the Company is annexed herewith and marked as **Annexure IV** to this Report.
- Particulars of Employees and related disclosures**  
In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration as set out in the said rules are annexed herewith and marked as Annexure V to this Report.
- Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as **Annexure VI** to this Report.

**Details of Managerial Remuneration**

Disclosure pursuant to para (iv) of third proviso to Section II, Part II of Schedule V to the Act:

Sl. No.	Parameters	Particulars
i.	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of Shri R KDhadda, Managing Director	Not exceeding ₹ 2 crore per annum. (Payment on secondment)
ii.	Details of fixed component and performance linked incentives along with the performance criteria;	N.A.
iii.	Service contracts, notice period, severance fees;	Service Contract, severance Fees- N.A. Notice Period – 3 months
iv.	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	N.A.

**General**

The Board of Directors of the Company state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter-V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.
4. As the Company did not have any subsidiary during the year, the reporting requirements under Rules 6, 8(1) and 8(5)(iv) of the Companies (Accounts) Rules are not applicable to the Company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. No fraud was reported by the Auditors to the Audit Committee or the Board of Directors of the Company.
7. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

The Board of Directors of the Company further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Acknowledgement**

The Board of Directors of the Company would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board of Directors**

<b>Director</b> <b>(K R Raja)</b> (DIN : 00006673)	<b>Managing Director</b> <b>(R. K. Dhadda)</b> (DIN : 00353849)
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May 26, 2017



**Annexure I****Corporate Social Responsibility Policy****1. Policy Statement**

- 1.1 Reliance Gas Transportation Infrastructure Limited (“the Company”) believes that Corporate Social Responsibility (“CSR”) extends beyond the ambit of business and should focus on a broad portfolio of assets - human, physical, environmental and social.
- 1.2 This Policy is framed pursuant to the provisions of Section 135 of the Companies Act, 2013.

**2. CSR Vision**

Promote sustainable and inclusive development as a responsible corporate citizen.

**3. CSR Objective**

Promote a comprehensive and integrated development through social and economic transformation.

**4. Core CSR Commitments (Programs / Activities)**

- Addressing identified needs of the underprivileged through initiatives directed towards
  - o improving livelihood,
  - o alleviating poverty,
  - o promoting education,
  - o empowerment through vocational skills and
  - o promoting health and well-being.
- Preserve, protect and promote art, culture and heritage
  - o promoting India’s art, culture and heritage,
  - o conducting promotional and developmental activities / programs.
- Ensuring environmental sustainability, ecological balance and protection of flora and fauna
  - o conducting activities which promote biodiversity,
  - o conducting activities which promote ecological sustainability.
- Any other activity falling within the scope of Schedule VII of the Companies Act, 2013 which would enable the Company to achieve its CSR objectives.

The CSR programs / activities of the Company, as above, are related / will relate to the activities included in Schedule VII of the Companies Act, 2013.

**5. CSR Governance and Implementation**

The Company would be carrying on its CSR programs / activities through Reliance Foundation and the contributions made by the Company to Reliance Foundation will be utilized for CSR programs / activities on behalf of the Company.

To provide an impetus to various philanthropic initiatives, Reliance Foundation (RF) was set up by Reliance Group in 2010 as an expression of its vision towards sustainable growth in India.

Reliance Foundation has taken the path of inclusive development to address the basic needs of the vulnerable sections of the society. The Foundation has cumulatively touched the lives of 4 million people in over 5000 villages and various urban locations. The Foundation works with some of the most vulnerable and marginalized communities across India, with the objective of integrating them into mainstream development process of the country.

Reliance Foundation focuses on these core pillars - Rural Transformation, Education, Health, Urban Renewal and Arts, Culture & Heritage.

In view of the organization structure, reach and expertise of Reliance Foundation in CSR related programs / activities, the Company will continue to carry on its CSR programs / activities through Reliance Foundation.

**6. Monitoring of CSR Activities**

The CSR Committee of Directors of the Company will recommend to the Board of Directors of the Company the amount of expenditure to be incurred on CSR programs/activities, monitor the CSR Policy of the Company and review its implementation by the Company through Reliance Foundation.

**7. CSR Reporting and Communication**

The Company will report on the progress of its CSR initiatives in its Annual Report.

### 8. Corporate Social Responsibility Committee (CSR Committee)

- The Board of Directors will constitute a CSR Committee comprising atleast three member with atleast one Independent Director.
- The CSR Committee would formulate and recommend the draft CSR Policy to the Board of Directors and the Board of Directors would approve the Policy.
- The Board would approve and adopt any changes in the CSR Policy subject to prevailing provisions of laws in this regard. The CSR Committee is responsible for decision making with respect to the CSR Policy.
- CSR Committee will meet as and when necessary to review and monitor the implementation of CSR programs /activities of the Company.

- In case at least 2% of the average net profits of the Company of the last 3 years is not spent in a financial year, reasons for the same shall be specified in the Board's report.
- All expenditure towards the CSR programs / activities will be diligently documented.
- Any surplus generated out of the CSR programs / activities of the Company will not be added to the normal business profits of the Company.

(This Policy was approved by the Board of Directors through Circular Resolution on July 9, 2015)

\*(This Policy was amended by the Board of Directors at its meeting held on February 28, 2017)

**For and on behalf of the Board of Directors**

### 9. Budget

- The Board shall ensure that a minimum of 2% of the average net profits of the Company of the last 3 years is spent on the CSR programs / activities of the Company.

	<b>Director</b>	<b>Managing Director</b>
	<b>(K R Raja)</b>	<b>(R. K. Dhadda)</b>
May 26, 2017	(DIN : 00006673)	(DIN : 00353849)

## Annexure IIA

**Policy for Selection of Directors and determining Directors' Independence****1. Introduction**

1.1 Reliance Gas Transportation Infrastructure Limited (RGTIL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, RGTIL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 RGTIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. RGTIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

**2. Scope and Purpose:**

2.1. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

**3.1. "Director"** means a director appointed to the Board of a company.

**3.2. "Nomination and Remuneration Committee"** means the committee constituted by RGTIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013

**3.3. "Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

**4. Policy:****4.1. Qualifications And Criteria**

The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the NR Committee shall take into account many factors, including the following:

- General understanding of the Company's business dynamics, global business and social perspective,
- Educational and professional background;
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively;

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Company's Code of Conduct;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, and other relevant laws.

The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

**4.2. Criteria of Independence**

The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives :
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of :
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### 4.3. Other Directorships / Committee Memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

**For and on behalf of the Board of Directors**

	<b>Director</b>	<b>Managing Director</b>
	<b>(K R Raja)</b>	<b>(R. K. Dhadda)</b>
May 26, 2017	(DIN : 00006673)	(DIN : 00353849)

## Annexure IIB

**Remuneration Policy for Directors, Key Managerial Personnel and other Employees****1. Introduction**

1.1 Reliance Gas Transportation Infrastructure Limited (RGTIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals

**2. Scope and Purpose:**

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

**3.1 “Director”** means a director appointed to the Board of a company.

**3.2 “Key Managerial Personnel”** means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

**3.3 “Nomination and Remuneration Committee”** means the committee constituted by RGTIL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

**4. Policy:****4.1 Remuneration to Executive Directors and Key Managerial Personnel**

4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

**4.2 Remuneration to Non-Executive Directors**

The Board on the recommendation of the NR Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

Non-Executive Directors may be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees.

**4.3 Remuneration To Other Employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**For and on behalf of the Board of Directors**

**Director**                      **Managing Director**  
**(K R Raja)**                      **(R. K. Dhadda)**

May 26, 2017

(DIN : 00006673)      (DIN : 00353849)

## Annexure III

**SECRETARIAL AUDIT REPORT***For the Financial Year ended March 31, 2017**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]*

**To,**  
**The Members,**  
**Reliance Gas Transportation Infrastructure Limited**  
 101, Shivam Apartments,  
 9, Patel Colony, Bedi Bunder Road  
 Jamnagar – 361008, Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Gas Transportation Infrastructure Limited (“the Company”)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 (“**the Financial Year**”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year according to the provisions of:

- i) The Companies Act, 2013 (“**the Act**”) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and

External Commercial Borrowings - **Not Applicable to the Company during the Audit Period;**

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company during the Audit Period;**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable to the Company during the Audit Period;**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable to the Company during the Audit Period;**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable to the Company during the Audit Period;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable to the Company during the Audit Period;** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable to the Company during the Audit Period.**

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that,** the Company has identified the following laws as specifically applicable to the Company:

- a. Petroleum Act, 1934
- b. The Petroleum and Natural Gas Regulatory Board Act, 2006

**I further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for one Board meeting where consent for shorter notice was obtained, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions made at Board Meetings and Committee Meetings have unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by me the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,** during the audit period the Company has done the following transactions in due compliance with the applicable provisions of Act-

- a) reclassified and increased the authorised share capital of the Company;
- b) altered the capital clause in the Memorandum of Association;
- c) issued and allotted 9% cumulative optionally convertible preference shares on preferential basis.

**For Shashikala Rao & Co.  
Company Secretaries**

**Mumbai  
Date: May 26, 2017**

**Shashikala Rao  
Practising Company Secretary  
FCS 3866 CP No 9482**

## Annexure IV

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
	i) CIN:-	U60300GJ1999PLC040064
	ii) Registration Date	04-06-1999
	iii) Name of the Company	Reliance Gas Transportation Infrastructure Limited
	iv) Category / Sub-Category of the Company	Public Company having share capital
	v) Address of the Registered office and contact details	101, Shivam Appartments, 9, Patel Colony, Bedi Bunder Road, Jamnagar- 361008, Gujarat, India Tel: 022 44770000, Fax: 022 44783838
	vi) Whether listed company	Yes
	vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Private Ltd., Karvy Selenium Tower B Plot No.31-32 Gachibowli Financial District, Nanakramguda Hyderabad – 500 032 Tel: +91 040 67161700 Fax: +91 40 67161680
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10% or more of the total turnover of the company shall be stated:-	As per Attachment A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>	
	i) Category-wise Share Holding	As per Attachment C
	ii) Shareholding of Promoters	As per Attachment D
	iii) Change in Promoters' Shareholding (please specify, if there is no change)	As per Attachment E
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment G
<b>V.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager:	As per Attachment I
	B. Remuneration to other directors:	As per Attachment J
	C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment L



## Attachment A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/services	NIC Code of the product/service *	% to total turnover of the company #
1	Transportation of Natural Gas through cross country Pipeline Network	49300	100.00%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

## Attachment B

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1	Reliance Utilities Private Limited*	SSO-Annex.2, Reliance Jamnagar Complex, Village Motikhavdi, P.O. Digvijayagram, Taluka & District, Jamnagar 361140, Gujarat	U99999GJ2000PTC050444	Holding Company		
2	Reliance Ports And Terminals Limited	Admin Building, MTF Area, Village Sikka, Taluka & District Jamnagar, Jamnagar - 361 140, Gujarat	U45102GJ1997PLC031906	Holding Company	89.13**	2(46)
3	Reliance Industries holding Private Limited	505, Dalamal House, 5th Floor, 206, Nariman Point, Mumbai - 400021, Maharashtra	U51103MH2007PTC168016	Ultimate Holding Company	100.00**	2(46)

**Note:**

\* Reliance Utilities Private Limited was holding company up to October 24, 2016

\*\* Representing aggregate % of equity shares held on its own and through subsidiaries

Note: Reliance Utilities Private Limited is a Subsidiary of Reliance Ports and Terminals Limited and Reliance Ports And Terminals Limited is a wholly-owned subsidiary of Reliance Industries Holding Private Limited.

## Attachment C

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				No. of Shares held at the end of the year (As on 31-03-2017)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>PROMOTERS</b>								
<b>1) Indian</b>									
a) Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
<b>d) Bodies Corporate *</b>	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub - Total (A) (1)</b>	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	0.00
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub - Total (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	0.00
<b>B</b>	<b>Public Shareholding</b>								
<b>1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub - Total (B) (1)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2) Non-institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
<b>Sub - Total (B) (2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	700 04 99 500	1575 11 25 500	2275 16 25 000	100.00	0.00

\* includes 1 share each held by 6 nominees jointly with Reliance Utilities Private Limited (RUL). Beneficial interest is with RUL.

## Attachment D

ii) *Shareholding of Promoters*

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Reliance Utilities Private Limited *	2275 16 25 000	100.00	0.00	2275 16 25 000	100.00	0.00	0.00
	<b>Total</b>	2275 16 25 000	100.00	0.00	2275 16 25 000	100.00	0.00	0.00

\* includes 1 share each held by 6 nominees jointly with Reliance Utilities Private Limited (RUL). Beneficial interest is with RUL.

**Note:** Reliance Utilities Private Limited is a Subsidiary of Reliance Ports and Terminals Limited and Reliance Ports And Terminals Limited is a wholly-owned subsidiary of Reliance Industries Holding Private Limited.

## Attachment E

iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sr. No.		Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year *	2275 16 25 000	100.00	2275 16 25 000	100.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No Change		No Change	
	At the End of the year	2275 16 25 000	100.00	2275 16 25 000	100.00

\* includes 1 share each held by 6 nominees (other than promoters) jointly with Reliance Utilities Private Limited (RUL). Beneficial interest is with RUL.

**Attachment F****iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Sudhakar Saraswatula Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				
2	J. S. P. Bansal Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				
3	V. K. Gandhi Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				
4	S. C. Malhotra Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				
5	Ashish B Shah Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				
6	Mukesh Shah Jointly With Reliance Utilities Private Limited*	1	0	01-04-2016	0	-	1	0
		1	0	31-03-2017				

\*Included in the promoter shareholding mentioned at point no. IV(i), (ii), (iii). Holding in the capacity as nominee of Reliance Utilities Private Limited (RUL), beneficial interest is with RUL.

**Attachment G****v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
NIL								

## Attachment H

## V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (₹ In crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>				
i) Principal Amount	5,121	10,821		15,942
ii) IND AS Adjustments		-4,216		-4,216
iii) Interest due but not paid				
iii) Interest accrued but not due	59	156		215
<b>Total (i+ii+iii)</b>	<b>5,179</b>	<b>6,761</b>		<b>11,940</b>
<b>Change in Indebtedness during the financial year (Principal Amount)</b>				
Addition		406		406
Reduction	4,121	4,000		8,121
IND AS Adjustments		4,216		4,216
Exchange Difference				
<b>Net Change</b>	<b>-4,121</b>	<b>623</b>		<b>-3,498</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	1,000	7,227		8,227
ii) Interest due but not paid				
iii) Interest accrued but not due	26	156		182
<b>Total (i+ii+iii)</b>	<b>1,026</b>	<b>7,383</b>		<b>8,409</b>

**Note:** Preference Shares are not considered in the above table for disclosure of Indebtedness of the Company, although the same is part of borrowing in the financial statements as per IND AS.

## Attachment I

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Managing Director (Rajinder Kumar Dhadda)	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, (payment on secondment exclusive of Service Tax)	1.38	1.38
	<b>Total (A)</b>	1.38	1.38
	Ceiling as per the Act	₹ 120 lakhs Plus 0.01% of the effective capital in excess of ₹ 250 Crores, i.e., Total ₹ 2.58 Crores	

## Attachment J

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other directors:**

₹ in crore

Sl. No.	Particulars of Remuneration	Name of other Non-Executive Directors	Name of other Non-Executive Directors	Name of Women Director	Name of Independent Directors	Name of Independent Directors	Total Amount
		K R Raja	Mahesh Kamdar	Komal Chhapru	Natarajan T. G.	S. Anantharaman	
1	Independent Directors					-	-
	· Fee for attending board / committee meetings				0.0325 <sup>#</sup>	0.0175	0.0500
	· Commission						
	· Others, please specify						
	<b>Total (1)</b>				0.0325 <sup>#</sup>	0.0175	0.0500
2	Other Non-Executive Directors						
	· Fee for attending board / committee meetings	0.0050	0.0015	0.0050			0.0115
	· Commission						
	· Others, please specify						
	<b>Total (2)</b>	0.0050	0.0015	0.0050			0.0115
	<b>Total (B)=(1+2)</b>						<b>0.0615</b>
	Total Managerial Remuneration (A+B)*						<b>1.44</b>
	<b>Overall Ceiling as per the Act</b>	One Lakh Rupees per meeting of the Board or Committee	One Lakh Rupees per meeting of the Board or Committee	One Lakh Rupees per meeting of the Board or Committee	One Lakh Rupees per meeting of the Board or Committee	One Lakh Rupees per meeting of the Board or Committee	

#₹ 50,000/- relates to the sitting fees paid for the Financial Year 2015-16

\* Total Remuneration to all Directors (being the total of A and B)

Attachment K

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

₹ in crore

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	CEO	Key Managerial Personnel				Total Amount
			Company Secretary (Bijay Agarwal up to 15.12.2016)	Company Secretary (V Ramachandran from 16.12.2016)	CFO (M Sundar up to 25.10.2016)	CFO (Ritesh Shiyal from 14.12.2016)	
1	Gross salary	Not Applicable					-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961						
2	Stock Option						-
3	Sweat Equity						
4	Commission						
	- as % of profit						
	-others, specify...						-
5	Others, please specify - <b>Payment on Secondment (exclusive of Service Tax)</b>			0.43	0.29	-	-
	<b>Total</b>		0.43	0.29	-	-	0.72



Attachment L

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment/ compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**NIL**

For and on behalf of the Board of Directors

**Director**  
**(K R Raja)**  
(DIN : 00006673)

**Managing Director**  
**(R. K. Dhadda)**  
(DIN : 00353849)

May 26, 2017

## Annexure V

**A statement showing the names and other particulars of the employees drawing remuneration as set out in Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2017**

Sr. No.	Name	Age (Years)	Qualification	Designation	Date of commencement of employment	Experience (Years)	Remuneration received (₹)	Last employment held before joining the Company
1	Shri. Chivukula Harnath	60	LLB , MA , Diploma	Vice President	02-01-2009	37	92,51,725	Reliance Industries Ltd.
2	Shri. Mahesh Shedbal	53	BE , MMM , LLB	Vice President	05-01-2009	32	55,04,623	Reliance Industries Ltd.
3	Shri. Sambasiva Rao Uppala	56	BSc , MSc Tech	Vice President	30-05-2008	32	54,27,142	GAIL (India) Ltd.
4	Shri. Manoj K Pandey	43	BTech , MPRE	Assistant Vice President	05-01-2007	22	48,11,792	Reliance Industries Ltd.
5	Shri. Gaurav Lodhiwala	54	BCom , ACA , MCom	Assistant Vice President	10-01-2012	31	43,44,704	Reliance Corp IT Park Ltd
6	Shri. D Rajaiah	62	BTech , MTech	Assistant Vice President	01-01-2012	35	41,41,254	Reliance Ports And Terminals Limited
7	Shri. Subhash Chandra Prasad Singh	58	BSc (Engg.)	Assistant Vice President	24-09-2007	34	36,75,232	CFCL
8	Mr. Boddeda Srinivasa	54	BE , Others	Senior General Manager	11-02-2008	32	36,45,432	Genting Lanco Power
9	Mr. Mohammed Fareed Anjum	51	Diploma - Engineering , BE	Senior General Manager	08-01-2010	32	36,30,175	Reliance Ports And Terminals Limited
10	Mr. Satya Srinivas G	47	BTech , MBA	Senior General Manager	29-09-2007	25	35,29,272	Spectrum Power Gener
11	Mr. Sudhir Aggarwal	57	BSc (Engg.) - 5 yrs , PGDBA , MBA	Sr. Vice - President	08-01-2010	37	27,19,590*	Reliance Ports And Terminals Limited

\*Part of the year

Notes:

1. The appointment is contractual and terminable by notice on either side.
2. Remuneration includes salary, bonus, various allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and gratuity paid but excluding gratuity provision.
3. Employees mentioned above does not hold any shares in the Company.
4. Employees mentioned above are not related to any directors of the Company.
5. Information about qualification and last employment is based on particulars furnished by the concerned employees.

**For and on behalf of the Board of Directors**

**Director**  
**(K R Raja)**  
(DIN : 00006673)

**Managing Director**  
**(R. K. Dhadda)**  
(DIN : 00353849)

Date: May 26, 2017

## Annexure VI

**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17(₹)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1	Shri R K Dhadda, Managing Director (on Secondment)	1,37,84,043*	-5%	14.26
2	Shri K. R. Raja, Director	50,000**	N.A	N.A
3	Shri Mahesh Kamdar, Director	15,000**	N.A	N.A
4	Shri M Sundar, Chief Financial Officer (upto October 24, 2016)	-	N.A	N.A
5	Shri Ritesh Shiyal, Chief Financial Officer (with effect from December 14, 2016)	-	N.A	N.A
6	Shri T Natarajan, Director	3,25,000**#	N.A	N.A
7	Shri S Anantharaman Director	1,75,000**	N.A	N.A
8	Ms. Komal Chhapru, Director	50,000**	N.A	N.A
9	Shri Bijay Agrawal, Company Secretary (on secondment) (upto December 15, 2016)	43,14,687*	6%	N.A
10	Shri Venkataraman Ramachandran (with effect from December 16, 2016)	28,97,270*	N.A	N.A

\* Paid on secondment and exclusive of Service Tax.

\*\* Sitting fees paid for attending Board/ Committee/ other meeting.

# ₹ 50,000/- relates to the sitting fees paid for the Financial Year 2015-16

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 9,66,636.

**(iii) The percentage increase in the median remuneration of employees in the financial year:**

In the financial year, the median remuneration of the employees has reduced by 9.59%;

**(iv) the number of permanent employees on the rolls of the Company :**

There were 168 permanent employees on the rolls of Company as on March 31, 2017 (excludes Shri Rajinder Kumar Dhadda, Shri Ritesh Shiyal and Shri Ramachandran Venkataraman, who provide their services to the Company on Secondment) ;

**(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There was a decrease of 16.19% in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17. Increase in the managerial remuneration of the same financial year is not applicable as the Managing Director is not on the payroll of the Company and hence fees paid to him on Secondment was not considered as Remuneration.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**For and on behalf of the Board of Directors**

**(K R Raja)**  
Director  
(DIN : 00006673)

**(R. K. Dhadda)**  
Managing Director  
(DIN : 00353849)

May 26, 2017

## Independent Auditors' Report

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### 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, 2017, and 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 notes for the year ended as on that date (hereinafter referred to as "Ind AS Financial Statements")

#### Management's Responsibility for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS 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 Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2017, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 1st April 2015 included in these Ind AS Financial Statements, are based on the previously issued Statutory Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and our report expressed an unmodified opinion on those financial statement, as adjusted for the differences in the accounting principles adopted by the company on transition date to the Ind AS, which have been reviewed by us.

Our opinion is not modified in respect of the above said matters.

**Emphasis of Matters**

We draw attention to the Note No 27 to the Ind AS 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.

Our opinion is not modified in respect of the above said matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 A”;
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements. Refer note 32 to the financial statements;
    - ii. The Company has made provision, 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; and
    - iv. The Company has provided requisite disclosures in the Ind AS Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer note 35 to the Ind AS Financial Statement.
2. 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 B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

**Sandesh Ladha**  
Partner  
Membership No.47841

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

Place : Mumbai  
Dated : 26 May, 2017

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**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED**

(Referred to in paragraph 1(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 TRANSPORTATION INFRASTRUCTURE LIMITED (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the Ind AS 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 Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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**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<sup>st</sup> March, 2017, 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  
(Registration No 101720W)

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

**Sandesh Ladha**  
Partner  
Membership No.47841

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

Place : Mumbai  
Dated : 26 May, 2017

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED**

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

- i. In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - 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.
  - According to the information and explanations provided to us and based on the documents/confirmations, as the case may be, produced to us for our verification, in our opinion, title deeds of immovable properties are held in the name of the Company except in cases as mentioned in the following tables. For the above purpose, lease/title deeds/other relevant documents have been taken as basis for verification in respect of land as well as self-constructed building thereupon.

**Building**

Total Number of cases	Gross Block as at 31.03.2017 (₹ In Crores)	Net Block as at 31.03.2017 (₹ In Crores)	Remarks
2 (Two) Cases	78.20	53.48	These buildings have been constructed on land not owned by the company (Refer Note 1.1 of the Ind AS Financial Statements)

- In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
- In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of The Companies Act, 2013, herein after referred to as "the Act". Therefore, the provisions of Clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments and provided any guarantees and securities covered under Section 185 and 186 of the Act. Therefore, the provisions of the Clause (iv) of the paragraph 3 of the Order is not applicable to the Company.
- 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 is not applicable to the Company.
- 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) (d) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and 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.
- In respect of statutory dues:
  - According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, 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, 2017 for a period of more than six months from the date of becoming payable.
  - According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, service tax and cess which have not been deposited on account of any dispute.
- Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.



- 
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and monies raised by way of term loans during the year have been applied by the Company for the purposes for which they were raised.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under Clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the Ind AS Financial Statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has made private placement of Preference shares and the requirements of Section 42 of the Act has been complied with and the amount raised has been used for the purpose for which the funds were raised.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under Clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Sandesh Ladha**  
Partner  
Membership No.47841

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

Place : Mumbai  
Dated : 26 May, 2017

## Balance Sheet as at 31st March, 2017

Particulars	Notes	₹ in Crore)		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	11,879.29	12,704.50	13,545.23
Capital Work-in-Progress	1	-	7.85	4.70
Intangible Assets	1	2.09	2.63	0.01
<b>Financial Assets</b>				
Security Deposits	2	1.40	1.41	1.38
Other Non- Current Assets	3	4.82	4.82	4.72
<b>Total Non-Current Assets</b>		<b>11,887.60</b>	<b>12,721.21</b>	<b>13,556.04</b>
<b>Current Assets</b>				
Inventories	4	262.57	268.16	286.12
<b>Financial Assets</b>				
Investments	5	166.91	219.87	-
Trade Receivables	6	36.16	47.76	58.39
Cash and Cash Equivalents	7	1.32	66.92	12.28
Other Bank Balances	8	62.32	56.55	48.28
Other Financial Assets	9	2.23	7.01	17.06
Current Tax Assets (Net)		2.19	56.60	55.63
Other Current Assets	10	25.69	19.89	30.38
<b>Total Current Assets</b>		<b>559.39</b>	<b>742.76</b>	<b>508.14</b>
<b>Regulatory Assets</b>	27	<b>2,965.00</b>	<b>2,760.00</b>	<b>2,516.00</b>
<b>Total Assets</b>		<b>15,411.99</b>	<b>16,223.97</b>	<b>16,580.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	2,275.16	2,275.16	2,275.16
Other Equity	12	(1,397.73)	(4,793.87)	(5,188.27)
<b>Total Equity</b>		<b>877.43</b>	<b>(2,518.71)</b>	<b>(2,913.11)</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13	8,432.57	16,134.78	13,438.94
Other Financial Liabilities	14	51.60	493.27	931.89
Deferred Tax Liabilities (Net)	15	351.24	638.19	164.05
Other Non-Current Liabilities	16	355.85	381.01	402.29
<b>Total Non-Current Liabilities</b>		<b>9,191.26</b>	<b>17,647.25</b>	<b>14,937.17</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	17	4,727.25	-	3,151.40
Trade Payables	18	24.89	22.40	34.09
Other Financial Liabilities	19	543.45	1,035.18	1,319.62
Other Current Liabilities	20	46.44	34.36	48.02
Provisions	21	1.27	3.49	2.99
<b>Total Current Liabilities</b>		<b>5,343.30</b>	<b>1,095.43</b>	<b>4,556.12</b>
<b>Total Liabilities</b>		<b>14,534.56</b>	<b>18,742.68</b>	<b>19,493.29</b>
<b>Total Equity and Liabilities</b>		<b>15,411.99</b>	<b>16,223.97</b>	<b>16,580.18</b>
<b>Significant Accounting Policies</b>				
See accompanying Notes to the Financial Statements		1 - 38		

As per our report of even date

For Chaturvedi & Shah  
Chartered AccountantsSandesh Ladha  
PartnerFor Lodha & Co  
Chartered AccountantsH.K.Verma  
Partner

For and on behalf of the Board

R. K. Dhadda  
Managing Director  
K. R. Raja  
DirectorMahesh Kamdar  
Director  
Natarajan T. G.  
DirectorS. Anantharaman  
DirectorVenkataraman Ramachandran  
Company Secretary  
Ritesh Shiyal  
Chief Financial Officer

Dated: 26th May, 2017

Place: All signatories at Mumbai except Shri R. K. Dhadda at Wada, Maharashtra.

## Statement of Profit and Loss for the year ended 31st March, 2017

	Notes	2016-17	(₹ in Crore) 2015-16
<b>INCOME</b>			
Revenue from Operations	22	820.99	1,050.03
Other Income	23	377.42	125.87
<b>Total Income</b>		<b>1,198.41</b>	<b>1,175.90</b>
<b>EXPENSES</b>			
Employee Benefits Expense	24	22.94	48.80
Finance Costs	25	1,053.75	1,540.02
Depreciation and Amortisation Expense	1	840.70	843.51
Other Expenses	26	164.21	249.49
<b>Total Expenses</b>		<b>2,081.60</b>	<b>2,681.82</b>
<b>Profit / (Loss) before Rate Regulated Activities and Tax</b>		<b>(883.19)</b>	<b>(1,505.92)</b>
Regulatory Income	27	205.00	244.00
<b>Profit / (Loss) Before Tax</b>		<b>(678.19)</b>	<b>(1,261.92)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax	15	(286.95)	474.14
<b>Profit / (Loss) for the Year</b>		<b>(391.24)</b>	<b>(1,736.06)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit and Loss		3.65	(0.45)
<b>Total Comprehensive Income for the Year</b>		<b>(387.59)</b>	<b>(1,736.51)</b>
<b>Earnings per equity share before considering Regulatory Income</b>			
Basic (in ₹)	28	(0.26)	(0.87)
Diluted (in ₹)	28	(0.26)	(0.87)
<b>Earnings per equity share after considering Regulatory Income</b>			
Basic (in ₹)	28	(0.17)	(0.76)
Diluted (in ₹)	28	(0.17)	(0.76)
<b>Significant Accounting Policies</b>			
See accompanying Notes to the Financial Statements	1 - 38		

As per our report of even date

For Chaturvedi & Shah  
Chartered Accountants

Sandesh Ladha  
Partner

For Lodha & Co  
Chartered Accountants

H.K.Verma  
Partner

For and on behalf of the Board

R. K. Dhadda  
Managing Director  
K. R. Raja  
Director

Mahesh Kamdar  
Director  
Natarajan T. G.  
Director  
S. Anantharaman  
Director

Venkataraman Ramachandran  
Company Secretary  
Ritesh Shiyal  
Chief Financial Officer

Dated: 26th May, 2017

Place: All signatories at Mumbai except Shri R. K. Dhadda at Wada, Maharashtra.

## Statement of Changes in Equity for the year ended 31st March, 2017

### A. Equity Share Capital

(₹ in crore)

Balance at the beginning of previous reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of previous 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
2,275.16	—	2,275.16	—	2,275.16

### B. Other Equity

	Equity component of compound financial instruments	Reserves and Surplus			Other Comprehensive Income	Total
		Securities Premium Reserve	Debenture Redemption Reserve	Retained Earnings		
<b>As on 31 March 2016</b>						
Balance at the beginning of the reporting period i.e. 1st April, 2015	2,981.98	1,985.01	4.29	(10,159.55)	-	(5,188.27)
Amount adjusted to the Financial Instrument during the year	2,130.91	-	-	-	-	2,130.91
Total Comprehensive Income for the year	-	-	-	(1,736.06)	(0.45)	(1,736.51)
<b>Balance at the end of the reporting period i.e. 31st March, 2016</b>	<b>5,112.89</b>	<b>1,985.01</b>	<b>4.29</b>	<b>(11,895.61)</b>	<b>(0.45)</b>	<b>(4,793.87)</b>
<b>As on 31 March 2017</b>						
Balance at the beginning of the reporting period i.e. 1st April, 2016	5,112.89	1,985.01	4.29	(11,895.61)	(0.45)	(4,793.87)
Amount adjusted to the Financial Instrument during the year	(5,112.89)	-	-	896.62	-	(4,216.27)
9% Cumulative Optionally Convertible Preference Shares Issued during the Year [Refer Note 12.3]	8,000.00	-	-	-	-	8,000.00
Total Comprehensive Income for the year	-	-	-	(391.24)	3.65	(387.59)
<b>Balance at the end of the reporting period i.e. 31st March, 2017</b>	<b>8,000.00</b>	<b>1,985.01</b>	<b>4.29</b>	<b>(11,390.23)</b>	<b>3.20</b>	<b>(1,397.73)</b>

As per our report of even date

For Chaturvedi & Shah  
Chartered AccountantsSandesh Ladha  
PartnerFor Lodha & Co  
Chartered AccountantsH.K.Verma  
Partner

For and on behalf of the Board

R. K. Dhadha  
Managing DirectorK. R. Raja  
DirectorMahesh Kamdar  
DirectorNatarajan T. G.  
DirectorS. Anantharaman  
DirectorVenkataraman Ramachandran  
Company SecretaryRitesh Shiyal  
Chief Financial Officer

Dated: 26th May, 2017

Place: All signatories at Mumbai except Shri R. K. Dhadha at Wada, Maharashtra.

## Cash Flow Statement for the year ended 31st March, 2017

	2016-17	2015-16
		(₹ in Crore)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	(678.19)	(1,261.92)
Adjusted for:		
Depreciation and Amortisation	840.70	843.51
Diminution in value of Asset held for disposal	-	7.91
(Profit) / Loss on sale of investments (Net)	(43.33)	(10.34)
(Profit) / Loss on sale of Property, Plant and Equipment (Net)	(1.98)	(0.14)
Unrealised Loss on Derivatives	(700.03)	249.92
Interest Income	(45.56)	(31.90)
Finance Costs	1,053.75	1,540.02
	<u>1,103.55</u>	<u>2,598.98</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>425.36</b>	<b>1,337.06</b>
Trade and Other Receivables	(140.39)	(221.35)
Inventories	5.60	17.95
Trade and Other Payables	1.49	(17.86)
	<u>(133.30)</u>	<u>(221.26)</u>
<b>Cash Generated from Operations</b>	<b>292.06</b>	<b>1,115.80</b>
Taxes Paid (Net)	-	-
Net Cash Flow from / (used in) Operating Activities	<u>292.06</u>	<u>1,115.80</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(19.48)	(9.80)
Sale of Property, Plant and Equipment	6.18	0.99
Purchase of Current Investments	(9,953.98)	(1,569.97)
Sale of Current Investments	10,050.26	1,360.44
Deposits placed with Banks	(5.76)	(8.27)
Interest Income	18.77	4.35
Net Cash Flow from / (used in) Investing Activities	<u>95.99</u>	<u>(222.26)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Preference Shares	8,000.00	-
Proceeds from Long Term Borrowings	406.29	7,694.15
Repayment of Long Term Borrowings	(8,120.81)	(7,762.67)
Interest paid	(739.13)	(770.38)
Net Cash Flow from / (used in) Financing Activities	<u>(453.65)</u>	<u>(838.90)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(65.60)</b>	<b>54.64</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>66.92</b>	<b>12.28</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1.32</b>	<b>66.92</b>

Note:

The figures in brackets represents cash outflow

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Sandesh Ladha**  
Partner

**For Lodha & Co**  
Chartered Accountants

**H.K.Verma**  
Partner

**For and on behalf of the Board**

**R. K. Dhadda**  
Managing Director  
**K. R. Raja**  
Director

**Mahesh Kamdar**  
Director  
**Natarajan T. G.**  
Director

**S. Anantharaman**  
Director

**Venkataraman Ramachandran**  
Company Secretary  
**Ritesh Shiyal**  
Chief Financial Officer

Dated: 26th May, 2017

Place: All signatories at Mumbai except Shri R. K. Dhadda at Wada, Maharashtra.

## Notes to the Financial Statements for the year ended 31st March, 2017

### A. CORPORATE INFORMATION

Reliance Gas Transportation Infrastructure Limited (“the Company”) is an entity incorporated in India. The debentures issued by the Company are listed on National Stock Exchange. The registered office of the Company is at 101, Shivam Apartments, 9, Patel Colony, Bedi Bunder Road, Jamnagar-361008, Gujarat. The principal business of the Company is development and operation of east west pipeline (EWPL) which is set-up by the Company for transportation of gas. The EWPL network extends from Kakinada in the state of Andhra Pradesh to Bharuch in the state of Gujarat and traverses through the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat passing through major cities.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### B.1 BASIS OF PREPARATION AND PRESENTATION

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

- i) Certain financial 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 rules notified under the relevant provisions of the Companies Act, 2013 [the Act].

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.

These financial statements are the Company’s first Ind AS financial statements

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

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a Property, plant and equipment:

- i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Such cost includes purchase price (net of recoverable taxes, trade discount and rebates) and any cost directly attributable to bring the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii) Line pack gas has been considered as part of Property, plant and equipment.
- iii) Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.
- iv) 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.
- v) Depreciation on Property, plant and equipment is provided on straight line method over the useful life as per Schedule II to the Act / 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 Property, plant and equipment, depreciation is provided over the residual life of the respective assets.

- vi) 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 Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation. The cost includes purchase price (net of recoverable taxes, trade discount and rebates) and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised. Computer software is amortised over a period of 5 years on straight line method.

## Notes to the Financial Statements for the year ended 31st March, 2017

### c Finance Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

### d Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including incidental expenses net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of stores and spares, trading and other items are determined on weighted average basis.

### e Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

### f 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 asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### g Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating lease, are recognised as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

### h Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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. 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.

### i 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

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

## Notes to the Financial Statements for the year ended 31st March, 2017

### Defined Benefit Plans

The liability in respect of defined benefit plans 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.

### j Tax Expenses

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

#### Current tax

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

#### Deferred tax

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

Deferred tax 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.

### k Foreign Currencies Transactions and Translation

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- (ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- (iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### l Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue 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.

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



## Notes to the Financial Statements for the year ended 31st March, 2017

### **m Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

### **n Current and non-current classification**

The Company presents assets and liabilities in Balance Sheet based on current and non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Act notified by MCA.

An asset is classified as current when it is

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

### **o Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

## Notes to the Financial Statements for the year ended 31st March, 2017

### p Off-setting financial Instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

### q Financial instruments

#### i) Financial Assets

##### A. Initial recognition and measurement:

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

##### B. Subsequent measurement

##### a) Financial assets carried at amortised cost (AC)

A financial asset is 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.

##### b) Financial assets 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.

##### c) Financial assets at fair value through profit or loss (FVTPL)

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

##### C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

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

#### ii) Financial Liabilities

##### A. Initial recognition and measurement:

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

##### B. Subsequent measurement:

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

## Notes to the Financial Statements for the year ended 31st March, 2017

### iii) **Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards and options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### iv) **Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## 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 future periods.

### a) **Depreciation / amortisation and useful lives of property, plant and equipment**

Property, plant and equipment are depreciated / amortised 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 / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is revised if there are significant changes from previous estimates.

### b) **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.

### c) **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.

### 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

## Notes to the Financial Statements for the year ended 31st March, 2017

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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.

f) **Regulatory Income**

Transportation of gas through pipelines is a business regulated by Petroleum and Natural Gas regulatory Board (PNGRB). The operations of the business including setting up of pipeline and determination of tariff is regulated by PNGRB. The PNGRB (Determination of natural Gas Pipeline Tariff) Regulations 2008 provide for determination of tariff based on Discounted Cash Flow (DCF) methodology considering specified rate of return on capital employed plus operating expenses of the Company as stipulated in the said regulations alongwith consideration of volume in the manner specified therein over the economic life of the pipeline. However, the entity has been allowed to reach to the stipulated level of volume in the initial five years gradually. The tariff is fixed on a provisional basis for initial period and then finalised for the initial period (first year) and for a further period of five consecutive years. Thereafter the tariff is reviewed every five years.

As per the original regulations the entity was allowed to adjust the difference between the provisional tariff and final tariff with the customers and recover the same from them. However, the revised regulations provide for adjustment to be made in the DCF calculations in such a manner that the said difference is recovered through a derived tariff from the customers on prospective basis.

PNGRB has approved the provisional transportation tariff in year 2010. Presently, the customers are being billed for transportation of gas as per the said provisional tariff further broken into zone wise rates. The company has filed application for determination of final tariff and subsequent revisions as directed by PNGRB, which are pending for consideration before them. Pending approval, the Company has been recognising revenue as per the expected final levelised tariff.

**D. FIRST TIME ADOPTION OF IND AS:**

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) **Exemptions from retrospective application:**

**Deemed cost exemption for Property, Plant and Equipment**

The Company has elected to measure item of property, plant and equipment at its carrying value at the transition date, which includes revaluation done in earlier years.



## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 2. NON-CURRENT FINANCIAL ASSETS</b>			
(Unsecured and Considered Good)			
Security Deposits	1.40	1.41	1.38
<b>TOTAL</b>	<b>1.40</b>	<b>1.41</b>	<b>1.38</b>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 3. OTHER NON-CURRENT ASSETS</b>			
(Unsecured and Considered Good)			
Balance with Custom Authorities etc.	4.41	4.41	4.41
Capital Advances	0.41	0.41	0.31
	<b>4.82</b>	<b>4.82</b>	<b>4.72</b>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 4. INVENTORIES</b>			
Stock of Natural Gas and Fuel	10.63	15.59	21.18
Stores and Spares	251.94	252.57	264.94
<b>TOTAL</b>	<b>262.57</b>	<b>268.16</b>	<b>286.12</b>

4.1 Inventories are measured at lower of cost or net realisable value.

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
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### NOTE 5. CURRENT INVESTMENTS

#### Investments measured at Fair Value through Profit and Loss

##### In Mutual Fund

##### Unquoted, fully paid up

21 33 141	Birla Sunlife Floating Rate Fund Short Term			
( - )	Plan - Growth - Direct Plan of ₹ 100 each	46.26	-	-
1 33 071	Tata Money Market Fund Direct Plan -			
( - )	Growth of ₹ 1000 each	34.11	-	-
-	Kotak Banking And PSU Debt Fund -			
(38 91 609)	Growth Direct Plan of ₹ 10 each	-	13.20	-
2 02 625	ICICI Prudential Money Market Fund -			
(61 27 333)	Direct Plan -Growth of ₹ 100 each	4.56	128.41	-
-	DSP BlackRock Ultra Short Term Fund -			
(3 70 82 337)	Direct Plan- Growth of ₹ 10 each	-	40.73	-
-	DSP Black Rock Banking & PSU Debt Fund -			
(1 33 57 930)	Regular Growth of ₹ 10 each	-	16.89	-

## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 5. CURRENT INVESTMENTS [Contd.]</b>			
3 440 UTI Money Market Fund - Institutional ( - ) Plan - Direct Plan - Growth of ₹ 1000 each	<b>0.63</b>	-	-
4 200 Franklin India Treasury Management ( - ) Account - Super Institutional Plan - Direct- Growth of ₹ 1000 each	<b>1.02</b>	-	-
7 527 ICICI Prudential Liquid - Direct Plan ( - ) Growth of ₹ 100 each	<b>0.18</b>	-	-
7 085 Religare Liquid Fund - Growth of ( - ) ₹ 1000 each	<b>1.58</b>	-	-
26 098 IDFC Cash Fund - Direct Plan - ( - ) Growth of ₹ 1000 each	<b>5.16</b>	-	-
26 213 Kotak Floater Short Term - ( - ) Direct Plan - Growth of ₹ 1000 each	<b>6.97</b>	-	-
30 894 LIC Nomura MF Liquid Fund - ( - ) Direct Growth Plan of ₹ 1000 each	<b>9.11</b>	-	-
- Axis Banking Debt Fund - (56 122) Direct - Growth of ₹ 1000 each	-	7.83	-
51 705 DSP Black Rock Liquidity Fund - ( - ) Direct Plan - Growth of ₹ 1000 each	<b>12.02</b>	-	-
45 592 Tata Liquid Fund - Direct Plan - ( - ) Growth of ₹ 1000 each	<b>13.68</b>	-	-
68 204 L&T Liquid Fund - Direct Plan - (61 655) Growth of ₹ 1000 each	<b>15.21</b>	12.81	-
61 674 UTI Liquid Cash Plan - Institutional - ( - ) Direct Plan - Growth of ₹ 1000 each	<b>16.42</b>	-	-
<b>TOTAL</b>	<b>166.91</b>	219.87	-
Aggregate Amount of Unquoted Investments	<b>166.91</b>	219.87	-
<b>5.1 Category-wise Current Investment</b>			
Financial Assets measured at Fair Value through Profit & Loss	<b>166.91</b>	219.87	-
<b>Total Current Investments</b>	<b>166.91</b>	219.87	-
	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 6. TRADE RECEIVABLES</b>			
(Unsecured and Considered Good)			
Trade Receivables	<b>36.16</b>	47.76	58.39
<b>TOTAL</b>	<b>36.16</b>	47.76	58.39

## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 7. CASH AND CASH EQUIVALENTS</b>			
Balance with Banks	1.32	66.92	12.28
<b>TOTAL</b>	<b>1.32</b>	<b>66.92</b>	<b>12.28</b>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 8. OTHER BANK BALANCES</b>			
<b>Other Bank Balances</b>			
In bank deposits to the extent held by the bank as security against guarantees and other commitments	62.32	56.55	48.28
<b>TOTAL</b>	<b>62.32</b>	<b>56.55</b>	<b>48.28</b>

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 9. OTHER CURRENT FINANCIAL ASSETS</b>			
(Unsecured and Considered Good)			
Deposits	0.02	0.02	0.07
Other Receivables	0.31	4.60	14.73
Others*	1.90	2.39	2.26
<b>TOTAL</b>	<b>2.23</b>	<b>7.01</b>	<b>17.06</b>

\* Includes Interest Receivable on Fixed Deposits with Banks.

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 10. OTHER CURRENT ASSETS</b>			
(Unsecured and Considered Good)			
Advance paid for Gratuity (Refer Note 24)	3.14	-	-
Assets held for Disposal	6.76	7.74	15.83
Balance with Custom, Central Excise Authorities etc.	5.62	3.29	5.95
Others*	10.17	8.86	8.60
<b>TOTAL</b>	<b>25.69</b>	<b>19.89</b>	<b>30.38</b>

\*Includes Advances to Vendors.



## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017		As at 31st March, 2016		(₹ in Crore) As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
<b>NOTE 11. SHARE CAPITAL</b>						
<b>Authorised :</b>						
Equity Shares of ₹ 1 each	2500 00 00 000	2,500.00	7000 00 00 000	7,000.00	7000 00 00 000	7,000.00
Preference Shares of ₹ 10 each	950 00 00 000	9,500.00	300 00 00 000	3,000.00	300 00 00 000	3,000.00
<b>TOTAL</b>		<b>12,000.00</b>		<b>10,000.00</b>		<b>10,000.00</b>
<b>Issued, Subscribed and Fully Paid up :</b>						
Equity Shares of ₹ 1 each fully paid up	2275 16 25 000	2,275.16	2275 16 25 000	2,275.16	2275 16 25 000	2,275.16
<b>TOTAL</b>		<b>2,275.16</b>		<b>2,275.16</b>		<b>2,275.16</b>
<b>11.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :</b>						
Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares		No. of Shares		No. of Shares	
<b>Equity Shares:</b>						
Equity Shares at the beginning of the year	2275 16 25 000		2275 16 25 000		2275 16 25 000	
Equity Shares at the end of the year	2275 16 25 000		2275 16 25 000		2275 16 25 000	
<b>11.2 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 :</b>						
Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Equity Shares						
Reliance Utilities Private Limited, (Holding Company) along with its nominees	2275 16 25 000	100.00%	2275 16 25 000	100.00%	2275 16 25 000	100.00%

### 11.3 Rights and Restrictions to Equity 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.

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 12. OTHER EQUITY

	As at 31st March, 2017		As at 31st March, 2016		(₹ in Crore) As at 1st April, 2015
<b>Equity component of compound financial instruments</b>					
As per last Balance Sheet	5,112.89		2,981.98		
Amount adjusted to the Financial Instrument during the year	(5,112.89)		2,130.91		
9% Cummulative Optionally Convertible Preference Shares Issued during the Year [Refer Note 12.3]	8,000.00	8,000.00	-	5,112.89	2,981.98
<b>Securities Premium Account</b>					
As per last Balance Sheet [Refer Note 12.2]	1,985.01		1,985.01		1,985.01
<b>Debenture Redemption Reserve</b>					
As per last Balance Sheet [Refer Note 12.1]	4.29		4.29		4.29
<b>Retained Earnings</b>					
As per last Balance Sheet	(11,895.61)		(10,159.55)		
Profit / (Loss) for the year	(391.24)		(1,736.06)		
Amount adjusted to the Financial Instrument during the year	896.62	(11,390.23)	-	(11,895.61)	(10,159.55)
<b>Other Comprehensive Income [OCI]</b>					
As per last Balance Sheet	(0.45)		-		
Movement in OCI (Net) during the year	3.65	3.20	(0.45)	(0.45)	-
<b>TOTAL</b>	<b>(1,397.73)</b>		<b>(4,793.87)</b>		<b>(5,188.27)</b>

#### 12.1 Debenture Redemption Reserve:

The Company is required to create a Debenture Redemption Reserve (DRR) in terms of section 71(4) of the Act 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. The Company had during the earlier years created DRR of ₹ 4.29 Crore. In view of the loss for the current year no further amount could be provided for DRR. Balance available in DRR will be transferred to retained earnings / general reserve upon redemption of debentures issued by the Company from time to time.

#### 12.2 Securities Premium Reserve:

Securities Premium Reserve (SPR) represents aggregate of (i) amount received in excess of face value of shares issued by the Company (ii) amount adjusted pursuant to provisions of various Schemes of Amalgamations and / or Arrangements in earlier years. The balance lying in SPR will be utilised in accordance with the provisions of the Companies Act, 2013.

#### 12.3 9% Cummulative Optionally Convertible Preference Shares [OCPS]

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares	As at 1st April, 2015 No. of Shares
Preference Shares at the beginning of the year	-	-	-
Add: Issued during the year	800 00 00 000	-	-
Preference Shares at the end of the year	800 00 00 000	-	-

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 12. OTHER EQUITY [Contd.]

- (b) 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, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Ports And Terminals Limited (Holding Company of the Holding Company)	800 00 00 000	100%	-	-	-	-

- (c) Each OCPS shall be redeemed at ₹ 10 at any time at the option of the Company, but not later than 10 years from the date of allotment of OCPS.

- (d) Rights and Restrictions to Preference Shares

The preference shareholders shall carry voting rights as per the provisions of Section 47(2) of the Act.

(₹ in Crore)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
<b>NOTE 13. BORROWINGS</b>						
<b>A. PREFERENCE SHARES - AT AMORTISED COST</b>						
Non-cumulative Redeemable Preference Shares [Refer Note 13.1]	4,932.57	-	4,514.94	-	4,132.66	-
<b>B. DEBENTURES - AT AMORTISED COST (Refer Note 13.3)</b>						
<b>Secured</b>						
Non Convertible Debentures (Refer Note 13.2)	1,000.00	-	1,000.00	-	1,000.00	-
<b>Unsecured</b>						
Non Convertible Debentures	2,500.00	-	2,500.00	-	2,500.00	-
<b>C. TERM LOANS - AT AMORTISED COST (Refer Note 13.2)</b>						
<b>Secured</b>						
From Banks	-	-	4,015.15	105.66	3,161.78	1,011.33
From Financial Institution					243.83	88.67
<b>D. LOAN FROM RELATED PARTY - AT AMORTISED COST</b>						
<b>Unsecured</b>						
Loan from Body Corporate (Refer Note 29)	-	-	4,104.69	-	2,400.67	-
<b>TOTAL</b>	<b>8,432.57</b>	<b>-</b>	<b>16,134.78</b>	<b>105.66</b>	<b>13,438.94</b>	<b>1,100.00</b>

#### 13.1 9% Non-cumulative Redeemable Preference Shares of ₹ 10 each:

- (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at		As at	
	31st March, 2017	31st March, 2016	1st April, 2015	As at
Preference Shares at the beginning of the year	75 00 00 000	75 00 00 000	75 00 00 000	
Preference Shares at the end of the year	75 00 00 000	75 00 00 000	75 00 00 000	

- (b) 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, 2017		As at 31st March, 2016	
	No. of Shares	% held	No. of Shares	% held
9% Non-cumulative Redeemable Preference Shares				
Reliance Industries Limited (Associate of Holding Company of Holding Company)	50 00 00 000	66.67%	50 00 00 000	66.67%
Reliance Ports And Terminals Limited (Holding Company of Holding Company)	25 00 00 000	33.33%	25 00 00 000	33.33%

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 13. BORROWINGS [Contd.]

- (c) 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.

- (d) Rights and Restrictions to Preference Shares

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 in case the dividend is not paid for a consecutive period of two years.

- 13.2 The Term Loans from Banks and Secured Non - Convertible Debentures referred to above are secured on first ranking pari passu basis by way of mortgage / hypothecation / charge over;

- (a) all Property, plant and equipment of the Company, both present and future;
- (b) all stocks, goods, book debts, revenue and Receivables, both present and future, of Company from operations of the Project;
- (c) all rights, titles, interest, claims and demands of the Company in respect of Project Documents including Insurance Contracts;
- (d) all its bank accounts.

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

Rate of Interest	(₹ in Crore)	
	2021-22	2018-19
10.95% (Issued in January, 2009) (Secured)	-	1,000.00
10.25% (Issued in August, 2011) (Unsecured)	2,500.00	-

	(₹ in Crore)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015

### NOTE 14. OTHER NON CURRENT FINANCIAL LIABILITIES

#### Others

Security Deposits	44.03	52.63	47.31
Other Financial Liabilities*	7.57	440.64	884.58
<b>TOTAL</b>	<b>51.60</b>	<b>493.27</b>	<b>931.89</b>

\* Represents mark to market provision for derivative transactions.

## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 15. DEFERRED TAX LIABILITIES (NET)</b>			
The movement on the deferred tax account is as follows:			
At the start of the year	638.19	164.05	
Charge / (credit) to Statement of Profit and Loss	(286.95)	474.14	
<b>At the end of the year</b>	<b>351.24</b>	<b>638.19</b>	<b>164.05</b>
<b>Component of Deferred tax liabilities / (asset)</b>			
	As at 31st March, 2016	Charge/(credit) to profit or loss	(₹ in Crore) As at 31st March, 2017
<b>Deferred tax liabilities / (asset) in relation to:</b>			
Property, plant and equipment	4,400.40	(288.48)	4,111.92
Financial Assets	(3.29)	0.77	(2.52)
Brought Forward Losses	(3,759.12)	-	(3,759.12)
Financial Liabilities	1.40	-	1.40
Provisions	(1.20)	0.76	(0.44)
<b>TOTAL</b>	<b>638.19</b>	<b>(286.95)</b>	<b>351.24</b>
<b>NOTE 16. OTHER NON CURRENT LIABILITIES</b>			
<b>Others</b>			
Deferral Liability on account of Non-cumulative Redeemable Preference Shares	273.77	298.66	323.55
Income Received In Advance	18.34	23.89	29.07
Other Payables*	63.74	58.46	49.67
<b>TOTAL</b>	<b>355.85</b>	<b>381.01</b>	<b>402.29</b>
* Represents Imbalance and Overrun Charges			
	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 17. BORROWINGS - CURRENT</b>			
<b>A. LOAN FROM RELATED PARTY</b>			
<b>Unsecured</b>			
Loan from Related Party (Refer Note 29)	4,727.25	-	1,404.78
<b>B. LOAN FROM OTHERS</b>			
<b>Unsecured</b>			
Loan from Body Corporate	-	-	1,746.62
<b>TOTAL</b>	<b>4,727.25</b>	<b>-</b>	<b>3,151.40</b>

## Notes to the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 18. TRADE PAYABLES</b>			
Micro and Small Enterprises	0.17	0.87	0.98
Others	24.72	21.53	33.11
<b>TOTAL</b>	<b>24.89</b>	<b>22.40</b>	<b>34.09</b>

18.1 There are no amount over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 19. OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current Maturities of Secured Long-term Debt (Refer Note 13.2)	-	105.66	1,100.00
Interest accrued but not due on Borrowings	181.86	214.68	198.32
Creditors for Capital Expenditure	4.48	12.67	12.98
Other Financial Liabilities*	357.11	702.17	8.32
<b>TOTAL</b>	<b>543.45</b>	<b>1,035.18</b>	<b>1,319.62</b>

\* Represents mark to market provision for derivative transactions.

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 20. OTHER CURRENT LIABILITIES</b>			
Income Received In Advance	5.55	5.55	5.55
Deferral Liability on account of Non-cumulative Redeemable Preference Shares	24.89	24.89	24.89
Other payables*	16.00	3.92	17.58
<b>TOTAL</b>	<b>46.44</b>	<b>34.36</b>	<b>48.02</b>

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

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
<b>NOTE 21. SHORT TERM PROVISIONS</b>			
Provision for Leave encashment/ Superannuation (Refer Note 24)	1.27	3.49	2.95
Provision for Wealth Tax	-	-	0.04
<b>TOTAL</b>	<b>1.27</b>	<b>3.49</b>	<b>2.99</b>

## Notes to the Financial Statements for the year ended 31st March, 2017

	2016-17	(₹ in Crore) 2015-16
<b>NOTE 22. REVENUE FROM OPERATIONS</b>		
<b>Income from Services</b>		
Income from Transportation of Gas	906.98	1,138.88
Other Operating Income		
Deferred Delivery Services	22.36	43.13
Others	3.27	3.27
	<u>932.61</u>	<u>1,185.28</u>
Less: Service Tax	111.62	135.25
<b>TOTAL</b>	<u><u>820.99</u></u>	<u><u>1,050.03</u></u>

	2016-17	(₹ in Crore) 2015-16
<b>NOTE 23. OTHER INCOME</b>		
<b>Interest Income</b>		
From Fixed Deposits	5.02	4.72
On Income Tax Refund	13.38	-
From Others*	27.16	27.18
<b>Gain (net) on Financial Assets</b>		
Realised Gain	42.25	7.86
Unrealised Gain	1.08	2.48
Profit on Sale of Property, Plant and Equipment	1.98	0.14
Profit on Sale of Assets held for Disposal	0.95	-
Net Gain on Derivative Transactions	249.49	(41.19)
Facilitation and other Services	30.10	117.78
Other Non-Operating Income	6.01	6.90
<b>TOTAL</b>	<u><u>377.42</u></u>	<u><u>125.87</u></u>

\* Includes amortised amount for the year in respect of Financial Liabilities.

	2016-17	(₹ in Crore) 2015-16
<b>NOTE 24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	18.47	41.90
Contribution to Provident Fund and other Funds	1.62	2.74
Staff welfare expenses	2.85	4.16
<b>TOTAL</b>	<u><u>22.94</u></u>	<u><u>48.80</u></u>

### 24.1 Disclosure as per Indian Accounting Standard 19 "Employee Benefits" are given below :

	2016-17	(₹ in Crore) 2015-16
<b>Defined Contribution Plan</b>		
Contribution to defined Contribution Plan, recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	0.67	1.39
Employer's Contribution to Superannuation Fund	0.05	0.12
Employer's Contribution to Pension Scheme	0.30	0.60

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 24. EMPLOYEE BENEFITS EXPENSE [Contd.]

#### 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)	
	<b>Gratuity (Funded)</b>	
	2016-17	2015-16
a. Defined Benefit obligation at beginning of the year	5.73	5.01
b. Current Service Cost	0.51	0.50
c. Interest Cost	0.46	0.40
d. Liability Transferred In/ Acquisitions	-	0.02
e. Actuarial (gain) / loss	(3.60)	0.50
f. Benefits paid	(0.12)	(0.70)
g. Defined Benefit Obligation at the year end	2.97	5.73

#### ii) Reconciliation of opening and closing balances of fair value of Plan Assets

	(₹ in Crore)	
	<b>Gratuity (Funded)</b>	
	2016-17	2015-16
a. Fair value of Plan Assets at beginning of the year	5.73	5.01
b. Expected Return on Plan Assets	0.46	0.40
c. Actuarial Gain / (Loss)	0.05	0.05
d. Assets Transferred In/Acquisitions	-	0.02
e. Employer Contributions	-	0.95
f. Benefits paid	(0.12)	(0.70)
g. Fair value of Plan Assets at the year end	6.11	5.73
h. Actual return on plan assets	0.51	0.45

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

	(₹ in Crore)	
	<b>Gratuity (Funded)</b>	
	As at 31.03.17	As at 31.03.16
a. Fair value of Plan Assets at year end	6.11	5.73
b. Present value of Obligation as at year end	2.97	5.73
c. Amount recognised in the Balance Sheet [Surplus / (Deficit)]	3.14	-

#### iv) Expenses recognised during the year

	(₹ in Crore)	
	<b>Gratuity (Funded)</b>	
	2016-17	2015-16
a. Current Service Cost	0.51	0.50
b. Interest Cost	0.46	0.40
c. Expected Return on Plan Assets	(0.46)	(0.40)
d. Actuarial (Gain)/Loss	(3.65)	0.45
e. Expenses recognised during the year	(3.14)	0.95



## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 24. EMPLOYEE BENEFITS EXPENSE [Contd.]

#### 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 as certainable.

#### vi) Actuarial Assumptions

Mortality Table (IALM)

	Gratuity (Funded)	
	2016-17 2006-08 (Ultimate)	2015-16 2006-08 (Ultimate)
Discount Rate	7.46%	8.00%
Salary escalation	6.00%	6.00%
Expected Rate of Return on Plan Assets	7.46%	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.

The Expected Rate of Return on Plan Assets is determined considering several applicable 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.

vii) The expected contributions for defined benefit plan for the next financial year will be in line with FY 2016-17.

#### viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, 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:

	(₹ in Crore)			
	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	0.12	0.13	0.23	0.25
Change in rate of salary increase (delta effect of +/- 0.5%)	0.13	0.13	0.23	0.25
Change in rate of employee turnover (delta effect of +/- 0.5%)	0.02	0.02	0.04	0.04

These plans typically expose the Company 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.

**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 benefit 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.

### NOTE 25. FINANCE COSTS

	2016-17	2015-16
Interest Expenses	1,043.67	1,538.97
Other Borrowing Costs	10.08	1.05
<b>TOTAL</b>	<b>1,053.75</b>	<b>1,540.02</b>

## Notes to the Financial Statements for the year ended 31st March, 2017

	(₹ in Crore)	
	2016-17	2015-16
<b>NOTE 26. OTHER EXPENSES</b>		
<b>OPERATION AND MAINTENANCE EXPENSES</b>		
Stores and Spare	13.33	22.31
Electricity, Power and Fuel	62.86	87.02
Repairs - Building [Current Year ₹ 2,430 (Previous Year - Nil)]	0.00	-
Repairs - Machinery	28.63	45.34
Other Operational Expenses	6.48	7.82
	<u>111.30</u>	<u>162.49</u>
		(₹ in Crore)
	2016-17	2015-16
<b>ADMINISTRATION EXPENSES</b>		
Payment to and Provision for Managerial Personnel on deputation	2.13	1.96
Insurance	7.26	7.03
Rent	0.72	0.32
Repairs - Others	0.36	0.17
Rates and Taxes	0.27	2.97
Contracted and others services	14.74	31.75
Travelling and Conveyance	5.82	10.56
Payment to Auditors (Refer Note 26.1)	0.49	0.50
Professional Fees	5.41	5.12
Letter of credit and bank charges	0.03	1.32
Diminution in value of Assets held for Disposal	-	7.91
General Expenses	15.68	17.39
	<u>52.91</u>	<u>87.00</u>
<b>TOTAL</b>	<u>164.21</u>	<u>249.49</u>
		(₹ in Crore)
	2016-17	2015-16
<b>26.1 PAYMENT TO AUDITORS AS :</b>		
(a) Auditor		
Statutory Audit Fees	0.40	0.40
Tax Audit Fees	0.05	0.05
(b) Certification Fees	0.03	-
(c) Expenses Reimbursed	-	0.04
(d) Cost Audit Fees	0.01	0.01
<b>TOTAL</b>	<u>0.49</u>	<u>0.50</u>

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 27. REGULATORY ASSET

Transportation of gas through pipelines is a business regulated by Petroleum and Natural Gas Regulatory Board (PNGRB). The operations of the business including setting up of pipeline and determination of tariff is regulated by PNGRB. The PNGRB (Determination of Natural Gas Pipeline Tariff) Regulations 2008 provide for determination of tariff based on Discounted Cash Flow (DCF) methodology considering specified rate of return on capital employed plus operating expenses of the Company as stipulated in the said regulations alongwith consideration of volume in the manner specified therein over the economic life of the pipeline. However, the entity has been allowed to reach to the stipulated level of volume in the initial five years gradually. The tariff is fixed on a provisional basis for initial period (first year) and then finalised for the initial period and for a further period of five consecutive years. Thereafter the tariff is reviewed every five years.

As per the original regulations the entity was allowed to adjust the difference between the provisional tariff and final tariff with the customers and recover the same from them. However, the revised regulations provide for adjustment to be made in the DCF calculations in such a manner that the said difference is recovered through a derived tariff from the customers on prospective basis.

PNGRB has approved the provisional transportation tariff in year 2010. Presently, the customers are being billed for transportation of gas as per the said provisional tariff further broken into zone wise rates. The Company has filed application for determination of final tariff and subsequent revisions as directed by PNGRB, which are pending for consideration before them. Pending approval, the Company has been recognising revenue as per the expected final levelised tariff. Accordingly income of ₹ 2760 Crore for the period from 1st April 2009 till 31st March 2016 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 that period has been recognised as Regulatory Income. For the aggregate volume of gas transported during the year ended March' 2017, the Company has recognised an amount of ₹ 205 Crore as Regulatory Income. The above amount of ₹ 205 Crore along with ₹ 2760 Crore which has been recognised earlier as Regulatory Asset is expected to be recovered through the derived final tariff to be charged from the customers on the aggregate volume of future gas that will be transported over the remaining economic life of the said pipeline. Based on the final outcome of the aforesaid application pending for approval before PNGRB, suitable adjustments with respect to the Regulatory Asset recognised as aforesaid will be made by the Company.

Tariff computation methodology include estimation of future expenses and revenues. The tariff regulation prescribes periodic tariff reviews. The tariff determination procedure involves validation of expenses. First, for the past period, the actual capital and operating expenses are compared with the estimates which were considered at the time of last tariff fixation and updated with the actuals. Second, the estimates of future capital and operating expenses are compared with normative level and the lower is considered. The Company is exposed to regulatory risk to the extent of such variations and disallowance on periodic tariff reviews.

## Notes to the Financial Statements for the year ended 31st March, 2017

	(₹ in Crore)	
<b>NOTE 28. EARNINGS PER SHARE (EPS)</b>	<b>2016-17</b>	<b>2015-16</b>
i) Net Profit / ( Loss) as per Statement of Profit and Loss attributable to Equity Shareholders before considering Regulatory Income (₹ in Crore)	<b>(596.24)</b>	(1,980.06)
ii) Regulatory Income (₹ in Crore)	<b>205.00</b>	244.00
iii) Net Profit / (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Crore)	<b>(391.24)</b>	(1,736.06)
iv) Weighted Average number of equity shares used as denominator for calculating Basic EPS	<b>2275 16 25 000</b>	2275 16 25 000
v) Weighted Average Potential Equity Shares	<b>3430 13 69 863</b>	-
vi) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>5705 29 94 863</b>	2275 16 25 000
vii) Earnings per share of face value of ₹ 1 each before considering Regulatory Income		
- For Basic (₹)	<b>(0.26)</b>	(0.87)
- For Diluted (₹)	<b>(0.26)</b>	(0.87)
viii) Earnings per share of face value of ₹ 1 each after considering Regulatory Income		
- For Basic (₹)	<b>(0.17)</b>	(0.76)
- For Diluted (₹)	<b>(0.17)</b>	(0.76)

Since the effect of potential equity shares is anti-dilutive, basic and diluted EPS for the year ended 31st March, 2017 is same.

The sole holder of 9% Cumulative Optionally Convertible Preference Shares (OCPS) has unconditionally waived its entitlement to the dividend for the financial year 2016-17 on OCPS, hence the dividend on OCPS is not deducted from profit or loss attributable to ordinary equity shareholders.

### NOTE 29. RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

#### 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 Utilities and Power Private Limited

Reliance Consolidated Holding Private Limited

[Amalgamated with Reliance Industries Holding Private Limited w.e.f. September 30, 2015]

##### Key Managerial Person

Mr. R. K. Dhadda

Mr. Ramachandran Venkataraman [w.e.f December 16, 2016]

Mr. Bijay Agrawal [upto December 14, 2016]

Mr. Ritesh Shiyal [w.e.f December 14, 2016]

Mr. M Sundar [upto October 24, 2016]

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 29. RELATED PARTY DISCLOSURES [Contd.]

ii) Transactions during the year with related parties :						(₹ in Crore)
Sr. No.	Nature of Transactions (Excluding Reimbursements)	Entities which exercise control on the company	Associate Company	Fellow Subsidiary Company	Key Managerial Person	Total
1	Issue of Preference Shares	8,000.00	-	-	-	8,000.00
		-	-	-	-	-
2	Loan Taken	406.29	-	-	-	406.29
		<i>3,467.68</i>	-	-	-	<i>3,467.68</i>
3	Loan Repaid	4,000.00	-	-	-	4,000.00
		-	-	<i>1,404.78</i>	-	<i>1,404.78</i>
4	Sale of assets	-	-	-	-	-
		<i>0.18</i>	-	<i>0.10</i>	-	<i>0.28</i>
5	Transportation Charges	0.02	-	-	-	0.02
		-	-	-	-	-
6	Deposit received for proposing candidature of Directors	-	-	-	-	-
		<i>0.03</i>	-	-	-	<i>0.03</i>
7	Deposit repaid for proposing candidature of Directors	-	-	-	-	-
		<i>0.03</i>	-	-	-	<i>0.03</i>
8	Sale of materials	-	0.07	-	-	0.07
		-	<i>0.31</i>	-	-	<i>0.31</i>
9	Purchase of fuel	-	32.22	-	-	32.22
		-	<i>47.43</i>	-	-	<i>47.43</i>
10	Income from Services (Including Service Tax)	-	210.47	-	-	210.47
		-	<i>220.56</i>	-	-	<i>220.56</i>
11	Remuneration	-	-	-	2.13	2.13
		-	-	-	<i>1.96</i>	<i>1.96</i>
<b>Balances as at 31st March 2017</b>						(₹ in Crore)
1	Preference Share capital	9,644.19	3,288.38	-	-	12,932.57
		<i>1,504.98</i>	<i>3,009.96</i>	-	-	<i>4,514.94</i>
2	Equity Share Capital	2,275.16	-	-	-	2,275.16
		<i>2,275.16</i>	-	-	-	<i>2,275.16</i>
3	Loan Taken	4,727.25	-	-	-	4,727.25
		<i>4,104.69</i>	-	-	-	<i>4,104.69</i>
4	Trade Receivables	-	11.84	-	-	11.84
		-	<i>6.95</i>	-	-	<i>6.95</i>
5	Trade Payables	-	1.20	-	-	1.20
		-	<i>1.92</i>	-	-	<i>1.92</i>
6	Equity Component of Compound Financial Instrument	-	-	-	-	-
		<i>5,112.89</i>	-	-	-	<i>5,112.89</i>

Figures in italic represents Previous Year's amounts.

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 29. RELATED PARTY DISCLOSURES [Contd.]

iii) Disclosure in Respect of Related Party Transactions during the year :			(₹ in Crore)	
Particulars	Relationship	2016-17	2015-16	
<b>1 Issue of Preference Shares</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>8,000.00</b>	-	
<b>2 Loan Taken</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>406.29</b>	3,467.68	
<b>3 Loan Repaid</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>4,000.00</b>	-	
Reliance Consolidated Holding Private Limited	Fellow Subsidiary Company	-	1,404.78	
<b>4 Sale of assets</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	-	0.18	
Reliance Utilities and Power Private Limited	Fellow Subsidiary Company	-	0.10	
<b>5 Transportation Charges</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>0.02</b>	-	
<b>6 Deposit received for proposing candidature of Directors</b>				
Reliance Utilities Private Limited	Holding Company	-	0.03	
<b>7 Deposit repaid for proposing candidature of Directors</b>				
Reliance Utilities Private Limited	Holding Company	-	0.03	
<b>8 Sale of materials</b>				
Reliance Industries Limited	Associate Company	<b>0.07</b>	0.31	
<b>9 Purchase of fuel</b>				
Reliance Industries Limited	Associate Company	<b>32.22</b>	47.43	
<b>10 Income from Services (Including Service Tax)</b>				
Reliance Industries Limited	Associate Company	<b>210.47</b>	220.56	
<b>11 Remuneration</b>				
Mr. R.K.Dhadda	Key Managerial Person	<b>1.38</b>	1.46	
Mr. Ramachandran Venkataraman [w.e.f December 16, 2016]	Key Managerial Person	<b>0.29</b>	-	
Mr. Bijay Agrawal [upto December 14, 2016]	Key Managerial Person	<b>0.46</b>	0.50	
iv) Balances as at 31st March, 2017			(₹ in Crore)	
Particulars	Relationship	2016-17	2015-16	
<b>Preference Share capital</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>9,644.19</b>	1,504.98	
Reliance Industries Limited	Associate Company	<b>3,288.38</b>	3,009.96	
<b>Equity Share Capital</b>				
Reliance Utilities Private Limited	Holding Company	<b>2,275.16</b>	2,275.16	
<b>Loan Taken</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	<b>4,727.25</b>	4,104.69	
<b>Trade Receivables</b>				
Reliance Industries Limited	Associate Company	<b>11.84</b>	6.95	
<b>Trade Payables</b>				
Reliance Industries Limited	Associate Company	<b>1.20</b>	1.92	
<b>Equity Component of Compound Financial Instrument</b>				
Reliance Ports and Terminals Limited	Entities which exercise control on the company	-	5,112.89	

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 30. Taxation

#### 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 considered.

### NOTE 31.

Due to continued low level of gas production from KG basin, the volume of gas transported by the Company continued to be low in the current year resulting in lower capacity utilisation of the pipeline and consequent continued losses and erosion of net worth. In order to meet the external debt obligations, Promoters have provided funds by way of optionally convertible preference shares and unsecured loan to the tune of ₹ 12,725.25 Crore as on 31st March, 2017 due to which the Company's net worth has become positive. Moreover, the long term prospects of the Company appear better considering enhanced level of exploration activities in the KG basin and expected commissioning of new LNG terminals. 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.

(₹ in Crore)

	As at 31st Mar, 2017	As at 31st Mar, 2016
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### NOTE 32. CONTINGENT LIABILITIES AND COMMITMENTS

#### (to the extent not provided for)

#### Contingent Liabilities

Guarantee issued by Bank	20.08	20.27
Special Additional Duty under dispute not acknowledged as debt	2.64	2.64

The Company was contesting before the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), 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. CESTAT vide their order dated 17.06.2016, have allowed the appeal filed by the Company and set aside the demand of ₹ 262.13 crore. The Company has not received any communication w.r.t an appeal filed by the Department against the aforesaid order of CESTAT

In respect of above litigation, the Company does not anticipate any material impact on its financial position.

The sole holder of 9% Cumulative Optionally Convertible Preference Shares (OCPS) has unconditionally waived its entitlement to the dividend for the financial year 2016-17 on OCPS, hence contingent liability in respect of dividend on OCPS as on 31st March 2017 is ₹ Nil

#### Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.63	6.95
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### NOTE 33. SEGMENT REPORTING

The Company is in the business of transportation of natural gas and this is the only operating segment to be reported as per Accounting Standard on Segment Reporting (Ind AS-108)

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 34. CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles:

- Maintain financial strength to ensure AAA ratings
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

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

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Crore) As at 1st April, 2015
Gross Debt	13,159.82	16,240.44	17,690.34
Cash and Marketable Securities	168.23	286.79	12.28
<b>Net Debt (A)</b>	<b>12,991.59</b>	<b>15,953.65</b>	<b>17,678.06</b>
<b>Total Equity (As per Balance Sheet) (B)</b>	<b>877.43</b>	<b>(2,518.71)</b>	<b>(2,913.11)</b>
<b>Net Gearing (A/B)</b>	<b>14.81</b>	<b>(6.33)</b>	<b>(6.07)</b>

### NOTE 35. DETAILS OF SPECIFIED BANK NOTES HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016:

The Company does not receive or, does not make any payment in Cash. Accordingly Cash balance as on 8th November 2016 and as on 30th December 2016 was Nil.

### NOTE 36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 26, 2017.

### NOTE 37. FINANCIAL INSTRUMENTS

#### Valuation

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

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign Exchange contracts and Currency Swaps is determined using forward exchange rates and yield curves at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis or other suitable valuation model.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.



## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 37. FINANCIAL INSTRUMENTS [Contd.]

#### Fair value measurement hierarchy:

(₹ in Crore)

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of input used in Level 1	Level 2	Carrying Amount	Level of input used in Level 1	Level 2	Carrying Amount	Level of input used in Level 1	Level 2
<b>Financial Assets</b>									
<b>At Amortised Cost</b>									
Security Deposits	1.40			1.41			1.38		
Trade Receivables	36.16			47.76			58.39		
Cash and Cash Equivalents	1.32			66.92			12.28		
Other Bank Balances	62.32			56.55			48.28		
Other Financial Assets	2.23			7.01			17.06		
<b>At FVTPL</b>									
Investments	166.91	-	166.91	219.87	-	219.87	-	-	-
<b>Financial Liabilities</b>									
<b>At Amortised Cost</b>									
Borrowings	13,159.82			16,240.44			17,690.34		
Trade Payables	24.89			22.40			34.09		
Other Financial Liabilities	230.37			279.97			258.62		
<b>At FVTPL</b>									
Financial Derivatives	364.68		364.68	1,142.80		1,142.80	892.91		892.91

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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

#### Foreign Currency Risk

The following table shows foreign currency exposures in USD, EUR and GBP on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

(₹ in Crore)

Particulars	Foreign Currency Exposure								
	As at 31st March 2017			As at 31st March 2016			As at 1st April 2015		
	USD	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP
Trade and Other Payables	5.91	0.96	0.09	2.12	0.29	0.12	5.14	2.25	0.10
Derivatives - Currency Swap	2,600.00	-	-	4,500.00	-	-	4,500.00	-	-
Net Exposure	2,605.91	0.96	0.09	4,502.12	0.29	0.12	4,505.14	2.25	0.10

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 37. FINANCIAL INSTRUMENTS [Contd.]

#### Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges

(₹ in Crore)

Particulars	Foreign Currency Sensitivity					
	As at 31st March 2017			As at 31st March 2016		
	USD	EUR	GBP	USD	EUR	GBP
<b>1% Depreciation in INR</b>						
Impact on Equity						
Impact on P&L	(26.06)	(0.01)	(0.00)	(45.02)	(0.00)	(0.00)
<b>Total</b>	<b>(26.06)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(45.02)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>1% Appreciation in INR</b>						
Impact on Equity						
Impact on P&L	26.06	0.01	0.00	45.02	0.00	0.00
<b>Total</b>	<b>26.06</b>	<b>0.01</b>	<b>0.00</b>	<b>45.02</b>	<b>0.00</b>	<b>0.00</b>

#### Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows:  
(₹ in Crore)

Particulars	Interest Rate Exposure		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Loan</b>			
Long term Floating Loan	-	4,015.15	3,161.78
Long term Fixed Loan	3,500.00	3,500.00	3,500.00
Short term Loan	-	105.66	1,100.00
<b>Total</b>	<b>3,500.00</b>	<b>7,620.81</b>	<b>7,761.78</b>
<b>Derivatives</b>			
Currency swap	2,600.00	4,500.00	4,500.00
<b>Total</b>	<b>2,600.00</b>	<b>4,500.00</b>	<b>4,500.00</b>

#### Impact on Interest Expenses for the year on 1% change in Interest rate

(₹ in Crore)

Particulars	Interest rate Rate Sensitivity			
	As at 31st March, 2017		As at 31st March, 2016	
	Up Move	Down Move	Up Move	Down Move
Impact on Equity	-	-	-	-
Impact on P&L	(26.00)	26.00	(86.21)	86.21
<b>Total Impact</b>	<b>(26.00)</b>	<b>26.00</b>	<b>(86.21)</b>	<b>86.21</b>

#### Credit Risk

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

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 37. FINANCIAL INSTRUMENTS [Contd.]

#### Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities (₹ 168.23 Crores as on 31st March 2017; ₹ 286.79 Crores as on 31st March 2016) and maintaining availability of standby funding through an adequate line up of committed credit facilities from banks and promoters. Company accesses global financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

#### Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2017

(₹ in crore)

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
<b>Non Derivative Liabilities</b>							
Long Term Loans	-	-	-	1,000.00	2,500.00	4,932.57	8,432.57
Short Term Loans	-	-	4,727.25	-	-	-	4,727.25
<b>Total Borrowings</b>	<b>-</b>	<b>-</b>	<b>4,727.25</b>	<b>1,000.00</b>	<b>2,500.00</b>	<b>4,932.57</b>	<b>13,159.82</b>
<b>Derivative Liabilities</b>							
Currency Swap	200.00	600.00	950.00	850.00	-	-	2,600.00
<b>Total Derivative Liabilities</b>	<b>200.00</b>	<b>600.00</b>	<b>950.00</b>	<b>850.00</b>	<b>-</b>	<b>-</b>	<b>2,600.00</b>

#### Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2016

(₹ in Crore)

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
<b>Non Derivative Liabilities</b>							
Long Term Loans	-	-	105.66	1,211.32	4,972.46	9,950.99	16,240.44
Short Term Loans	-	-	-	-	-	-	-
<b>Total Borrowings</b>	<b>-</b>	<b>-</b>	<b>105.66</b>	<b>1,211.32</b>	<b>4,972.46</b>	<b>9,950.99</b>	<b>16,240.44</b>
<b>Derivative Liabilities</b>							
Currency Swap	-	1,050.00	850.00	2,600.00	-	-	4,500.00
<b>Total Derivative Liabilities</b>	<b>-</b>	<b>1,050.00</b>	<b>850.00</b>	<b>2,600.00</b>	<b>-</b>	<b>-</b>	<b>4,500.00</b>

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 38. FIRST TIME IND AS ADOPTION RECONCILIATIONS

#### 38.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2016 and 1st April, 2015

(₹ in Crore)

	As at 31st March, 2016			As at 1st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	12,704.50	-	12,704.50	13,545.23	-	13,545.23
Capital Work-in-Progress	7.85	-	7.85	4.70	-	4.70
Intangible Assets	2.63	-	2.63	0.01	-	0.01
Financial Assets	-	-	-	-	-	-
Security Deposits	1.41	-	1.41	1.38	-	1.38
Other Non- Current Assets	4.82	-	4.82	4.72	-	4.72
<b>Total Non-Current Assets</b>	<b>12,721.21</b>	<b>-</b>	<b>12,721.21</b>	<b>13,556.04</b>	<b>-</b>	<b>13,556.04</b>
<b>Current Assets</b>						
Inventories	268.16	-	268.16	286.12	-	286.12
Financial Assets						
Investments	217.38	2.49	219.87	-	-	-
Trade Receivables	47.76	-	47.76	58.39	-	58.39
Cash and Cash Equivalents	66.92	-	66.92	12.28	-	12.28
Other Bank Balances	56.55	-	56.55	48.28	-	48.28
Other Financial Assets	7.01	-	7.01	17.06	-	17.06
Current Tax Assets (Net)	56.60	-	56.60	55.63	-	55.63
Other Current Assets	19.89	-	19.89	30.38	-	30.38
<b>Total Current Assets</b>	<b>740.27</b>	<b>2.49</b>	<b>742.76</b>	<b>508.14</b>	<b>-</b>	<b>508.14</b>
<b>Regulatory Assets</b>	<b>2,760.00</b>	<b>-</b>	<b>2,760.00</b>	<b>2,516.00</b>	<b>-</b>	<b>2,516.00</b>
<b>Total Assets</b>	<b>16,221.48</b>	<b>2.49</b>	<b>16,223.97</b>	<b>16,580.18</b>	<b>-</b>	<b>16,580.18</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share Capital	3,025.16	(750.00)	2,275.16	3,025.16	(750.00)	2,275.16
Other Equity	(4,915.92)	122.05	(4,793.87)	(4,377.96)	(810.31)	(5,188.27)
<b>Total Equity</b>	<b>(1,890.76)</b>	<b>(627.95)</b>	<b>(2,518.71)</b>	<b>(1,352.80)</b>	<b>(1,560.31)</b>	<b>(2,913.11)</b>
<b>Liabilities</b>						
<b>Non-Current Liabilities</b>						
Financial Liabilities						
Borrowings	15,836.11	298.67	16,134.78	14,910.29	(1,471.35)	13,438.94
Other Financial Liabilities	499.40	(6.13)	493.27	942.68	(10.79)	931.89
Deferred Tax Liabilities (Net)	-	638.19	638.19	-	164.05	164.05
Other Non-Current Liabilities	708.47	(327.46)	381.01	702.45	(300.16)	402.29
<b>Total Non-Current Liabilities</b>	<b>17,043.98</b>	<b>603.27</b>	<b>17,647.25</b>	<b>16,555.42</b>	<b>(1,618.25)</b>	<b>14,937.17</b>

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 38. FIRST TIME IND AS ADOPTION RECONCILIATIONS [Contd.]

	(₹ in Crore)					
	As at 31st March, 2016			As at 1st April, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Current Liabilities</b>						
Financial Liabilities						
Borrowings	-	-	-	-	3,151.40	3,151.40
Trade Payables	22.40	-	22.40	34.09	-	34.09
Other Financial Liabilities	1,035.18	-	1,035.18	1,319.62	-	1,319.62
Other Current Liabilities	7.19	27.17	34.36	20.86	27.16	48.02
Provisions	3.49	-	3.49	2.99	-	2.99
<b>Total Current Liabilities</b>	1,068.26	27.17	1,095.43	1,377.56	3,178.56	4,556.12
<b>Total Liabilities</b>	18,112.24	630.44	18,742.68	17,932.98	1,560.31	19,493.29
<b>Total Equity and Liabilities</b>	16,221.48	2.49	16,223.97	16,580.18	0.00	16,580.18

### 38.2 Reconciliation of Profit / (Loss) and Other Equity between Ind AS and Previous GAAP

Nature of Adjustments	Notes	(₹ in Crore)		
		Net Profit/(Loss)	Other Equity	
		Year ended 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
Net Profit / (Loss) and Other Equity as per Previous Indian GAAP		(537.96)	(4,915.92)	(4,377.96)
Financial Liabilities	I	(726.89)	757.75	(646.26)
Investments	II	2.48	2.48	-
Deferred Tax	III	(474.14)	(638.18)	(164.05)
Other Comprehensive Income		0.45	-	-
Net Profit / (Loss) before OCI and Other Equity as per Ind AS		(1,736.06)	(4,793.87)	(5,188.27)

#### Notes:

- I Financial Liabilities : The Company has recognised financial liabilities at the fair value or amortised cost as per Ind AS 109. Impact of changes in values as on the date of transition is recognised in opening retained earnings and changes thereafter are recognised in Statement of Profit and Loss.
- II Investments : Under Ind AS the Investments have been accounted at fair value through Statement of Profit & Loss. Under Previous GAAP, the same was recorded at cost or market value whichever is lower.
- III Deferred Tax : The impact of adjustments on account of Deferred Tax Assets / Liabilities (net) as per Ind AS 12 are recognised in retained earnings / Statement of Profit and Loss.

## Notes to the Financial Statements for the year ended 31st March, 2017

### NOTE 38. FIRST TIME IND AS ADOPTION RECONCILIATIONS [Contd.]

#### 38.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Crore)

	Year ended 31st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>INCOME</b>			
Revenue from Operations	1,050.03	-	1,050.03
Other Income	137.41	(11.54)	125.87
<b>Total Income</b>	<b>1,187.44</b>	<b>(11.54)</b>	<b>1,175.90</b>
<b>EXPENSES</b>			
Employee Benefits Expense	49.25	(0.45)	48.80
Finance Costs	785.96	754.06	1,540.02
Depreciation and Amortisation Expense	843.51	-	843.51
Other Expenses	290.68	(41.19)	249.49
<b>Total Expenses</b>	<b>1,969.40</b>	<b>712.42</b>	<b>2,681.82</b>
<b>Profit / (Loss) before Rate Regulated Activities and Tax</b>	<b>(781.96)</b>	<b>(723.96)</b>	<b>(1,505.92)</b>
Regulatory Income	244.00	-	244.00
<b>Profit / (Loss) Before Tax</b>	<b>(537.96)</b>	<b>(723.96)</b>	<b>(1,261.92)</b>
<b>Tax Expenses</b>			
Current Tax	-	-	-
Deferred Tax	-	474.14	474.14
<b>Profit / (Loss) for the year</b>	<b>(537.96)</b>	<b>(1,198.10)</b>	<b>(1,736.06)</b>

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Sandesh Ladha**  
Partner

**For Lodha & Co**  
Chartered Accountants

**H.K.Verma**  
Partner

**For and on behalf of the Board**

**R. K. Dhadda**  
Managing Director  
**K. R. Raja**  
Director

**Mahesh Kamdar**  
Director  
**Natarajan T. G.**  
Director

**S. Anantharaman**  
Director

**Venkataraman Ramachandran**  
Company Secretary  
**Ritesh Shiyal**  
Chief Financial Officer

Dated: 26th May, 2017

Place: All signatories at Mumbai except Shri R. K. Dhadda at Wada, Maharashtra.