# Sikka Ports & Terminals Limited
**(Formerly Reliance Ports And Terminals Limited)**

**Annual Report 2017-18**

**Corporate Identity Number (CIN) of the Company:**

U45102GJ1997PLC031906

**Name of the Company:**

Sikka Ports & Terminals Limited

**Registered Office:**

Admin Building, MTF Area,
Village Sikka, Taluka & District - Jamnagar,
Jamnagar - 361 140, Gujarat.

**Corporate Office:**

3rd Floor, Maker Chambers IV,
222, Nariman Point,
Mumbai - 400 021
Tel: +91 22 2278 5500, Fax: +91 22 2278 5560

**Board of Directors:**

| | | |
|---|---|---|
| Shri K R Raja | : | Director |
| Shri Y B Prasad | : | Director |
| Shri Natarajan T G | : | Independent Director |
| Shri S. Anantharaman | : | Independent Director |
| Ms. Geeta Fulwadaya | : | Director |

**Key Managerial Personnel:**

| | | |
|---|---|---|
| Shri Vishwanath Indi | : | Manager |
| Ms. V. Mohana | : | Company Secretary |
| Shri Ritesh Shiyal | : | Chief Financial Officer |

**Auditors:**

M/s. D T S & Associates
Chartered Accountants,
Suite# 1306-1307, Lodha Supremus,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

**Registrar & Transfer Agents:**

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

# BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Company's Twenty Second Annual Report and the Company's audited financial statement (standalone and consolidated) for the financial year ended March 31, 2018.

**Financial Results**

The Company's financial performance for the year ended March 31, 2018 is summarised below:- (Rs. in crore)

| | STANDALONE | | CONSOLIDATED | |
|---|---|---|---|---|
| | **2017-18** | 2016-17 | **2017-18** | 2016-17 |
| **Profit /(Loss) before Tax** | **(68.83)** | **(373.42)** | **322.37** | **790.26** |
| Less: Current Tax | 216.14 | 238.00 | 216.14 | 238.00 |
| Deferred Tax | (875.87) | (782.71) | (657.85) | (833.52) |
| **Profit for the year** | **590.90** | **171.29** | **764.08** | **1385.78** |
| Add: Other Comprehensive Income (OCI) | 6.59 | 186.09 | 5.78 | 189.74 |
| **Total Comprehensive Income for the year** | **597.49** | **357.38** | **769.86** | **1575.52** |
| **Add:** Total Comprehensive Income attributable to Non Controlling Interest / Other Adjustments | - | - | 357.18 | (284.81) |
| **Add:** Opening Balance in Retained Earnings and OCI (Adjusted) | (5,351.55) | (5,538.92) | (23,631.63) | (24,752.34) |
| **Less:** Appropriation Transferred to Debenture Redemption Reserve | 585.00 | 170.00 | 585.00 | 170.00 |
| **Closing Balance of** Retained Earnings and OCI | **(5339.06)** | **(5,351.55)** | **(23089.59)** | **(23,631.63)** |

**Operations**

- Revenue from Operations is Rs. 3,652.92 crore on standalone basis and Rs. 4,537.70 crore on consolidated basis.
- Profit before Interest, Depreciation and Tax is Rs. 2,594.23 crore on standalone basis and Rs. 4,495.27 crore on consolidated basis.

The Company has continued to provide seamless port infrastructure services to the manufacturing facilities of Reliance Industries Limited at Jamnagar. During the year under review, 1533 vessels were handled at the port facilities of the Company with 122 million tonnes of crude, petroleum and petrochemical products.

The Plant and Equipment Hiring Division of the Company, which has variety of equipment viz. crawler cranes, hydraulic cranes, earth moving equipment, electrical equipment, forklifts and trucks, has logged in over 38 lakh working hours during the year under review. The Company has also handled 4.39 lakh metric tonnes of cargo in Special Economic Zone area at Jamnagar.

The subsidiary of the Company, East West Pipeline Limited, transported over 5.93 Billion Standard Cubic Meters (SCM) of natural gas during the year.

**Change of name of Company**

During the year under review, the name of the Company was changed from Reliance Ports And Terminals Limited to Sikka Ports & Terminals Limited with effect from March 14, 2018.

**Business restructuring**

The Board of Directors of the Company approved a Scheme of Arrangement between the Company and East West Pipeline Limited (the "Transferor Company"), the subsidiary company of the Company, which provides for, *inter-alia,* transfer and vesting of the Investment Division of the Transferor Company to the Company with Appointed Date being May 1, 2018. The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated July 30, 2018 has sanctioned the said Scheme. The effect of the Scheme will be given in the financial year 2018-19.

The Board of Directors of East West Pipeline Limited (EWPL) approved a Scheme of Arrangement between EWPL and Pipeline Infrastructure Private Limited ('PIPL') which provides for, *inter-alia*, transfer of Pipeline Business of EWPL to PIPL as a going concern from the Appointed Date as mentioned in the Scheme. The Scheme shall be subject to necessary approvals of respective shareholders and creditors of EWPL and PIPL and sanction of the Hon'ble National Company Law Tribunal, Ahmedabad Bench and Mumbai Bench and other regulatory authorities. Upon Scheme coming into effect EWPL will cease to operate the pipeline business.

**Material changes affecting the Company**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report otherwise than those reported elsewhere in this report.

**Issue, allotment and redemption of Preference Shares**

During the year under review, the Company has issued and allotted 94,00,000 9% Cumulative Redeemable Preference Shares of the face value of Rs. 10/- each, for cash, at par, aggregating to Rs. 9,40,00,000/- (Rupees Nine Crore Forty Lakh only), to the existing holders of equity shares of the Company on Rights Basis.

During the year under review, the Company has redeemed 94,00,000 10% Non-Cumulative Redeemable Preference Shares (Series 9 and 10) of the face value of Rs. 10/- each at a premium of Rs. 990/- per share aggregating to Rs. 940,00,00,000/- (Rupees Nine Hundred and Forty Crore only).

**Issue and Allotment of Debentures**

Subsequent to the end of the financial year, the Company has issued and allotted 10,000 Secured Redeemable Non-Convertible Debentures PPD8 of the face value of Rs. 10,00,000/- each aggregating to Rs. 1000 Crore and 25,000 Unsecured Redeemable Non-Convertible Debentures PPD9 of the face value of Rs. 10,00,000/- each aggregating to Rs. 2500 Crore to the debenture holders holding Debentures PPD2 and PPD3 respectively of East West Pipeline Limited (EWPL) pursuant to the Scheme of Arrangement between EWPL and the Company.

**Dividend**

The Board of Directors of the Company have not recommended any dividend on Preference Shares and Equity Shares for the year under review.

**Subsidiaries, Joint Ventures and Associate Companies**

During the financial year under review, no Company has become or ceased to be Company's subsidiary, associate or joint venture company. As on March 31, 2018, East West Pipeline Limited (formerly Reliance Gas Transportation Infrastructure Limited) and EWPL Holdings Private Limited (formerly Reliance Utilities Private Limited) were subsidiary companies of the Company.

Pipeline Infrastructure Private Limited (PIPL) was incorporated as a wholly owned subsidiary of the Company on April 20, 2018 and has ceased to be a subsidiary on June 28, 2018. PIPL is now a fellow subsidiary of the Company.

A statement containing the salient features of the financial statement of the subsidiary companies is provided as Annexure to the consolidated financial statement and therefore not repeated to avoid duplication.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto may be accessed on the Company's website www.sptl.co.in. 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.

**Consolidated Financial Statement**

In accordance with the provisions of the Companies Act, 2013 (the "Act") and Ind AS 110 - Consolidated Financial Statement read with Ind AS 28 – Investments in Associates, the audited consolidated financial statement is provided in the Annual Report.

**Directors' Responsibility Statement**

The Board of Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2018, 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, 2018 and of the profit 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.

The Board of Directors of the Company draw attention of the members to Note 32 to the standalone financial statement which sets out related party disclosures pursuant to Ind AS.

**Corporate Social Responsibility (CSR)**

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at www.sptl.co.in.

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

During the year, the Company has spent Rs. 19 crore (around 2% of the average net profits of last three financial years) on CSR activities.

The Annual Report on CSR activities is annexed herewith 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 operational, 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 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, Ms. Geeta Fulwadaya (DIN: 03341926), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Shri Vishvanath Indi has been re-appointed as a Manager of the Company for a period from May 1, 2017 to March 31, 2019. During the year under review, there was no other change in the Key Managerial Personnel of the Company.

The members of the Company at the Annual General Meeting of the Company held on September 29, 2017, had approved by way of a special resolution the re-appointment of Shri S Anantharaman (DIN: 00178723) and Shri Natarajan T. G. (DIN: 00013939) as Independent Directors of the Company to hold office for a second term of 5 (five) consecutive years, with effect from March 31, 2018.

The Company has received declarations from Shri S. Anantharaman and Shri Natarajan T. G., Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under the Act.

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.

**Performance Evaluation**

The Company has in place a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive Directors and executive Directors.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, feedback was obtained from all the Directors by way of an online 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.

**Auditors and Auditors' Report**

**Statutory Auditors**

M/s. D T S & Associates, Chartered Accountants (Firm Registration No. 142412W), Statutory Auditors of the Company, were appointed as Auditors of the Company for a term of 5(five) consecutive years, at the Annual General Meeting held on September 29, 2017. They have confirmed their eligibility and qualifications required under the Act for holding office as 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.

**Secretarial Auditor**

The Board of Directors of the Company had appointed Shashikala Rao & Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**Cost Auditor**

The Company is required to maintain cost records with reference to the business of transportation of gas products by pipeline between Dahej and Hazira as specified by the Central Government under sub-section (1) of section 148 of the Act and accordingly such accounts and records are made and maintained by the Company.

The Board of Directors of the Company has appointed Shri Sirish Vasant Mohite, Cost Accountant as cost auditor of the Company for the financial year 2017-18 to conduct the Cost Audit of the Company's cost accounting records relating to the business of transportation of gas products by pipeline between Dahej and Hazira. The Company has ceased to operate this pipeline from July 2017.

**Disclosures**

**Audit Committee**

The Audit Committee of the Company comprises Shri K. R. Raja (Chairman) (DIN: 00006673), Shri S. Anantharaman and Shri Natarajan T. G. as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises Shri K. R. Raja (Chairman), Shri S. Anantharaman, Shri Natarajan T. G. and Shri Y. B. Prasad as members.

**Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at www.sptl.co.in.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil Mechanism and Whistle Blower Policy of the Company was received by the Company.

**Meetings of the Board**

Four meetings of the Board were held during the financial year 2017-18.

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

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

Particulars of Investments made during the financial year 2017-18 are provided in the standalone financial statement. Please refer Note 2 and 7 to the standalone financial statement.

Pursuant to the amendment made to Section 186 by the Companies (Amendment) Act, 2017, as notified on May 7, 2018, the companies engaged in providing infrastructure facilities are also exempted from the applicability of Section 186 of the Act, with respect to the investments made by such companies. Accordingly, the Company is exempted from the applicability of Section 186 of the Act with respect to the investments made with effect from May 7, 2018.

**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 on the look-out for different ways and means to reduce the consumption of energy in its operations.

**(ii) Steps taken by the Company for utilising alternate sources of energy:** Nil

**(iii) The capital investment on energy conservation equipment:** Nil

**B. Technology Absorption**

**(i) Major efforts made towards technology absorption:**
The Company has not entered into any technology agreement or collaborations.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:** None

**(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 - Rs. 1943.84 crore

Foreign Exchange outgo in terms of actual outflows - Rs. 96.57 crore

**Annual Return**

The Annual Return of the Company as on March 31, 2017 is available on the website of the Company at www.sptl.co.in.

**Secretarial Standards**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards viz SS-1 'Meetings of the Board of Directors' and SS-2 'General Meetings', and such systems are adequate and operating effectively.

**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, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is annexed herewith marked as **Annexure IV** 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, as amended, are annexed herewith marked as **Annexure V** to this Report.

**General**

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

(i) Details relating to deposits covered under Chapter V of the Act.

(ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(iii) Issue of shares (including sweat equity shares and ESOS) to employees of the Company under any scheme.

(iv) 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.

(v) No fraud has been reported by the Auditors to the Audit Committee or the Board of Directors of the Company.

(vi) 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 the Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Employees of the Company at all work places are covered under the ICC constituted for respective workplace by the management having administrative control and during the year under review, there were no cases filed pursuant to the said Act.

**Acknowledgement**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, debenture holders, customers, vendors and members during the year under review. The Board of 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

| | |
|---|---|
| **K. R. Raja** | **Y. B. Prasad** |
| **Director** | **Director** |
| **(DIN: 00006673)** | **(DIN: 06526111)** |

September 7, 2018

**ANNEXURE I**

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

| | | |
|---|---|---|
| 1. | A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs | Corporate Social Responsibility Policy is attached as Annexure A.<br>Web-link to the CSR Policy:<br>http://sptl.co.in/pdf/revised-csr-policy-rptl.pdf |
| 2. | The composition of the CSR Committee | Composition of Corporate Social Responsibility Committee is given under the heading "Disclosures" in the Board's Report. |
| 3. | Average net profit of the Company for last three financial years | Rs. 948.71 crore |
| 4. | Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above) | Rs. 18.97 crore |
| 5. | Details of CSR spent during the financial year: | |
| | (a) Total amount to be spent for the financial year | Rs. 18.97 crore |
| | (b) Total amount spent during the year | Rs. 19 crore |
| | (c) Amount unspent, if any | Nil |
| | (d) Manner in which the amount spent during the financial year | Refer Annexure B |

**Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.'

**K. R. Raja**
**Chairman, CSR Committee**
**(DIN: 00006673)**

**Y. B. Prasad**
**Director**
**(DIN: 06526111)**

**ANNEXURE A**

# Corporate Social Responsibility Policy

**1. Policy Statement**

1.1 Sikka Ports & Terminals Limited ("the Company" or SPTL) 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 directly or through:

5.1 Any other company established under section 8 of the Companies Act, 2013 (or erstwhile Section 25 company) or a registered trust or a registered society, established by the company, either singly or alongwith any other company or

5.2 A company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature or

5.3 Reliance Foundation or any other Company established under section 8 of the Companies Act, 2013 (or erstwhile Section 25 company) or a registered trust or a registered society with a track record of at least three years in carrying out activities in related areas.

SPTL may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities.

Contributions made by the Company to Reliance Foundation/ or other eligibile entities 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 may carry on its most of the 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.

**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.

**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.
- 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.

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(This Policy was approved by the Board of Directors at its meeting held on November 14, 2014)

*(This Policy was amended by the Board of Directors at its meeting held on March 6, 2017)

**ANNEXURE B**

**Details of amount spent on Corporate Social Responsibility activities during the Financial Year 2017-18**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sr. No.** | **CSR project or activity identified** | **Sector in which the project is covered (clause number of Schedule VII to the Companies Act, 2013, as amended)** | **Projects or Programs 1) Local Area or Other 2) Specify the State and district where Projects or Programs were undertaken** | **Amount Outlay (Budget) Project or Program - wise (Rs.)** | **Amount spent on the Projects or Programs: Sub Heads (Rs.) (1) Direct Expenditure on Projects or Programs (2) Overheads** | **Cumulative Expenditure upto the reporting period i.e. FY 2017-2018 (Rs.)** | **Amount Spent (Direct or through Implementing Agency)** |
| 1 | Rural Transformation - RF BIJ - "Enhancing Rural Livelihoods" | Clause (x) Rural Development Projects; Clause (i) eradicating hunger, poverty and malnutrition, Clause (iv) ensuring environmental sustainability | 1. Kurnool, Andhra Pradesh 2. Mandla, Madhya Pradesh | - | - | 12,60,00,000 | Implementing Agency - Reliance Foundation* |
| 2 | Animal Welfare | Clause (iv) Ensuring environmental sustainability | 1. Mumbai, Maharashtra 2. Jamnagar, Gujarat | 3,00,00,000 | 3,00,00,000 | 13,80,00,000 | |
| 3 | General towards Health Care | Clause (i) Eradicating hunger, poverty and malnutrition (promoting health care including preventive health care) | 1. District Valsad, Gujarat | 16,00,00,000 | 16,00,00,000 | 16,00,00,000 | Implementing Agency - SRST** |
| | **Total** | | | **19,00,00,000** | **19,00,00,000** | **42,40,00,000** | |

*Reliance Foundation (RF) is a company within the meaning of Section 8 of the Companies Act, 2013 and has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing developmental challenges, with the aim of enabling lives, living and livelihood for a stronger and inclusive India. RF has an established track record of more than three years in undertaking such projects and programs.

**Shrimad Rajchandra Sarvamangal Trust (SRST) is a Registered Trust and has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing needs, with the aim of improving healthcare including preventive healthcare, reducing child mortality and improving maternal health in the rural and backward areas. SRST has an established track record of more than three years in undertaking such projects and programs.

**ANNEXURE II A**

# Policy for Appointment of Directors and determining Directors' Independence

**1. Introduction**

1.1 Sikka Ports & Terminals Limited (SPTL) 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, SPTL 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 SPTL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SPTL 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 SPTL'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 professsion;
- 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

| | |
|---|---|
| **K. R. Raja** | **Y. B. Prasad** |
| **Director** | **Director** |
| **(DIN: 00006673)** | **(DIN: 06526111)** |

September 7, 2018

**ANNEXURE II B**

# Remuneration Policy for Directors, Key Managerial Personnel and other Employees

**1. Introduction**

1.1 Sikka Ports & Terminals Limited (SPTL) recognizes the importance of aligning the business objectives with specific and measureable 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 SPTL'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**

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

| | |
|---|---|
| **K. R. Raja** | **Y. B. Prasad** |
| **Director** | **Director** |
| **(DIN: 00006673)** | **(DIN: 06526111)** |

September 7, 2018

**ANNEXURE III**

# SECRETARIAL AUDIT REPORT

*For the Financial Year ended March 31, 2018*

*[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,**
**Sikka Ports & Terminals Limited**
*(Formerly Reliance Ports And Terminals Limited)*
Admin Building, MTF Area
Village Sikka, Taluka & District
Jamnagar- 361140
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sikka Ports & Terminals Limited** (Formerly Reliance Ports And Terminals 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, 2018 **("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 Overseas Direct Investment;

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 (Share Based Employee Benefits) Regulations, 2014 - **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**;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable to the Company during the Audit Period**; and

i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Agreement entered into by the Company with Stock Exchange.

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. The Gujarat Maritime Board Act, 1981

b. The Merchant Shipping Act, 1958

c. The Petroleum And Natural Gas Regulatory Board Act, 2006 (upto June, 2017)

d. The Petroleum Act, 1934

**I further report that-**

The Board of Directors of the Company is duly constituted with proper balance of 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 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 Committees 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) issued cumulative redeemable preference shares on rights basis;

b) redeemed non-cumulative redeemable preference shares;

c) changed name of the Company from Reliance Ports And Terminals Limited to Sikka Ports & Terminals Limited and consequential change in Memorandum of Association.

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

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

**Mumbai**
**September 05, 2018**

**ANNEXURE IV**

**Statement of particulars of employees for the financial year 2017-18 pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forming part of the Board's Report**

| Sr. No. | Name | Age (Years) | Qualification | Designation | Date of commencement of employment | Experience (Years) | Remuneration received (Rs.) | Last employment held before joining the Company |
|---|---|---|---|---|---|---|---|---|
| 1 | Shri Girish Mistry | 56 | BCom, CA | Senior Vice President | 15.12.2014 | 36 | 2,85,63,958 | BSR & Company |
| 2 | Shri C.V.S.K. Prasad | 70 | BTech, MTech, PGDBA | Senior Executive Vice President | 01.09.2011 | 46 | 1,03,91,875 | Reliance Industries Limited |
| 3 | Shri Mithilesh K Singh | 58 | Masters (FG) Cert. of Competency -Marine - Navigation-1988 | Vice President | 27.03.2000 | 39 | 80,18,324 | Wallem Ship Mgmnt. |
| 4 | Shri M. Sundar | 62 | BCom, ACA | Senior Vice President | 01.01.2014 | 39 | 75,82,342 | Reliance Industries Limited |
| 5 | Shri Umesh Kumar | 57 | Masters (FG) Cert. of Competency – Marine - Navigation-1988 | Assistant Vice President | 01.07.2005 | 39 | 69,21,266 | Reliance Industries Limited |
| 6 | Shri Harish Chander Abbey | 56 | Masters (FG) Cert. of Competency -Marine - Navigation-1988 | Assistant Vice President | 01.06.2002 | 34 | 68,38,845 | Reliance Petroleum Limited |
| 7 | Shri Krupanidhi Mani Tripathi | 53 | Masters (FG) Cert. of Competency -Marine - Navigation-1994 | Assistant Vice President | 14.05.2003 | 30 | 65,19,418 | Tanka Pacific Shipmg |
| 8 | Shri Vishvanath Indi | 59 | BTech, MTech, MBA | Vice President | 01.05.2004 | 36 | 62,43,454 | Reliance Global Management Services Limited |
| 9 | Shri Suresh Kumar Bhalothia | 49 | BSc (Engg.), Masters (FG) Cert. of Competency, PG Certificate in Shipping & Port Management | Senior General Manager | 26.10.2004 | 27 | 57,97,697 | The Great Eastern |
| 10 | Shri Ritesh Shiyal | 42 | B.Com, ACA | General Manager | 29.11.1997 | 24 | 54,85,683 | Naresh Sharma & Co. |

**Notes:**

1. All appointments are 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 perquisites and gratuity paid but excluding gratuity provision.
3. Employees mentioned above do not hold any shares in the Company.
4. Employees mentioned above are not related to any Director / Manager of the Company.
5. Information about qualification and last employment is based on particulars furnished by the concerned employee.

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

**K. R. Raja**
**Director**
DIN:00006673

**Y. B. Prasad**
**Director**
DIN:06526111

Date: September 7, 2018

**ANNEXURE V**

**Details pertaining to remuneration of Directors and employees 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, as amended.**

(i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Manager in the financial year 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

| Sr. No. | Name of Director / Key Managerial Personnel (KMP) | Designation | Remuneration of Director / KMP for financial year 2017-18 (Rs.) | Percentage increase in remuneration in the financial year 2017-18 | Ratio of remuneration of each Director to the median remuneration of employees |
|---|---|---|---|---|---|
| 1. | Shri K. R. Raja | Director | 80,000*# | NA | NA |
| 2. | Shri Y. B. Prasad | Director | 20,000* | NA | NA |
| 3. | Shri S. Anantharaman | Director | 3,00,000* | NA | NA |
| 4. | Shri Natarajan T. G. | Director | 3,00,000* | NA | NA |
| 5. | Ms. Geeta Fulwadaya | Director | 90,000*$ | NA | NA |
| 6. | Shri Vishvanath Indi | Manager | 62,43,454 | 0.06% | NA |
| 7. | Shri Ritesh Shiyal | Chief Financial Officer | 54,85,683 | 16% | NA |
| 8. | Ms. V Mohana (On secondment and exclusive of tax) | Company Secretary | 68,20,741 | NA | NA |

*Sitting Fees for financial year 2017-18

#Rs. 10,000 related to Sitting Fees paid for financial year 2016-17

$Rs. 20,000 related to Sitting Fees paid for financial year 2016-17

(ii) The median remuneration of employees of the Company during the financial year 2017-18 was Rs. 14,23,241.

(iii) The percentage increase in the median remuneration of employees in the financial year 2017-18:

There was an increase of 6.37% in the median remuneration of employees during the financial year 2017-18.

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

There were 124 permanent employees on the rolls of the Company as on March 31, 2018 (excluding Ms. V Mohana, Company Secretary of the Company, who provides her 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:

In the last financial year i.e. 2017-18, there was an increase of 9.84% in the salaries of employees other than the managerial personnel (Manager). In the same period, salary of the Manager increased by 0.06%.

(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**<br>**Director**<br>DIN:00006673 | **Y. B. Prasad**<br>**Director**<br>DIN:06526111 |
|---|---|

Date: September 7, 2018

# Independent Auditor's Report

**To The Members Of**

**Sikka Ports & Terminals Limited (Formerly known as Reliance Ports And Terminals Limited)**

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of Sikka Ports & Terminals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 information (hereinafter referred to as "standalone Ind AS financial statements").

**Management's Responsibility For The Standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone IndAS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone 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 standalone 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 standalone 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 standalone 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, 2018, and its profit, 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, 2017 included in these Ind AS financial statements, are based on the previously issued financial statements as audited by the predecessor auditor, whose report dated 26th May, 2017 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of above said matter.

**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 standalone 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 standalone Ind AS financial statements. Refer note 35(I)(a) to the standalone Ind AS 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.
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 **D T S & Associates**
Chartered Accountants
(Registration No. 142412W)

**Anuj Bhatia**
Partner
Membership No.: 122179

Place: Mumbai
Date: May 29, 2018

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Sikka Ports & Terminals Limited (Formerly known as Reliance Ports And Terminals Limited) on the standalone Ind AS financial statements for the year ended 31st March, 2018)

**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 Sikka Ports & Terminals Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone 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 Companies Act, 2013.

**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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning Of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations Of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **D T S & Associates**
Chartered Accountants
(Registration No. 142412W)

**Anuj Bhatia**
Partner
Membership No.: 122179

Place: Mumbai
Date: May 29, 2018

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Sikka Ports & Terminals Limited (Formerly known as Reliance Ports And Terminals Limited) on the standalone Ind AS financial statements for the year ended 31st March, 2018)

i. In respect of its fixed assets:

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

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

   c. As per the information and explanations provided to us, tittle deeds of Immovable Properties are generally in the name of the Company except in case of properties having the carrying value as at 31st March, 2018 aggregating to ₹ 3.04 Crores (Freehold Land ₹ 2.08 Crores and the Buildings ₹ 0.96 Crore) acquired by the entities that have since been amalgamated with the Company.

ii. In our opinion and according to the information and explanations given to us, 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.

iii. There are no loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees. The Company has not provided any securities.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of certain activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and 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.

vii. In respect of statutory dues:

   a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable have generally been 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 31st March, 2018 for a period of more than six months from the date of becoming payable.

   b. There were no dues of Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, as applicable, which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to debenture holders. The Company has no dues to financial institution, bank and government.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loan.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company 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 Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, 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 standalone Ind AS financial statements, as required by the applicable accounting standards.

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

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. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of Clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **D T S & Associates**
Chartered Accountants
(Registration No. 142412W)

**Anuj Bhatia**
Partner
Membership No.: 122179

Place: Mumbai
Date: May 29, 2018

# Standalone Balance Sheet as at 31st March 2018

(₹ in crore)

| | Notes | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 1 | **4 410.93** | 5 351.61 |
| Capital Work-in-Progress | 1 | **48.49** | 74.65 |
| Intangible Assets | 1 | **0.07** | 0.56 |
| Financial Assets | | | |
| Investments | 2 | **11 108.12** | 11 661.75 |
| Loans | 3 | **890.88** | 1 015.57 |
| Other Financial Assets | 4 | **205.41** | 201.30 |
| Other Non-Current assets | 5 | **717.58** | 705.03 |
| **Total Non-Current Assets** | | **17 381.48** | 19 010.47 |
| **Current Assets** | | | |
| Inventories | 6 | **218.85** | 214.56 |
| Financial Assets | | | |
| Investments | 7 | **4 937.47** | 5 161.98 |
| Trade Receivables | 8 | **163.38** | 169.26 |
| Cash and Cash Equivalents | 9 | **19.57** | 12.62 |
| Other Bank Balances | 10 | **2.00** | 2.00 |
| Loans | 11 | **8 032.03** | 6 760.35 |
| Other Financial Assets | 12 | **78.23** | 21.71 |
| Other Current Assets | 14 | **305.18** | 319.18 |
| **Total Current Assets** | | **13 756.71** | 12 661.66 |
| **Total Assets** | | **31 138.19** | 31 672.13 |
| **EQUITY & LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 15 | **275.00** | 275.00 |
| Other Equity | 16 | **16 871.41** | 16 273.92 |
| **Total Equity** | | **17 146.41** | 16 548.92 |
| **Liabilities** | | | |
| **Non - Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | **12 061.32** | 12 255.95 |
| Other Financial Liabilities | 18 | **453.78** | 417.29 |
| Deferred Tax Liability (Net) | 19 | **86.30** | 913.61 |
| Other Non - Current Liabilities | 20 | **556.54** | 596.22 |
| **Total Non - Current Liabilities** | | **13 157.94** | 14 183.07 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Trade Payables | 21 | **173.60** | 181.87 |
| Other Financial Liabilities | 22 | **591.91** | 700.49 |
| Other Current liabilities | 23 | **68.32** | 57.77 |
| Provisions | 24 | **0.01** | 0.01 |
| **Total Current Liabilities** | | **833.84** | 940.14 |
| **Total Liabilities** | | **13 991.78** | 15 123.21 |
| **Total Equity and Liabilities** | | **31 138.19** | 31 672.13 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Standalone Financial Statements | 1-41 | | |

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 29th May, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Standalone Statement of Profit and Loss for the Year ended 31st March 2018

(₹ in crore)

| | Notes | 2017-18 | 2016-17 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 25 | **3 652.92** | 3 788.40 |
| Other Income | 26 | **668.94** | 536.06 |
| **Total Income** | | **4 321.86** | 4 324.46 |
| **Expenses** | | | |
| Cost of Materials Consumed | | **5.41** | 6.29 |
| Employee Benefits Expense | 27 | **37.92** | 41.19 |
| Finance Costs | 28 | **1 688.80** | 954.36 |
| Depreciation and Amortisation Expense | 29 | **974.26** | 1 309.17 |
| Other Expenses | 30 | **1 684.30** | 2 386.87 |
| **Total Expenses** | | **4 390.69** | 4 697.88 |
| **Profit / (Loss) Before Tax** | | **( 68.83)** | ( 373.42) |
| **Tax Expense** | | | |
| Current Tax | 13 | **216.14** | 238.00 |
| Deferred Tax | 19 | **( 875.87)** | ( 782.71) |
| **Profit for the Year** | | **590.90** | 171.29 |
| **Other Comprehensive Income** | | | |
| A (i) Item that will not be reclassified to Statement of Profit and Loss | | **0.11** | 0.01 |
| (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | | **( 0.04)** | ( 0.00) |
| B (i) Item that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge | | **9.97** | 236.57 |
| (ii) Income tax relating to items that will be re-classified to Statement of Profit and Loss | | **( 3.45)** | ( 50.49) |
| **Total Comprehensive Income for the Year** | | **597.49** | 357.38 |
| **Earnings Per Equity Share of face value of ₹ 1 each** | | | |
| Basic and Diluted (In ₹) | 31 | **2.15** | 0.62 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Standalone Financial Statements | 1-41 | | |

**As per our Report of even date**
For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 29th May, 2018

**For and on behalf of the Board**

**K R Raja**
Director

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Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Standalone Statement of Changes in Equity for the Year ended 31st March 2018

**A. Equity Share Capital**

(₹ in crore)

| Balance at the beginning of the reporting period i.e. 1st April, 2016 | Changes in equity share capital during the year 2016-17 | Balance at the end of the reporting period i.e. 31st March, 2017 | Changes in equity share capital during the year 2017-18 | Balance at the end of the reporting period i.e 31st March, 2018 |
|---|---|---|---|---|
| 275.00 | - | 275.00 | - | 275.00 |

**B. Other Equity**

| | Reserves and Surplus | | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | Debenture Redemption Reserve | Retained Earnings | Cashflow Hedging Reserve | Defined Benefit Plans | |
| **As on 31st March, 2017** | | | | | | | | |
| Balance at the beginning of the reporting period i.e. 1st April, 2016 | **713.50** | **4.41** | **20 163.06** | **574.50** | **(5 518.93)** | **( 19.52)** | **( 0.47)** | **15 916.55** |
| Total Comprehensive Income for the year | - | - | - | - | 171.29 | 186.08 | 0.01 | **357.38** |
| Transfer to / (from) retained earning | - | - | - | 170.00 | (170.00) | - | - | **-** |
| **Balance at the end of the reporting period i.e. 31st March, 2017** | **713.50** | **4.41** | **20 163.06** | **744.50** | **(5 517.65)** | **166.56** | **( 0.46)** | **16 273.92** |
| **As on 31st March, 2018** | | | | | | | | |
| Balance at the beginning of the reporting period i.e. 1st April, 2017 | **713.50** | **4.41** | **20 163.06** | **744.50** | **(5 517.65)** | **166.56** | **( 0.46)** | **16 273.92** |
| Total Comprehensive Income for the year | - | - | - | - | 590.90 | 6.52 | 0.07 | **597.49** |
| Transfer to / (from) retained earning | - | - | - | 585.00 | (585.00) | - | - | **-** |
| **Balance at the end of the reporting period i.e. 31st March, 2018** | **713.50** | **4.41** | **20 163.06** | **1 329.50** | **(5 511.75)** | **173.08** | **( 0.39)** | **16 871.41** |

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 29th May, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Standalone Cash Flow Statement for the Year ended 31st March 2018

(₹ in crore)

| | | 2017-18 | | 2016-17 |
|---|---|---|---|---|
| **A: CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| **Net Profit / (Loss) Before Tax as per Statement of Profit and Loss** | | **( 68.83)** | | ( 373.42) |
| Adjusted for: | | | | |
| Depreciation and Amortisation Expense | **974.26** | | 1 309.17 | |
| (Profit) / Loss on Sale / Discard of Property, Plant and Equipment (Net) | **1.29** | | 3.29 | |
| Net Gain on Financial Assets | **( 238.28)** | | ( 959.55) | |
| Disposal of Investment without consideration | **-** | | 93.60 | |
| Finance Costs | **1 688.80** | | 954.36 | |
| Effect of Exchange Rate Change | **( 0.26)** | | ( 3.01) | |
| Changes in Fair Value of Financial Assets (net) | **898.64** | | 1 679.43 | |
| Other Financial Assets carried at amortised cost | **75.47** | | 81.51 | |
| Interest Income | **( 120.84)** | | ( 90.14) | |
| | | **3 279.08** | | 3 068.66 |
| **Operating Profit before Working Capital Changes** | | **3 210.25** | | 2 695.24 |
| Adjusted for: | | | | |
| Trade and Other Receivables | **( 62.75)** | | ( 104.45) | |
| Inventories | **( 4.29)** | | ( 18.78) | |
| Trade and Other Payables | **( 37.65)** | | ( 898.21) | |
| | | **( 104.69)** | | (1 021.44) |
| **Cash Generated from Operations** | | **3 105.56** | | 1 673.80 |
| Taxes Paid (net) | | **( 222.68)** | | ( 579.89) |
| **Net Cash from Operating Activities** | | **2 882.88** | | 1 093.91 |
| **B: CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Purchase of Property, Plant and Equipment / Capital Work in Progress | **( 25.91)** | | ( 15.70) | |
| Proceeds from disposal of Property, Plant and Equipment | **5.42** | | 3.30 | |
| Change in Loans and Advances (net) | **(1 039.73)** | | 6 916.33 | |
| Purchase of Investments in subsidiary | **-** | | (8 000.00) | |
| Purchase of Other Investments | **(21 571.31)** | | (53 165.90) | |
| Proceeds from Sale of Other Investments | **21 597.64** | | 50 216.42 | |
| Interest Income | **6.63** | | 4.06 | |
| **Net Cash flow (used in) Investing Activities** | | **(1 027.26)** | | (4 041.49) |
| **C: CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| Proceeds from Short Term Borrowings | **-** | | 3 982.24 | |
| Repayment of Short Term Borrowings | **-** | | (3 982.24) | |
| Proceeds from Borrowing - Non Current | **9.40** | | 4 000.00 | |
| Repayment of Borrowings - Non Current (including premium) | **( 940.00)** | | ( 416.67) | |
| Interest and Finance Charges Paid | **( 918.07)** | | ( 643.16) | |
| **Net Cash from / (used in) Financing Activities** | | **(1 848.67)** | | 2 940.17 |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **6.95** | | ( 7.41) |
| **Opening Balance of Cash and Cash Equivalents** | | **12.62** | | 20.03 |
| **Closing Balance of Cash and Cash Equivalents (refer Note 9)** | | **19.57** | | 12.62 |

**Change in Liability arising from Financing Activities**

(₹ in crore)

| | 1st April 2017 | Cash flow (net) | effective interest rate adjustment | 31st March 2018 |
|---|---|---|---|---|
| Borrowings Non-Current Liabilities (refer Note 17) | 12 255.95 | ( 930.60) | 735.97 | 12 061.32 |

**Notes:**

1) Figures in brackets represents cash outflows.
2) Previous year figures have been regrouped, reclassified and rearranged wherever necessary.
3) The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 29th May, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

## A. CORPORATE INFORMATION

The name of the Company has been changed from Reliance Ports And Terminals Limited to Sikka Ports & Terminals Limited ("the Company") with effect from 14th March, 2018. It is an entity incorporated in India. The debentures issued by the Company are listed on BSE Ltd on the Wholesale Debt Segment.

The address of Registered Office is Admin Building, MTF Area, Village Sikka, Taluka & District Jamnagar – 361 140, Gujarat. Other principal places of business are as follows :

i) Village Motikhavdi, P.O. Reliance Greens, Dist. Jamnagar, Gujarat - 361142.

ii) SSO A4, Village Motikhavdi, PO Digvijaygram, Taluka and District, Jamnagar - 361140

iii) Flat no 18-19, Block No 2, Reliance Kaveri Apartment, Dahej By Pass Road, Bharuch

The Company is engaged in the business of Port Infrastructure facilities, Equipment Hiring, Construction and Engineering services, Provision of Infrastructure facilities as co-developer in Special Economic Zone (SEZ), Holding of investments, Gas Transportation through Pipeline and Operation and Maintenance of Pipeline.

## B. SIGNIFICANT ACCOUNTING POLICIES

### B.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on a historical cost basis, except for property, plant and equipment to the extent stated at deemed cost as per Ind AS-101 and certain financial assets and liabilities, which are measured at fair value / amortised cost.

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.

Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are stated in rupees crore upto two decimal places, except when otherwise indicated.

### B.2 Summary of Significant Accounting Policies

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

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

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

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation on property, plant and equipment is provided to the extent of depreciable amount using Written Down Value Method (WDV) except as stated otherwise.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

| Particulars | Depreciation/Amortisation |
|---|---|
| Leasehold Land | Over the period of Lease |
| Plant and Machinery and Jetties | Over the Useful Life of 10-24 years as technically assessed |
| Building constructed on leasehold land | Over the period of Lease or Useful life wherever is lower |
| Vehicles held under contractual arrangements | Over the period of contracts/arrangements |

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

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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 in the period of derecognition.

In case of jetties, the cumulative amortization for the original cost incurred at the end of any financial year is, the higher of cumulative depreciation provided as per Depreciation / Amortisation policy stated as above or cumulative rebate availed by the Company from Gujarat Maritime Board. Moreover depreciation / amortisation is provided upto the end of the specified period as mentioned above, and residual value is amortised in the year following the year in which such specified period is ended.

(b) **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 in the period in which they are incurred.

(c) **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 and duties incurred in bringing them to their respective present location and condition.

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

(d) **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.

(e) **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.

(f) **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.

(g) **Provisions :**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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.

(h) **Intangible Assets :**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised under straight line method over the period of useful lives.

(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.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Remeasurements are not re-classified to Statement of Profit and Loss in subsequent periods

(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 Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income and equity.

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 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.

Minimum Alternative Tax (MAT) is applicable to the Company. Tax credits in respect of MAT, to the extent, it is probable that future taxable profits will be available against which such carry forward tax credits can be utilised are recognised as Deferred Tax Assets / MAT Credit Entitlement.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(k) **Foreign Currencies Transactions and Translation :**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. 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 or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

(l) **Revenue Recognition :**

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

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.

**-Interest Income**

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

(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 Companies Act, 2013 notified by Ministry of Corporate Affairs (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.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**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.

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

**B. Subsequent measurement**

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

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

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Equity Investments:**

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**D. Investment in Subsidiaries, Associates and Joint Ventures**

Investments in subsidiaries, associates and joint venture are measured at FVTPL, except for those investments which the Company has elected to account for at Cost or at FVTOCI.

**E. 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:

i) 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

ii) 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**

Financial liabilities are recognized at fair value / amortised cost and in case of borrowings, net of directly attributable cost

**B. Subsequent measurement**

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

**III. Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, 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, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**a. Cash flow hedge**

The Company designates derivative contracts as cash flow hedges to mitigate the risk of movement in interest rates and

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in Other Comprehensive Income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

**b. Fair Value Hedge**

The Company designates derivative contracts or non derivative financial assets/liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to Statement of Profit and Loss over the period of maturity.

**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.

(r) **Recent Accounting Pronouncements :**

**Standards issued but not yet effective**

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

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

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

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

(i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

(ii) Ind AS 40 - Investment Property

(iii) Ind AS 12 - Income Taxes

(iv) Ind AS 28 - Investments in Associates and Joint Ventures and

(v) Ind AS 112 - Disclosure of Interests in Other Entities

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

**C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**a. Depreciation/amortisation and useful lives of Property Plant and Equipment / Intangible Assets**

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

**b. Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c. Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**d. Impairment of non-financial assets**

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

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

**e. Impairment of financial assets**

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

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

## 1. Property, Plant And Equipment, Capital Work-In-Progress And Intangible Assets

(₹ in crore)

| Description | GROSS BLOCK | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2017 | Additions | Deductions / Adjustments | **As at 31-03-2018** | As at 01-04-2017 | Fort the Year | Deductions / Adjustments | **As at 31-03-2018** | **As at 31-03-2018** | As at 31-03-2017 |
| **Property, Plant And Equipment:** | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold | 333.08 | - | - | **333.08** | - | - | - | **-** | **333.08** | 333.08 |
| Leasehold | 5.76 | - | - | **5.76** | 2.34 | 0.78 | - | **3.12** | **2.64** | 3.42 |
| Buildings | 99.66 | - | - | **99.66** | 22.46 | 9.85 | - | **32.31** | **67.35** | 77.20 |
| Plant and Machinery | 3 678.80 | 38.81 | 292.40 | **3 425.21** | 1 582.08 | 434.74 | 285.88 | **1 730.94** | **1 694.27** | 2 096.72 |
| Office Equipments | 1.40 | 0.01 | - | **1.41** | 0.64 | 0.38 | - | **1.02** | **0.39** | 0.76 |
| Furniture and Fixtures | 68.00 | 0.98 | - | **68.98** | 37.35 | 10.91 | - | **48.26** | **20.72** | 30.65 |
| Vehicles | 6.32 | - | 1.48 | **4.84** | 4.56 | 0.48 | 1.29 | **3.75** | **1.09** | 1.76 |
| Jetties (refer Note 1.2) | 4 298.60 | - | - | **4 298.60** | 1 490.58 | 516.63 | - | **2 007.21** | **2 291.39** | 2 808.02 |
| **Total (A)** | **8 491.62** | **39.80** | **293.88** | **8 237.54** | **3 140.01** | **973.77** | **287.17** | **3 826.61** | **4 410.93** | 5 351.61 |
| **Intangible Assets:** | | | | | | | | | | |
| Computer Software* | 1.57 | - | - | **1.57** | 1.01 | 0.49 | - | **1.50** | **0.07** | 0.56 |
| **Total (B)** | **1.57** | - | - | **1.57** | **1.01** | **0.49** | - | **1.50** | **0.07** | 0.56 |
| **Total (A) + (B)** | **8 493.19** | **39.80** | **293.88** | **8 239.11** | **3 141.02** | **974.26** | **287.17** | **3 828.11** | **4 411.00** | 5 352.17 |
| **Previous Year** | **8 504.87** | **17.68** | **29.36** | **8 493.19** | **1 854.60** | **1 309.17** | **22.75** | **3 141.02** | **5 352.17** | |
| **Capital Work-in-Progress** | | | | | | | | | **48.49** | 74.65 |

* other than internally generated

**1.1** Additions include ₹ Nil (Previous Year ₹ 4.66 crore) on account of exchange differences in respect of Buildings, Plant and Machineries and Jetties.

**1.2** The ownership of the Jetties vests with Gujarat Maritime Board (GMB). However, under the agreements with GMB, the Company has been permitted to use the same.

**1.3** Capital Work-in-Progress includes ₹ 20.51 crore (Previous Year ₹ 47.71 crore) on account of cost of construction material at site.

**1.4** Buildings includes cost of shares in Co-operative Housing Societies of ₹ 1000 (Previous Year ₹ 1000).

**1.5** For assets hypothecated/mortgaged as security - refer Note 17.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| **2.** | **Non-Current Investments** | | | | |
| **A.** | **Investments measured at Fair Value through Profit and Loss** | | | | |
| | **In Equity Shares of Subsidiary Company** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | EWPL Holdings Private Limited[$] of ₹ 1 each (Current Year ₹ 1)[#] | **50 93 409** | **0.00** | 1273 35 23 170 | 955.01 |
| | **In Equity Shares of Others** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | Reliance Global Holdings Pte Limited of USD 1/- each | **1 99 900** | **91.81** | 1 99 900 | 106.33 |
| | **In Preference Shares of Others** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | Reliance Global Holdings Pte Limited of USD 1/- each | **20 00 00 000** | **1 540.72** | 20 00 00 000 | 1 440.07 |
| | **Investments in Units of Fixed Maturity Plan** | | | | |
| | **Quoted, Fully Paid Up** | | | | |
| | HDFC FMP 1107D March 16 (1) - Series 36 - Direct-Growth of ₹ 10 each | **5 00 00 000** | **58.84** | 5 00 00 000 | 54.97 |
| | Kotak FMP Series 191 Direct - Growth of ₹ 10 each | **2 00 00 000** | **23.53** | 2 00 00 000 | 21.96 |
| | Religare Invesco FMP - Series 22 Plan F (15 Months) Regular Plan of ₹ 10 each | **-** | **-** | 90 00 000 | 11.60 |
| | ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan E Cum of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | DSP BlackRock FMP Series - 219 - 40 Month Reg-Growth of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | Birla Sun Life Fixed Term Plan-Series PB (1190 days) Reg-Growth of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | **Investments in Perpetual Bonds** | | | | |
| | **Quoted, Fully Paid Up** | | | | |
| | Bank of Baroda | **500** | **49.27** | - | - |
| | HDFC Bank Limited | **1 000** | **100.78** | - | - |
| | State Bank of India | **2 150** | **212.72** | - | - |
| | **In Limited Liability Partnership (LLP)** | | | | |
| | Akshaj Enterprises LLP [₹ 33,000 (Previous Year ₹ 33,000)] | **-** | **0.00** | - | 0.00 |
| | **Total of Investments measured at Fair Value through Profit and Loss** | | **2 108.12** | | 2 589.94 |
| **B.** | **Investments measured at Cost** | | | | |
| | **In Preference Shares of Subsidiary Company** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | 9% Non-Cumulative Redeemable Preference Shares of East West Pipeline Limited* of ₹ 10 each | **25 00 00 000** | **1 000.00** | 25 00 00 000 | 1 000.00 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| | 9% Cumulative Optionally Convertible Preference Shares (Series – I) ('OCPS') of East West Pipeline Limited* of ₹ 10 each | **400 00 00 000** | **4 000.00** | 400 00 00 000 | 4 000.00 |
| | 9% Cumulative Optionally Convertible Preference Shares (Series – II) ('OCPS') of East West Pipeline Limited* of ₹ 10 each | **400 00 00 000** | **4 000.00** | 400 00 00 000 | 4 000.00 |
| | **Total of Investment measured at Cost** | | **9 000.00** | | 9 000.00 |
| C. | **Other Investments at fair value** | | | | |
| | **Equity component in financial assets considered as investments in;** | | | | |
| | EWPL Holdings Private Limited [$] | | **-** | | 71.81 |
| | **Total Other Investments** | | **-** | | 71.81 |
| | **Total Non-Current Investments** | | **11 108.12** | | 11 661.75 |
| | Aggregate amount of quoted investments | | **475.59** | | 88.53 |
| | Market Value of quoted investments | | **475.59** | | 88.53 |
| | Aggregate amount of unquoted investments | | **10 632.53** | | 11 573.22 |

[#] Number of equity shares held by the Company (including shares held jointly with nominees) in M/s EWPL Holdings Private Limited[$] are reduced from 1273,35,23,170 to 50,93,409 in terms of reduction of equity share capital sanctioned by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad, Gujarat (NCLT) vide its order dated 28th March 2018.

* formerly Reliance Gas Transportation Infrastructure Limited

[$] formerly Reliance Utilities Private Limited

**2.1 Category-wise Non-Current Investment**

| | | |
|---|---|---|
| Financial assets measured at Fair Value through Profit and Loss | **2 108.12** | 2 661.75 |
| Financial assets measured at Cost | **9 000.00** | 9 000.00 |
| | **11 108.12** | 11 661.75 |

**2.2** Investments covered under Section 186(4) of the Companies Act, 2013 and outstanding as on close of the financial year are given in above note.

**2.3** The list of subsidiaries along with proportion of ownership interest held and country of incorporation :-

| Name of the Enterprise | Relation | Country of Incorporation | Proportion of Ownership Interest | Nature of Business |
|---|---|---|---|---|
| EWPL Holdings Private Limited (EHPL) (Formerly Reliance Utilities Private Limited) | Subsidiary Company | India | 50.93% | Transportation of gas through pipelines. EHPL holds 100% of equity shares of EWPL |
| East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited) (EWPL)* | Subsidiary Company | India | 50.93%[$] | Transportation of gas through pipelines & investments |

* 100% Equity held by EWPL Holdings Private Limited

[$] ownership interest is calculated with reference to equity shares only. The Company also holds Optionally Convertible Preference Shares (OCPS) in East West Pipeline Limited and the aggregate % of shares held by Company (together with equity shares held by subsidiary) is 89.14%.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**2.4 Investments in Limited Liability Partnership (LLP)**

| Sr. No. | Name of the Partners | Capital Contribution | Amount ₹ |
|---|---|---|---|
| 1. | Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited) | 16.50% | 33 000.00 |
| 2. | Sikka Ports & Terminals Limited (Formerly Reliance Ports And Terminals Limited) | 16.50% | 33 000.00 |
| 3. | Antilia Commercial Private Limited | 48.00% | 96 000.00 |
| 4. | Exotic Investments And Trading Company Private Limited | 19.00% | 38 000.00 |
| | **Total** | **100.00%** | **200 000.00** |

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **3. Loans - Non Current Assets** | | |
| *(Unsecured and Considered Good)* | | |
| Loans and Advances to Bodies Corporate | **887.00** | 1 009.60 |
| Loans and Advances to employees | **3.88** | 5.97 |
| **Total** | **890.88** | 1 015.57 |

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **4. Other Financial Assets - Non Current** | | |
| Fair value of derivatives - receivables | **205.41** | 201.30 |
| **Total** | **205.41** | 201.30 |

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **5. Other Non - Current Assets** | | |
| *(Unsecured and Considered Good)* | | |
| Capital Advances | **0.02** | 1.31 |
| Advance Income Tax (Net of Provision) (refer Note 5.1) | **647.47** | 595.86 |
| Deposits | **21.94** | 20.09 |
| Others * | **48.15** | 87.77 |
| **Total** | **717.58** | 705.03 |

* includes prepaid expenses and other advances.

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **5.1 Advance Income Tax (Net of Provision)** | | |
| At beginning of the year | **595.86** | 304.46 |
| Charge for the year | **( 216.14)** | ( 238.00) |
| Others* | **45.07** | ( 50.49) |
| Tax paid during the year | **222.68** | 579.89 |
| **At the end of the year** | **647.47** | 595.86 |

* represents tax on Other Comprehensive Income of earlier years

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| 6. | **Inventories** | | |
| | Stores, Spares and Consumables | **218.85** | 214.56 |
| | **Total** | **218.85** | 214.56 |

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | Units | Amount | Units | Amount |
| 7. | **Current Investments** | | | | |
| | **Investment measured at Fair Value through Profit and Loss** | | | | |
| | **In Mutual Fund - Unquoted** | | | | |
| | LIC Nomura MF Liquid Fund - Direct - Growth Plan of ₹ 1000 each | - | - | 14 585 | 4.30 |
| | L&T Liquid Fund - Regular Growth of ₹ 1000 each | **9 15 266** | **217.45** | 10 67 842 | 238.13 |
| | HDFC Liquid Fund -Direct Plan - Growth of ₹ 10 each | - | - | 22 944 | 7.36 |
| | ICICI Prudential Income Opportunities Fund - Growth of ₹ 10 each | - | - | 2 00 25 989 | 46.08 |
| | DSP Blackrock Ultra Short Term Fund - Direct Plan- Growth of ₹ 10 each | - | - | 13 91 325 | 1.66 |
| | Kotak Bond Short Term - Direct Plan - Growth of ₹ 10 each | - | - | 5 96 98 754 | 188.89 |
| | Axis Short Term Fund - Direct Plan - Growth of ₹ 10 each | - | - | 10 87 80 785 | 200.17 |
| | ICICI Prudential Ultra Short Term - Direct Plan -Growth of ₹ 10 each | - | - | 30 41 76 083 | 520.52 |
| | Axis Liquid Fund -Direct Growth of ₹ 1000 each | - | - | 8 05 669 | 145.28 |
| | Birla Sun Life Short Term Fund -Direct-Growth of ₹ 10 each | - | - | 7 99 89 633 | 500.28 |
| | DSP Black Rock Liquid Fund Direct Plan - Growth of ₹ 1000 each | - | - | 22 83 049 | 530.99 |
| | Franklin-India TMA - SIP -Direct Plan Growth of ₹ 1000 each | - | - | 8 83 957 | 214.99 |
| | HFDC High Interest Fund-Dynamic Plan -Growth of ₹ 10 each | - | - | 3 14 58 027 | 178.15 |
| | HDFC Short Term Opportunities Fund - Direct-Growth of ₹ 10 each | - | - | 44 22 16 166 | 800.43 |
| | ICICI Prudential Money Market Fund - Growth of ₹ 100 each | **85 10 529** | **203.85** | 3 29 92 896 | 742.42 |
| | Kotak Corporate Bond Fund Standard Growth (Regular Plan) of ₹ 1000 each | **62 867** | **14.35** | 2 30 183 | 50.02 |
| | Kotak Floater Short Term - Growth (Regular Plan) of ₹ 1000 each | **13 65 413** | **388.40** | 1 12 502 | 30.03 |
| | Reliance Liquid Fund-Treasury Plan - Direct - Growth of ₹ 1000 each | - | - | 6 32 284 | 250.85 |
| | Tata Money Market Fund Regular Plan - Growth of ₹ 1000 each | **12 51 907** | **341.39** | 9 97 211 | 255.59 |
| | UTI -Liquid Cash Plan-Instituonal-Direct Plan-Growth of ₹ 1000 each | - | - | 9 39 136 | 250.12 |
| | UTI Liquid Plan Instutional-Direct Growth of ₹ 1000 each | - | - | 21 461 | 5.72 |
| | Aditya Birla Sun Life Cash Plus - Growth - Regular Plan of ₹ 100 each | **2 07 11 265** | **576.26** | - | - |
| | Aditya Birla Sun Life Floating Rate Fund - Short Term Plan - Growth - Regular Plan of ₹ 100 each | **1 33 18 009** | **307.74** | - | - |
| | Axis Liquid Fund - Growth of ₹ 1000 each | **5 15 896** | **99.09** | - | - |
| | Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan of ₹ 100 each | **85 01 419** | **190.88** | - | - |
| | DHFL Pramerica Insta Cash Plus Fund - Growth of ₹ 100 each | **1 14 52 333** | **257.67** | - | - |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| | DHFL Pramerica Short Term Floting Rate Fund - Growth of ₹ 10 each | **2 88 46 050** | **55.43** | - | - |
| | DSP BlackRock Liquidity Fund - Regular Plan - Growth of ₹ 1000 each | **8 72 403** | **215.83** | - | - |
| | Franklin India TMA - Super Institutional Plan - Growth of ₹ 1000 each | **2 83 645** | **73.48** | - | - |
| | Invesco India Liquid Fund Growth of ₹ 1000 each | **10 94 944** | **261.00** | - | - |
| | L&T Ultra Short Term Fund -Regular Growth of ₹ 10 each | **8 57 61 867** | **243.28** | - | - |
| | LICMF Liquid Fund - Regular Plan - Growth of ₹ 1000 each | **69 067** | **21.66** | - | - |
| | Principal Cash Management Fund - Regular Plan Growth of ₹ 1000 each | **4 14 343** | **69.87** | - | - |
| | Reliance Floting Rate Fund - Short Term Plan - Growth Plan of ₹ 10 each | **1 89 50 446** | **51.93** | - | - |
| | Reliance Liquid Fund - Cash Plan - Growth Option of ₹ 1000 each | **33 64 428** | **906.69** | - | - |
| | Sundaram Ultra Short Term Fund - Regular Growth of ₹ 10 each | **2 15 91 464** | **51.19** | - | - |
| | Tata Liquid Fund Regular Plan - Growth of ₹ 1000 each | **2 74 814** | **87.71** | - | - |
| | UTI Money Market Fund - Institutional Plan - Growth of ₹ 1000 each | **15 58 620** | **302.32** | - | - |
| | **Total Current Investments** | | **4 937.47** | | 5 161.98 |
| | Aggregate amount of quoted investments | | **-** | | - |
| | Market Value of quoted investments | | **-** | | - |
| | Aggregate amount of unquoted investments | | **4 937.47** | | 5 161.98 |
| **7.1** | **Category-wise Current Investment** | | | | |
| | Financial Assets measured at Fair Value through Profit and Loss | | **4 937.47** | | 5 161.98 |
| | **Total Current Investments** | | **4 937.47** | | 5 161.98 |

(₹ in crore)

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| **8.** | **Trade Receivables** | | |
| | *(Unsecured and Considered Good)* | | |
| | Trade Receivables | **163.38** | 169.26 |
| | **Total** | **163.38** | 169.26 |

(₹ in crore)

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| **9.** | **Cash and Cash Equivalents** | | |
| | Balances with Banks | **19.56** | 12.61 |
| | Cash on hand | **0.01** | 0.01 |
| | **Cash and cash equivalents as per Balance Sheet** | **19.57** | 12.62 |
| | **Cash and cash equivalents as per Cash Flow Statement** | **19.57** | 12.62 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **10. Other Bank Balances** | | |
| Fixed deposits with banks * | **2.00** | 2.00 |
| **Total** | **2.00** | 2.00 |

* under lien with bank

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **11. Loans - Current Assets** | | |
| *(Unsecured and Considered Good)* | | |
| Loans and Advances to Related Parties (refer Note 32) | **5 843.76** | 6 693.27 |
| Loans and Advances to other Bodies Corporate | **2 188.17** | 66.90 |
| Loans and Advances to employees | **0.10** | 0.18 |
| **Total** | **8 032.03** | 6 760.35 |

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **12. Other Financial Assets - Current** | | |
| Contract Receivables | **2.99** | - |
| Interest Accrued on Investment-Not Due | **20.03** | - |
| Fair value of derivatives - receivables | **4.02** | - |
| Others* | **51.19** | 21.71 |
| **Total** | **78.23** | 21.71 |

* includes interest receivables.

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **13. Taxation** | | |
| **Income tax recognised in Statement of Profit and Loss** | | |
| Current tax | **216.14** | 238.00 |
| Deferred tax | **( 875.87)** | ( 782.71) |
| **Total income tax expenses recognised in the current year** | **( 659.73)** | ( 544.71) |

**The income tax expenses for the year can be reconciled to the accounting profit as follows :**

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| Profit before tax | **( 68.83)** | ( 373.42) |
| Applicable Tax Rate | **34.6080%** | 34.6080% |
| Computed Tax Expense | **( 23.82)** | ( 129.23) |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Tax effect of :** | | |
| Expenses disallowed | **599.71** | 465.64 |
| Fair Value Changes | **311.00** | 581.22 |
| Additional allowances net of MAT Credit | **( 670.75)** | ( 679.63) |
| **Current Tax Provision (A)** | **216.14** | 238.00 |
| Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets | **( 224.94)** | ( 376.62) |
| Incremental / (Reversal) of Deferred Tax Asset / Liability on account of Financial Assets and Other Items | **( 650.93)** | ( 406.09) |
| **Deferred tax Provision (B)** | **( 875.87)** | ( 782.71) |
| **Tax Expenses recognised in Statement of Profit and Loss (A+B)** | **( 659.73)** | ( 544.71) |
| **Effective Tax Rate** | **958.49%** | 145.87% |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **14. Other Current Assets** | | |
| Balance with Customs, Central Excise Authorities etc. | **-** | 0.78 |
| Deposits | **62.64** | 62.35 |
| Others * | **242.54** | 256.05 |
| **Total** | **305.18** | 319.18 |

* includes prepaid expenses, advance to vendors, Goods & Service Tax and VAT refundable etc.

(₹ in crore)

| | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **No. of Shares** | **Amount** | No. of Shares | Amount |
| **15. Equity Share Capital** | | | | |
| **Authorised Share Capital** | | | | |
| Equity Shares of ₹ 1 each | **5000 00 00 000** | **5 000.00** | 5000 00 00 000 | 5 000.00 |
| Preference Shares of ₹ 10 each | **250 00 00 000** | **2 500.00** | 250 00 00 000 | 2 500.00 |
| **Total** | | **7 500.00** | | 7 500.00 |
| **Issued, Subscribed and Paid up Share Capital :** | | | | |
| Equity Shares of ₹1 each fully paid up | **275 00 00 000** | **275.00** | 275 00 00 000 | 275.00 |
| **Total** | | **275.00** | | 275.00 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**15.1 The details of shareholders holding more than 5% shares :**

(₹ in crore)

| Name of the Shareholder | **As at 31st March 2018** No. of Shares | **% held** | As at 31st March 2017 No. of Shares | % held |
|---|---|---|---|---|
| **Equity Shares :** | | | | |
| Reliance Industries Holding Private Limited (Holding Company along with nominees) | **275 00 00 000** | **100.00** | 275 00 00 000 | 100.00 |

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

(₹ in crore)

| Name of the Shareholder **Particulars** | **As at 31st March 2018 No. of Shares** | As at 31st March 2017 No. of Shares |
|---|---|---|
| **Equity Shares :** | | |
| Equity Shares at the beginning of the year | **275 00 00 000** | 275 00 00 000 |
| Equity Shares at the end of the year | **275 00 00 000** | 275 00 00 000 |

**15.3 Rights and Restrictions to Equity Shares**

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

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **16. Other Equity** | | |
| **Capital Reserve** | | |
| As per last Balance Sheet | **713.50** | 713.50 |
| **Capital Redemption Reserve** | | |
| As per last Balance Sheet | **4.41** | 4.41 |
| **Securities Premium Reserve** | | |
| As per last Balance Sheet | **20 163.06** | 20 163.06 |
| **Debentures Redemption Reserve** | | |
| As per last Balance Sheet | **744.50** | 574.50 |
| Transferred from Retained Earnings (refer Note 16.2) | **585.00** | 170.00 |
| | **1 329.50** | 744.50 |
| **Retained Earnings** | | |
| As per last Balance Sheet | **(5 517.65)** | (5 518.93) |
| Profit for the year | **590.90** | 171.29 |
| Transferred to Debenture Redemption Reserve | **( 585.00)** | ( 170.00) |
| | **(5 511.75)** | (5 517.65) |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Other Comprehensive Income (OCI)** | | |
| As per last Balance Sheet | **166.10** | ( 19.99) |
| Movement in OCI (Net) during the year | **6.59** | 186.09 |
| | **172.69** | 166.10 |
| **Total** | **16 871.41** | 16 273.92 |

**16.1 Nature and Purpose of Reserve :**

**a** Capital Reserve (CR) is created pursuant to various Schemes of Amalgamations and / or Arrangements in earlier years. The CR will be utilised in accordance with the provisions of the Companies Act, 2013.

**b** Capital Redemption Reserve (CRR) was created by erstwhile Reliance Property Management Services Private Limited (now amalgamated with the Company) against redemption of shares. The CRR will be utilised in accordance with the provisions of the Companies Act, 2013.

**c** Securities Premium Reserve (SPR) represents aggregate of (i) amount received in excess of face value of shares issued by the Company or the entities that have amalgamated with the Company in earlier years (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.

**d** Debenture Redemption Reserve (DRR) is created pursuant to requirement of Companies Act, 2013 and rules framed thereunder. Balance available in DRR will be transferred to retained earnings / general reserve upon redemption of debentures issued by the Company from time to time.

**16.2** In terms of the provisions of Section 71 of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to provide for Debenture Redemption Reserve (DRR) of minimum amount of ₹ 2,625.00 crore, over the tenure of the debentures, being 25% of the outstanding value of Debentures i.e. ₹ 10,500.00 crore. The Company has provided for DRR of ₹ 585.00 crore during the year. The cumulative DRR provided so far is ₹ 1,329.50 crore till 31st March 2018. The Company shall transfer the balance amount to DRR out of profits, if any, in future years.

(₹ in crore)

| | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **Non-Current** | **Current** | Non-Current | Current |
| **17. Borrowings** | | | | |
| **Secured - At amortised cost** | | | | |
| Non Convertible Debentures | **10 482.85** | **-** | 10 480.86 | - |
| **Unsecured - At amortised cost** | | | | |
| Non-Cumulative Redeemable Preference shares (refer Note 17.1) | **1 569.07** | **-** | 1 775.09 | - |
| Cumulative Redeemable Preference shares (refer Note 17.2) | **9.40** | **-** | - | - |
| **Total** | **12 061.32** | **-** | 12 255.95 | - |

**17.1** Non-Cumulative Redeemable Preference Shares represents the net present value of 10% Non-Cumulative Redeemable Preference Shares Series 1 to 8 (RPS) being 3,76,00,000 shares of face value of ₹ 10/- each redeemable on 31st December, 2026 (Redemption Date) at a price of ₹ 1,000/- each including premium of ₹ 990/- per share aggregating to ₹ 3,760.00 crore comprising of face value of ₹ 37.60 crore and redemption premium of ₹ 3,722.40 crore. The Company has an option to redeem the outstanding RPS at any time prior to Redemption Date by giving 3 days prior notice to the holders of RPS. The RPS will carry a preferential right over the Equity Shares of the Company as regards payment of dividend and as regards repayment of capital in the event of winding up. The RPS carry voting rights prescribed under the provisions of the Companies Act, 2013.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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

| Name of the Shareholders | As at 31st March 2018 No. of Shares | As at 31st March 2018 % held | As at 31st March 2017 No. of Shares | As at 31st March 2017 % held |
|---|---|---|---|---|
| Reliance Industries Holding Private Limited (Holding Company) | **1 52 00 000** | **40.43%** | 1 90 00 000 | 40.43% |
| Kankhal Trading LLP (Entity over which Holding Company exercises control) | **2 24 00 000** | **59.57%** | 2 80 00 000 | 59.57% |

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

| Particulars | As at 31st March 2018 Nos. of Shares | As at 31st March 2017 Nos. of Shares |
|---|---|---|
| RPS at the beginning of the year | **4 70 00 000** | 4 70 00 000 |
| RPS redeemed during the year | **94 00 000** | - |
| RPS at the end of the year | **3 76 00 000** | 4 70 00 000 |

**17.2** 94,00,000 9% Cumulative Redeemable Preference Shares (CRPS) of face value of ₹ 10/- each fully paid up shall be redeemed at ₹ 10/- per share at any time, at the option of the Company, but not later than 14th October, 2025. The redemption shall be made in accordance with the applicable provisions of the Companies Act, 2013 and Articles of Association of the Company. The CRPS carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up. The CRPS are non-participating in the surplus funds/ surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The CRPS carry voting rights prescribed under the provisions of the Companies Act, 2013.

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

| Name of the Shareholders | As at 31st March 2018 No. of Shares | As at 31st March 2018 % held | As at 31st March 2017 No. of Shares | As at 31st March 2017 % held |
|---|---|---|---|---|
| Reliance Industries Holding Private Limited (Holding Company) | **94 00 000** | **100.00%** | - | - |

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

| Particulars | As at 31st March 2018 No. of Shares | As at 31st March 2017 No. of Shares |
|---|---|---|
| CRPS at the beginning of the year | **-** | - |
| CRPS issued during the year | **94 00 000** | - |
| CRPS at the end of the year | **94 00 000** | - |

**17.3** 7.90% Secured Redeemable Non Convertible Debentures- PPD 7 aggregating ₹ 2000.00 crore (Previous Year ₹ 2000.00 crore) are redeemable at par on November 18, 2026. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

  i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company; and

  ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**17.4** 7.95% Secured Redeemable Non Convertible Debentures- PPD 6 aggregating ₹ 2000.00 crore (Previous Year ₹ 2000.00 crore) are redeemable at par on October 28, 2026. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

**17.5** 8.45% Secured Redeemable Non Convertible Debentures- PPD 5 aggregating ₹ 4000.00 crore (Previous Year ₹ 4000.00 crore) are redeemable at par on June 12, 2023. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

**17.6** 10.40% Secured Redeemable Non Convertible Debentures- PPD 4 aggregating ₹ 2500.00 crore (Previous Year ₹ 2500.00 crore) are redeemable at par on July 18, 2021. These Non Convertible Debentures are secured by;

a pari passu charge by way of hypothecation over;

i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company

| | | As at 31st March 2018 | (₹ in crore) As at 31st March 2017 |
|---|---|---|---|
| **18.** | **Other Financial Liabilities - Non Current** | | |
| | Security Deposits from Related Party (refer Note 32) | **453.78** | 417.29 |
| | **Total** | **453.78** | 417.29 |

| | | As at 31st March 2018 | (₹ in crore) As at 31st March 2017 |
|---|---|---|---|
| **19.** | **Deferred Tax Liability (Net)** | | |
| | **The movement on the deferred tax account is as follows:** | | |
| | At the start of the year | **913.61** | 1 696.32 |
| | Others * | **45.07** | - |
| | Charge / (credit) to Statement of Profit and Loss(refer Note 13) | **( 875.87)** | ( 782.71) |
| | Charge / (credit) to Other Comprehensive Income | **3.49** | - |
| | **At the end of year** | **86.30** | 913.61 |

* represents tax on Other Comprehensive Income of earlier years

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**Component of Deferred tax Liability / (Assets) (Net)**

(₹ in crore)

| | As at 31st March 2017 | Others | Charge/(credit) to profit or loss | As at 31st March 2018 |
|---|---|---|---|---|
| **Deferred tax Liability / (Assets) (Net) in relation to:** | | | | |
| Property, Plant and Equipment | **1 162.67** | **-** | ( 224.94) | 937.73 |
| Financial Instruments | **151.77** | **45.07** | ( 823.85) | ( 627.01) |
| MAT Credit Entitlement | **( 339.28)** | **-** | ( 78.31) | ( 417.59) |
| Other Assets | **64.77** | **-** | ( 92.69) | ( 27.92) |
| Other Liabilities | **( 126.32)** | **-** | 347.41 | 221.09 |
| Provisions (₹ 34,608) | **( 0.00)** | **-** | 0.00 | - |
| **Total** | **913.61** | **45.07** | **( 872.38)** | **86.30** |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **20. Other Non - Current Liabilities** | | |
| Income received in Advance from Related Party (refer Note 32) | **556.54** | 596.22 |
| **Total** | **556.54** | 596.22 |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **21. Trade Payables** | | |
| Micro, Small and Medium Enterprises* | **-** | - |
| Others | **173.60** | 181.87 |
| **Total** | **173.60** | 181.87 |

21.1 * the details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under;

(₹ in crore)

| **Particulars** | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| (a) Principal amount due and remaining unpaid | **-** | - |
| (b) Interest due on (a) above and unpaid interest | **-** | - |
| (c) Interest paid | **-** | - |
| (d) Payment made beyond the appointed day during the year | **-** | - |
| (e) Interest due and payable for the period of delay | **-** | - |
| (f) Interest accrued and remaining unpaid | **-** | - |
| (g) Amount of further interest remaining due and payable in succeeding years | **-** | - |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **22.** | **Other Financial Liabilities - Current** | | |
| | Interest accrued but not due on borrowings | **578.18** | 579.92 |
| | Creditors for Capital Expenditure | **13.73** | 27.28 |
| | Other Financial Liabilities * | **-** | 93.29 |
| | **Total** | **591.91** | 700.49 |

* represents liability towards fair value of derivatives - payables.

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **23.** | **Other Current Liabilities** | | |
| | Security Deposits | **4.04** | 3.84 |
| | Income received in Advance from Related Party (refer Note 32) | **39.68** | 36.49 |
| | Other Current Liabilities* | **24.60** | 17.44 |
| | **Total** | **68.32** | 57.77 |

* includes statutory dues, employee related liabilities and advances from customers etc.

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **24.** | **Provisions - Current** | | |
| | Provisions for Superannuation / Gratuity / Leave Encashment | **0.01** | 0.01 |
| | **Total** | **0.01** | 0.01 |

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **25.** | **Revenue from Operations:** | | |
| | **Sale of Services** | | |
| | Port Infrastructure Facilities | **3 516.43** | 3 521.52 |
| | Infrastructure Facilities in SEZ | **12.28** | 13.73 |
| | Transportation and Logistics | **-** | 0.01 |
| | Pipeline Infrastructure Facilities | **1.96** | 87.19 |
| | Construction and Engineering | **375.58** | 392.29 |
| | | **3 906.25** | 4 014.74 |
| | Sale of Products | **5.51** | 6.84 |
| | | **3 911.76** | 4 021.58 |
| | Less: Service Tax / GST recovered | **259.29** | 233.84 |
| | **Total Operating Revenue** | **3 652.47** | 3 787.74 |
| | Other Operating Revenue | **0.45** | 0.66 |
| | **Total** | **3 652.92** | 3 788.40 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | 2017-18 | 2016-17 |
|---|---|---|
| **26. Other Income:** | | |
| **Interest from** | | |
| Other Financial Assets carried at Amortised Cost | **75.47** | 81.51 |
| Others | **45.37** | 8.63 |
| | **120.84** | 90.14 |
| **Net Gain on Financial Assets** | | |
| Gain on Sale / Transfer of Current Investments (net) | **146.84** | 199.77 |
| Income on Derivative Transactions (net) | **365.67** | 241.99 |
| | **512.51** | 441.76 |
| Gain on Sale of Property, Plant and Equipment | **0.26** | 1.79 |
| Other Non Operating Income | **35.33** | 2.37 |
| | **35.59** | 4.16 |
| **Total** | **668.94** | 536.06 |

(₹ in crore)

| | 2017-18 | 2016-17 |
|---|---|---|
| **27. Employee Benefits Expense** | | |
| Salaries and Wages | **25.41** | 24.40 |
| Contribution to Provident and Other Funds | **1.71** | 1.53 |
| Staff Welfare Expenses | **10.80** | 15.26 |
| **Total** | **37.92** | 41.19 |

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

**Defined Contribution Plans**

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

(₹ in crore)

| **Particulars** | **2017-18** | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | **0.91** | 0.83 |
| Employer's Contribution to Superannuation Fund | **0.13** | 0.13 |
| Employer's Contribution to Pension Scheme | **0.32** | 0.30 |

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

**Defined Benefit Plan**

**I) Reconciliation of opening and closing balances of Defined Benefit Obligation**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Defined Benefit Obligation at beginning of the year | **3.95** | 3.37 |
| Current Service Cost | **0.35** | 0.27 |
| Interest Cost | **0.29** | 0.27 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Liability Transferred In / (Out) | **0.08** | 0.07 |
| Actuarial (Gain) / Loss (₹ 43,128) | **( 0.04)** | 0.00 |
| Benefits paid | **( 0.19)** | ( 0.03) |
| Defined Benefit Obligation at year end | **4.44** | 3.95 |

**II) Reconciliation of opening and closing balances of fair value of Plan Assets**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Fair value of Plan Assets at beginning of the year | **3.95** | 3.37 |
| Expected Return on Plan Assets | **0.30** | 0.27 |
| Return on Plan Assets | **0.07** | 0.01 |
| Employer's Contribution | **0.24** | 0.26 |
| Assets Transferred In / Acquisitions | **0.07** | 0.07 |
| Benefits paid | **( 0.19)** | ( 0.03) |
| Fair value of Plan Assets at year end | **4.44** | 3.95 |

**III) Reconciliation of fair value of Assets and Obligations**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| Present value of Obligation | **4.44** | 3.95 |
| Fair value of Plan Assets | **4.44** | 3.95 |
| Amount recognised in Balance Sheet | **-** | - |

**IV) Expenses recognised during the year**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| **In Income Statement** | | |
| Current Service Cost | **0.35** | 0.27 |
| Interest Cost | **0.29** | 0.27 |
| Expected Return on Plan Assets | **( 0.30)** | ( 0.27) |
| **Net Cost** | **0.34** | 0.27 |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain) / Loss (₹ 43128) | **( 0.04)** | 0.00 |
| Return on Plan Assets | **( 0.07)** | ( 0.01) |
| **Net (Income) / Expense For the year Recognised in OCI** | **( 0.11)** | ( 0.01) |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**V) Investment Details**

| | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **(₹ in crore)** | **% Invested** | (₹ in crore) | % Invested |
| Insurance Policies | **4.44** | **100** | 3.95 | 100 |

**VI) Actuarial assumptions**

| | **Gratuity (Funded)** | |
|---|---|---|
| Mortality Table (IALM) | **2017-18** | 2016-17 |
| | **2006-08** | 2006-08 |
| | **(Ultimate)** | (Ultimate) |
| Discount Rate (per annum) | 8.00% | 7.46% |
| Expected rate of return on Plan Assets (per annum) | 8.00% | 7.46% |
| Rate of escalation in Salary (per annum) | 6.00% | 6.00% |
| Rate of employee turnover (per annum) | 2.00% | 2.00% |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several 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 2017-18.

**VIII)Sensitivity Analysis**

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

(₹ in crore)

| Particulars | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **Decrease** | **Increase** | Decrease | Increase |
| Change in discounting rate (delta effect of +/- 0.5%) | **4.57** | **4.32** | 4.06 | 3.84 |
| Change in rate of salary increase (delta effect of +/- 0.5%) | **4.32** | **4.57** | 3.84 | 4.07 |
| Change in rate of employee turnover (delta effect of +/- 0.25%) | **4.43** | **4.45** | 3.94 | 3.96 |
| Mortality Rate (- / + 10% of mortality rates) | **4.44** | **4.44** | - | - |

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.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**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 with reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk** :- The present value of the defined plan liability is calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **28.** | **Finance Costs:** | | |
| | Interest Costs* | **1 686.67** | 948.09 |
| | Other Borrowing Costs | **2.13** | 3.31 |
| | Applicable net gain/loss on Foreign Currency Transactions and Translation | **-** | 2.96 |
| | **Total** | **1 688.80** | 954.36 |

* the Company has redeemed 94,00,000 10% Non-Cumulative Redeemable Preference Shares (Series 9 and 10) of face value of ₹ 10 each at a premium of ₹ 990/- per share aggregating to ₹ 940.00 crore on 29th September 2017. The amount of ₹ 584.98 crore net off pro-rata amount already provided out of profits of earlier years upto 31st March 2017, has been recognised as Finance Costs during the year.

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **29.** | **Depreciation and Amortisation Expense** | | |
| | Depreciation and Amortisations | **974.26** | 1 309.17 |
| | **Total** | **974.26** | 1 309.17 |

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **30.** | **Other Expenses** | | |
| | Port Infrastructure related Expenses | **317.17** | 302.65 |
| | Sub Contracts | **82.76** | 78.15 |
| | Construction Material, Stores, Spares and Consumables | **120.01** | 86.41 |
| | Repairs to Plant and Machinery | **37.20** | 46.90 |
| | Excise Duty | **0.06** | 0.59 |
| | Professional Fees | **13.08** | 11.39 |
| | Insurance | **35.41** | 28.04 |
| | Rent | **3.91** | 1.96 |
| | Rates and Taxes | **1.43** | 5.13 |
| | Repairs to Buildings | **0.55** | 0.30 |
| | Repairs to Others | **39.84** | 24.66 |
| | Payment to Auditors (refer Note 30.1) | **0.43** | 0.67 |
| | General Expenses | **31.31** | 21.74 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| | 2017-18 | 2016-17 |
|---|---|---|
| Corporate Social Responsibility Expenditure / Charity and Donations (refer Note 30.2 ) | **19.00** | 10.80 |
| Net Loss / (Gain) on Foreign Currency Transactions and Translation | **6.48** | 1.46 |
| Changes in Fair Value of Financial Assets (net) | **898.64** | 1 679.42 |
| Other Financial Assets carried at amortised cost | **75.47** | 81.51 |
| Loss on Sale of Property, Plant and Equipment | **1.55** | 5.09 |
| **Total** | **1 684.30** | 2 386.87 |

(₹ in crore)

| | 2017-18 | 2016-17 |
|---|---|---|
| **30.1 Payment to Auditors as :** | | |
| (a) Auditor : | | |
| Statutory Audit Fees | **0.42** | 0.40 |
| Tax Audit Fees | **-** | 0.12 |
| Certification Fees | **-** | 0.14 |
| (b) Cost Audit Fees | **0.01** | 0.01 |
| **Total** | **0.43** | 0.67 |

**30.2 Corporate Social Responsibility (CSR)**

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 18.97 crore (Previous Year ₹ 10.74 crore).

(b) Expenditure related to Corporate Social Responsibility is ₹ 19.00 crore (Previous Year ₹ 10.80 crore).

Details of Amount spent towards CSR given below:

(₹ in crore)

| **Particulars** | **2017-18** | 2016-17 |
|---|---|---|
| Health Care | **16.00** | - |
| Animal Welfare | **3.00** | 10.80 |
| **Total** | **19.00** | 10.80 |

| | 2017-18 | 2016-17 |
|---|---|---|
| **31. Earnings Per Share (EPS)** | | |
| i) Net Profit after Tax as per Statement of Profit and Loss (₹ in crore) | **590.90** | 171.29 |
| Less :- Dividend on 9% Cumulative Redeemable Preference Shares (CRPS) | **0.43** | - |
| Net Profit attributable to Equity Shareholders (₹ in crore) (Used as Numerator for calculation) | **590.47** | 171.29 |
| ii) Weighted Average number of Equity Shares (Used as Denominator for calculation) | **275 00 00 000** | 275 00 00 000 |
| iii) Basic and Diluted Earnings Per Share of ₹ 1/- each (In ₹) | **2.15** | 0.62 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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

**(i) List of related parties where control exists and also related parties with whom transactions have taken place and relationships :**

| Sr. No. | Name of the Related Party | Relationship |
|---|---|---|
| 1 | Reliance Industries Holding Private Limited | Holding Company |
| 2 | Kankhal Trading LLP | Entity over which Holding Company is having control |
| 3 | EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited) | Subsidiary Company |
| 4 | East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited) | Subsidiary Company |
| 5 | Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited) | Fellow Subsidiary |
| 6 | Antilia Commercial Private Limited | Fellow Subsidiary |
| 7 | Reliance Industries Limited | Associate |
| 8 | Shri Vishvanath Indi | Key Managerial Personnel |
| 9 | Shri Ritesh Shiyal | Key Managerial Personnel |
| 10 | Ms. Kalpana Srinivasan | Key Managerial Personnel (upto 15.12.2016) |
| 11 | Ms. V Mohana | Key Managerial Personnel (w.e.f. 16.12.2016) |
| 12 | Reliance Ports And Terminals Limited Employees Provident Fund | Post Employment Benefits Plan |
| 13 | Reliance Ports And Terminals Limited Employees Superannuation Scheme | Post Employment Benefits Plan |
| 14 | Reliance Ports And Terminals Limited Employees Gratuity Fund | Post Employment Benefits Plan |

**(ii) Transactions during the year with Related Parties :**

(₹ in crore)

| Sr. No. | Nature of Transactions (Excluding reimbursements) | Holding Company | Subsidiaries | Fellow Subsidiaries / Entity over which Holding Company is having control | Associates | Key Managerial Personnel | Post Employment Benefits Plan | Total |
|---|---|---|---|---|---|---|---|---|
| 1 | Proceeds from Borrowings - Cumulative | **9.40** | **-** | **-** | **-** | **-** | **-** | **9.40** |
| | Redeemable Preference Shares | - | - | - | - | - | - | - |
| 2 | Repayment of Borrowings - Non-Cumulative | **380.00** | **-** | **560.00** | **-** | **-** | **-** | **940.00** |
| | Redeemable Preference shares (including premium) | - | - | - | - | - | - | - |
| 3 | Purchase / Subscription of Investments | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | - | *8 000.00* | - | - | - | - | *8 000.00* |
| 4 | Loans and advances given / (returned) [net] | **-** | **( 849.51)** | **-** | **-** | **-** | **-** | **( 849.51)** |
| | | - | *(3 592.95)* | - | - | - | - | *(3 592.95)* |
| 5 | Advance from Customers received | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | (repayment) | - | - | *( 913.95)* | - | - | - | *( 913.95)* |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| Sr. No. | Nature of Transactions (Excluding reimbursements) | Holding Company | Subsidiaries | Fellow Subsidiaries / Entity over which Holding Company is having control | Associates | Key Managerial Personnel | Post Employment Benefits Plan | Total |
|---|---|---|---|---|---|---|---|---|
| 6 | Deposit given / (received) | **( 0.02)** | **0.02** | **-** | **-** | **-** | **-** | **-** |
| | | - | - | - | - | - | - | - |
| 7 | Deposit refunded | **0.02** | **( 0.02)** | **-** | **-** | **-** | **-** | **-** |
| | | - | - | - | - | - | - | - |
| 8 | Sale of Services* | **-** | **-** | **2.76** | **3 442.90** | **-** | **-** | **3 445.66** |
| | | - | - | *14.65* | *3 621.21* | - | - | *3 635.86* |
| 9 | Billing for KMP Salary on Deputation* | **-** | **0.87** | **0.28** | **-** | **-** | **-** | **1.15** |
| | | - | - | *0.25* | - | - | - | *0.25* |
| 10 | Sale of Products / Scraps* | **-** | **-** | **-** | **7.10** | **-** | **-** | **7.10** |
| | | - | - | *5.55* | - | - | - | *5.55* |
| 11 | Sale of Property, Plant and Equipment | **-** | **-** | **-** | **1.05** | **-** | **-** | **1.05** |
| | | - | - | - | - | - | - | - |
| 12 | Lease Rent Expenses [₹ 2000 | **-** | **-** | **-** | **0.00** | **-** | **-** | **0.00** |
| | (Previous Year ₹ 2000)] | - | - | - | *0.00* | - | - | *0.00* |
| 13 | Purchase including Construction Material, | **-** | **-** | **-** | **4.96** | **-** | **-** | **4.96** |
| | Stores, Spares and Consumables* | - | - | - | *10.79* | - | - | *10.79* |
| 14 | Payment to Key Managerial Personnel | **-** | **-** | **-** | **-** | **1.85** | **-** | **1.85** |
| | | - | - | - | - | *1.56* | - | *1.56* |
| 15 | Other Expenses* | **-** | **10.50** | **-** | **0.53** | **-** | **-** | **11.03** |
| | | - | - | - | *0.53* | - | - | *0.53* |
| 16 | Employee Benefits Expense | **-** | **-** | **-** | **-** | **-** | **3.02** | **3.02** |
| | | - | - | - | - | - | *2.71* | *2.71* |

* including taxes, wherever applicable

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **(iii)** | **Balances as at 31st March 2018** | | | | | | | (₹ in crore) |
| 17 | **Equity Share Capital** | **275.00** | **-** | **-** | **-** | **-** | **-** | **275.00** |
| | | *275.00* | - | - | - | - | - | *275.00* |
| 18 | **Borrowings - Non-Cumulative** | **634.31** | **-** | **934.76** | **-** | **-** | **-** | **1 569.07** |
| | **Redeemable Preference shares$** | *717.60* | - | *1 057.49* | - | - | - | *1 775.09* |
| 19 | **Borrowings - Cumulative Redeemable** | **9.40** | **-** | **-** | **-** | **-** | **-** | **9.40** |
| | **Preference shares$** | - | - | - | - | - | - | - |
| 20 | **Investments (refer Note 2)** | **-** | **9 000.00** | **-** | **-** | **-** | **-** | **9 000.00** |
| | | - | *10 026.82* | - | - | - | - | *10 026.82* |
| 21 | **Trade Receivable** | **-** | **-** | **-** | **143.73** | **-** | **-** | **143.73** |
| | | - | - | *0.94* | *156.83* | - | - | *157.77* |
| 22 | **Trade Payable** | **-** | **-** | **-** | **0.41** | **-** | **-** | **0.41** |
| | | - | - | - | *6.72* | - | - | *6.72* |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| Sr. No. | Nature of Transactions (Excluding reimbursements) | Holding Company | Subsidiaries | Fellow Subsidiaries / Entity over which Holding Company is having control | Associates | Key Managerial Personnel | Post Employment Benefits Plan | Total |
|---|---|---|---|---|---|---|---|---|
| 23 | **Security Deposits taken** | **-** | **-** | **-** | **453.78** | **-** | **-** | **453.78** |
| | | *-* | *-* | *-* | *417.29* | *-* | *-* | *417.29* |
| 24 | **Income received in Advance** | **-** | **-** | **-** | **596.22** | **-** | **-** | **596.22** |
| | | *-* | *-* | *-* | *632.71* | *-* | *-* | *632.71* |
| 25 | **Loans and Advances given** | **-** | **5 843.76** | **-** | **-** | **-** | **-** | **5 843.76** |
| | | *-* | *6 693.27* | *-* | *-* | *-* | *-* | *6 693.27* |
| 26 | **Financial Guarantees received** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | *-* | *-* | *-* | *0.98* | *-* | *-* | *0.98* |

$ refer Note 17 for redemption date(s)

Note:- Figures in italics represent Previous Year's amounts.

**Disclosure of material Related Party transactions (in respect of the parties and for the period during which the relationship exists) :**

(₹ in crore)

| Particulars | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|
| **Proceeds from Borrowings - Cumulative Redeemable Preference Shares** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **9.40** | - |
| **Repayment of Borrowings - Non-Cumulative Redeemable Preference shares (including premium)** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **380.00** | - |
| Kankhal Trading LLP | Entity over which Holding Company is having control | **560.00** | - |
| **Purchase / Subscription of Investments** | | | |
| East West Pipeline Limited | Subsidiary | **-** | 8 000.00 |
| **Loans and advances given / (returned) [net]** | | | |
| East West Pipeline Limited | Subsidiary | **99.45** | (3 593.71) |
| EWPL Holdings Private Limited | Subsidiary | **( 948.96)** | 0.76 |
| **Advance from Customers received (repayment)** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **-** | ( 913.95) |
| **Deposit given / (received)** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **( 0.02)** | - |
| EWPL Holdings Private Limited | Subsidiary | **0.02** | - |
| **Deposit refunded** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **0.02** | - |
| EWPL Holdings Private Limited | Subsidiary | **( 0.02)** | - |
| **Sale of Services** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **2.76** | 14.65 |
| Reliance Industries Limited | Associate | **3 442.90** | 3 621.21 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| Particulars | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|
| **Billing for KMP Salary on Deputation** | | | |
| EWPL Holdings Private Limited | Subsidiary | **0.87** | - |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **0.28** | 0.25 |
| **Sale of Traded Goods** | | | |
| Reliance Industries Limited | Associate | **7.10** | 5.55 |
| **Sale of Property, Plant and Equipment** | | | |
| Reliance Industries Limited | Associate | **1.05** | - |
| **Lease Rent Expenses** | | | |
| Reliance Industries Limited [₹ 2000 (Previous Year ₹ 2000)] | Associate | **0.00** | 0.00 |
| **Purchase including Construction Material, Stores, Spares and Consumables** | | | |
| Reliance Industries Limited | Associate | **4.96** | 10.79 |
| **Payment to Key Managerial Personnel** | | | |
| Shri Vishvanath Indi | Key Managerial Personnel | **0.62** | 0.62 |
| Shri Ritesh Shiyal | Key Managerial Personnel | **0.55** | 0.48 |
| Ms. Kalpana Srinivasan | Key Managerial Personnel | **-** | 0.23 |
| Ms. V Mohana | Key Managerial Personnel | **0.68** | 0.23 |
| **Other Expenses** | | | |
| EWPL Holdings Private Limited | Subsidiary | **10.50** | - |
| Reliance Industries Limited | Associate | **0.53** | 0.53 |
| **Employee Benefits Expense** | | | |
| Reliance Ports And Terminals Limited Employees Provident Fund | Post Employment Benefits Plan | **2.65** | 2.32 |
| Reliance Ports And Terminals Limited Employees Superannuation Scheme | Post Employment Benefits Plan | **0.13** | 0.13 |
| Reliance Ports And Terminals Limited Employees Gratuity Fund | Post Employment Benefits Plan | **0.24** | 0.26 |

**Balances as at 31st March 2018**

(₹ in crore)

| Particulars | Relationship | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **Security Deposits Taken *** | | | |
| Reliance Industries Limited | Associate | 453.78 | 417.29 |
| **Income received in Advance *** | | | |
| Reliance Industries Limited | Associate | 596.22 | 632.71 |
| **Loans - Current** | | | |
| East West Pipeline Limited | Subsidiary | 4 826.70 | 4 727.25 |
| EWPL Holdings Private Limited | Subsidiary | 1 017.06 | 1 966.02 |
| **Financial Guarantees Received** | | | |
| Reliance Industries Limited | Associate | - | 0.98 |

* received pursuant to the agreement and will remain valid till the period of the agreement.

All related party contracts / arrangements have been entered on arms' length basis.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**32.1 Compensation of Key Managerial Personnel**

The remuneration of key managerial personnel during the year was as follows:

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| (i) | Short-Term Benefits | **1.77** | 1.49 |
| (ii) | Post Employment Benefits | **0.08** | 0.07 |
| (iii) | Share Based Payments | - | - |
| **Total** | | **1.85** | 1.56 |

**33. Segment Information**

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

The Company has one principal operating and reporting segment i.e. Port Infrastructure.

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

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related items and other Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(i) **Primary Segment Information :** (₹ in crore)

| | Particulars | Port Infrastructure | | Others | | Unallocable | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 |
| 1 | **Segment Revenue** | | | | | | | | |
| | Sales and Service Income | **3 521.96** | 3 527.92 | **390.25** | 494.32 | **-** | - | **3 912.21** | 4 022.24 |
| | **Gross Revenue** | **3 521.96** | 3 527.92 | **390.25** | 494.32 | **-** | - | **3 912.21** | 4 022.24 |
| | Less:- Service Tax / GST | **221.02** | 186.61 | **38.27** | 47.23 | **-** | - | **259.29** | 233.84 |
| | **Net Revenue*** | **3 300.94** | 3 341.31 | **351.98** | 447.09 | **-** | - | **3 652.92** | 3 788.40 |
| 2 | **Segment Result before Interest and Taxes** | **1 952.67** | 1 815.34 | **66.39** | 39.45 | **( 519.93)** | (1 363.99) | **1 499.13** | 490.80 |
| | Less:- Interest and Finance Charges | **-** | - | **-** | - | **1 688.80** | 954.36 | **1 688.80** | 954.36 |
| | Add:- Interest Income | **-** | - | **-** | 0.08 | **120.84** | 90.06 | **120.84** | 90.14 |
| | **Profit before Tax** | **1 952.67** | 1 815.34 | **66.39** | 39.53 | **(2 087.89)** | (2 228.29) | **( 68.83)** | ( 373.42) |
| | Current Tax | **-** | - | **-** | - | **216.14** | 238.00 | **216.14** | 238.00 |
| | Deferred Tax | **-** | - | **-** | - | **( 875.87)** | ( 782.71) | **( 875.87)** | ( 782.71) |
| | **Profit after Tax** | **1 952.67** | 1 815.34 | **66.39** | 39.53 | **(1 428.16)** | (1 683.58) | **590.90** | 171.29 |
| 3 | **Other Information** | | | | | | | | |
| | Segment Assets | **4 459.59** | 5 268.63 | **572.50** | 658.26 | **26 106.10** | 25 745.24 | **31 138.19** | 31 672.13 |
| | Segment Liabilities | **1 200.70** | 1 207.17 | **63.49** | 67.11 | **12 727.59** | 13 848.93 | **13 991.78** | 15 123.21 |
| | Capital Expenditure | **9.44** | 30.33 | **0.53** | - | **3.67** | 9.26 | **13.64** | 39.59 |
| | Depreciation and Amortisation Expenses | **823.67** | 1 032.30 | **130.10** | 256.37 | **20.49** | 20.50 | **974.26** | 1 309.17 |
| | Material Non Cash Items other than Depreciation and Amortisation Expenses | **-** | - | **-** | - | **1 026.82** | 1 711.56 | **1 026.82** | 1 711.56 |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

The reporting Segment is further described below :

- The Port Infrastructure segment includes operations related to evacuation of petroleum products and crude at port and infrastructure facilities at Jamnagar.
- The businesses, which were not reportable segment during the year, have been grouped under "Others" segment. This is mainly comprises of Pipeline Infrastructure Services, Provision of Infrastructure Facilities as Co-Developer in Special Economic Zone, Transportation and Logistics segment and Construction and Engineering segments includes operations related to construction, engineering services, project management services and Plant and Equipment Hiring.

(ii) **Secondary Segment Information (Geographical):**

Since the operations of the Company is predominantly conducted within India hence there are no separate reportable geographical segment.

* includes ₹ 3,252.45 crore (Previous Year ₹ 3,439.46 crore) are derived from Reliance Industries Limited.

**34. (A) Loans and Advances in the nature of Loans to Subsidiaries :** (₹ in crore)

| **Sr. No.** | **Name of the Company** | **Relationship** | **As at 31st March 2018** | Maximum Amount Outstanding during the year | As at 31st March 2017 |
|---|---|---|---|---|---|
| 1. | East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited) | Subsidiary | **4 826.70** | 4 826.70 | 4 727.25 |
| 2. | EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited) | Subsidiary | **1 017.06** | 1 966.02 | 1 966.02 |

**(B)** Investments by EWPL Holdings Private Limited in the shares of subsidiary company, where the Company has made a loan or advance in the nature of loan.

| **Name of the company** | **Type of Shares** | **Nos. of Shares** |
|---|---|---|
| East West Pipeline Limited | Equity Share of Re. 1 each | 2275 16 25 000 |

**35. Contingent Liabilities And Commitments**

(₹ in crore)

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| (I) | **Contingent Liabilities** | | |
| (a) | Claims against the Company / disputed liabilities not acknowledged as debts * | **1.47** | 1.47 |
| (b) | Performance Guarantee | **11.06** | 14.01 |
| (c) | Others - Continuity Bond given to the Deputy Commissioner of Customs, Jamnagar (refer Note 32) | **-** | 0.98 |

* the disputed liabilities are not likely to have any material effect on financial position of the Company.

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| (II) | **Commitments** | | |
| (a) | Estimated amount of contracts remaining to be executed on capital accounts and not provided for | | |
| | (i) in respect of Related Parties | **-** | 0.81 |
| | (ii) in respect of Others | **2.04** | 18.54 |
| (b) | Dividend to be paid on 9% Cumulative Redeemable Preference Shares (CRPS) being 94,00,000 shares of face value of ₹ 10/- each | **0.43** | - |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(c) Lease Commitment

The total of future minimum lease payments under non-cancellable long term operating lease are as follows :-

| | | |
|---|---|---|
| - Not later than one year (₹ 2,000) | **3.59** | 0.00 |
| - Later than one year but not later than five years (₹ 10,000) | **12.74** | 0.00 |
| - Later than five years [₹ 11,000 (Previous Year ₹13,000)] | **0.00** | 0.00 |

**36.** Short term borrowings taken by way of commercial paper for which maximum balance outstanding during the year was ₹. Nil (Previous Year ₹ 3,982.24 crore)

**37.** The Board of Directors of the Company at its meeting held on 9th May 2018 has approved a Scheme of Arrangement between the Company and East West Pipeline Limited (Transferor Company), the subsidiary of the Company, which provides for, inter-alia, transfer and vesting of Investment Division of the Transferor Company to the Company with Appointed Date 1st May 2018 and cancellation of part of the paid-up share capital of Transferor Company. The Scheme shall be subject to necessary approvals of respective shareholders and creditors of the Transferor Company and the Company and sanction of the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT).

**38. Capital Management**

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

a) Maintain financial strength to ensure AAA ratings.

b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

c) Proactively manage exposure in forex and interest to mitigate risk to earnings.

d) 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 :

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| Gross Debt | 12 061.32 | 12 255.95 |
| Cash and Marketable Securities | 5 069.86 | 5 263.13 |
| **Net Debt (A)** | **6 991.46** | 6 992.82 |
| **Total Equity (As per Balance Sheet) (B)** | **17 146.41** | 16 548.92 |
| **Net Gearing (A/B)** | **41%** | **42%** |

**39. Financial Instruments**

**A. Fair Value Measurement Hierarchy :**

(₹ in crore)

| **Particulars** | **As at 31st March 2018** | | | | As at 31st March 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Carrying Amount** | **Level of input used in Level 1** | **Level 2** | **Level 3** | Carrying Amount | Level of input used in Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | | | |
| **At FVTPL** | | | | | | | | |
| Investments ₹ 33000/- | **7 045.59** | **5 413.06** | **1 632.53** | **0.00** | 7 823.73 | 5 250.51 | 2 573.22 | 0.00 |
| **At FVTOCI** | | | | | | | | |
| Financial Derivatives | **209.43** | **-** | **209.43** | **-** | 201.30 | - | 201.30 | - |

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

(₹ in crore)

| Particulars | As at 31st March 2018 | | | | As at 31st March 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying Amount | Level of input used in Level 1 | Level 2 | Level 3 | Carrying Amount | Level of input used in Level 1 | Level 2 | Level 3 |
| **Financial Liabilities** | | | | | | | | |
| **At FVTOCI** | | | | | | | | |
| Financial Derivatives | **-** | **-** | **-** | **-** | 93.29 | - | 93.29 | - |

Above Investments excludes financial assets measured at Cost (Refer note 2).

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

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

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

**Level 3**: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Valuation Methodology**

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

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

b) 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.

c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or other suitable valuation model.

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

e) Fair values of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and other financial liabilities are approximate at their carrying amounts.

**B. Financial Risk Management**

The different types of risks the Company is exposed to are market risk, credit risk and liquidity risk. The Company uses derivative financial instruments such as forwards, options and currency swap contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved Risk Management Policy framework.

**i) Market Risk**

**a) Foreign Currency Risk**

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

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

**Foreign Currency Exposure** (₹ in crore)

| Particulars | As at 31st March 2018 USD | EUR | JPY | As at 31st March 2017 USD | EUR | JPY |
|---|---|---|---|---|---|---|
| Investments | **(1 304.80)** | **-** | **-** | (1 298.30) | - | - |
| Trade and Other Payables | **10.94** | **4.06** | **0.23** | 25.16 | 2.56 | 0.17 |
| Trade and Other Receivables (₹2934/-) | **( 64.52)** | **( 2.10)** | **( 0.00)** | ( 4.30) | ( 0.08) | - |
| Derivatives | | | | | | |
| Currency Swap | **8 666.80** | **-** | **-** | 5 082.00 | - | - |
| **Net Exposure** | **7 308.42** | **1.96** | **0.23** | 3 804.56 | 2.48 | 0.17 |

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the Company follows hedge accounting.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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

**Foreign Currency Sensitivity** (₹ in crore)

| Particulars | As at 31st March 2018 | | | As at 31st March 2017 | | |
|---|---|---|---|---|---|---|
| | USD | EUR | JPY | USD | EUR | JPY |
| **1% Depreciation in INR** | | | | | | |
| Impact on Equity | **81.67** | **-** | **-** | 40.12 | - | - |
| Impact on P&L | **( 8.58)** | **0.02** | **0.00** | ( 2.07) | 0.02 | 0.00 |
| **Total** | **73.09** | **0.02** | **0.00** | 38.05 | 0.02 | 0.00 |
| **1% Appreciation in INR** | | | | | | |
| Impact on Equity | **( 81.67)** | **-** | **-** | ( 40.12) | - | - |
| Impact on P&L | **8.58** | **(0.02)** | **(0.00)** | 2.07 | ( 0.02) | ( 0.00) |
| **Total** | **( 73.09)** | **(0.02)** | **(0.00)** | ( 38.05) | ( 0.02) | ( 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)

| Interest Rate Exposure | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Loans** | | |
| Long Term Fixed Loan | **12 061.32** | 12 255.95 |
| **Total** | **12 061.32** | 12 255.95 |
| **Derivatives** | | |
| Currency Swap-Floating Interest | **1 620.00** | 2 070.00 |
| Currency Swap-Fixed Interest | **7 046.80** | 3 012.00 |
| **Total** | **8 666.80** | **5 082.00** |

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

(₹ in crore)

| Interest rate Sensitivity | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | Up Move | Down Move | Up Move | Down Move |
| Impact on P&L | **16.20** | **(16.20)** | 20.70 | (20.70) |
| **Total** | **16.20** | **(16.20)** | 20.70 | (20.70) |

ii) **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.

iii) **Liquidity Risk**

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient stock of cash, marketable securities and committed credit facilities. The company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

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 31st March 2018**

(₹ in crore)

| Particulars | Below 3 Months | 3-6 Months | 6-12 Months | 1-3 Years | 3-5 Years | Above 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **Non Derivative Liabilities** | | | | | | | |
| Long Term Loans* | - | - | - | - | 2 500.00 | 9 578.47 | **12 078.47** |
| **Total Borrowings** | **-** | **-** | **-** | **-** | **2 500.00** | **9 578.47** | **12 078.47** |
| **Derivative Liabilities** | | | | | | | |
| Forwards | - | - | - | - | - | - | **-** |
| Currency Swap | 108.80 | 108.80 | 217.60 | 2 361.88 | 2 575.88 | 3 293.84 | **8 666.80** |
| **Total Derivative Liabilities** | **108.80** | **108.80** | **217.60** | **2 361.88** | **2 575.88** | **3 293.84** | **8 666.80** |

* including ₹ 17.15 crore as prepaid finance charges

**Maturity Profile of Loans and Derivative Financial Liabilities as on 31st March 2017**

(₹ in crore)

| Particulars | Below 3 Months | 3-6 Months | 6-12 Months | 1-3 Years | 3-5 Years | Above 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **Non Derivative Liabilities** | | | | | | | |
| Long Term Loans* | - | - | - | - | 2 500.00 | 9 775.09 | **12 275.09** |
| **Total Borrowings** | **-** | **-** | **-** | **-** | **2 500.00** | **9 775.09** | **12 275.09** |
| **Derivative Liabilities** | | | | | | | |
| Forwards | - | - | - | - | - | - | **-** |
| Currency Swap | - | 232.50 | 270.00 | 1 173.38 | 2 070.88 | 1 335.24 | **5 082.00** |
| **Total Derivative Liabilities** | **-** | **232.50** | **270.00** | **1 173.38** | **2 070.88** | **1 335.24** | **5 082.00** |

* including ₹ 19.14 crore as prepaid finance charges

**C. Hedge Accounting**

The Company's business objective includes safe-guarding its earnings and foreign currency liabilities against adverse price movements of foreign exchange rates. The Company has adopted a structured risk management policy to hedge all this risk within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges. Hedging instruments include forward and options as well as non derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as of the balance sheet date.

# Notes to the Standalone Financial Statements for the Year ended 31st March 2018

**Disclosure of effects of Hedge Accounting**

**Cash Flow Hedge**

**Hedging Instrument**

(₹ in crore)

| Type of Hedge and Risks | Nominal Value | Carrying Amount Assets | Carrying Amount Liabilities | Changes in FV | Hedge Maturity Date | Line Item in Balance Sheet |
|---|---|---|---|---|---|---|
| **Foreign currency risk** | | | | | | |
| Derivatives-Currency Swap | 8 666.80 | 209.43 | - | 209.43 | April 2018 to July 2026 | Non Current Assets-Other Financial Assets (refer Note 4) & Current Assets -Other Financial Assets (refer Note 12) |

**Hedging Items**

(₹ in crore)

| Type of Hedge and Risks | Nominal Value | Changes in FV | Hedge Reserve | Line Item in Balance Sheet |
|---|---|---|---|---|
| **Foreign currency risk** | | | | |
| Highly Probable Revenues | 8 666.80 | 209.43 | 209.43 | Other Equity |

(₹ in crore)

| Particulars | 2017-18 | Line Item in Statement of Profit and Loss |
|---|---|---|
| **Hedging gains / (losses) of the year that were recognized in other comprehensive income** | 11.63 | Items that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge |
| Hedge ineffectiveness recognized in profit and loss; | (0.87) | Other Income - Income on derivative transactions (net) |
| Amount reclassified from the cash flow hedge reserve into profit and loss as a reclassification adjustment | (1.66) | Items that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge |

**40.** The figures for the corresponding previous year have been regrouped / rearranged wherever necessary, to make them comparable.

**41. Approval of Financial Statements**

The Financial Statements were approved for issue by the Board of Directors on 29th May, 2018.

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 29th May, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Independent Auditor's Report

**To The Members Of**

**Sikka Ports & Terminals Limited (Formerly known as Reliance Ports And Terminals Limited)**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Sikka Ports & Terminals Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding 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 preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated IndAS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters and Emphasis of Matters paragraphs below, the aforesaid consolidated 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March 2018, and their consolidated profit including total comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Other Matters**

We did not audit the consolidated financial statements of a subsidiary Company whose financial statements reflect total assets of Rs. 14833.15 crore as at 31st March, 2018, total revenues of Rs. 1050.55 crore and net cash flows of Rs. 3.24 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These consolidated financial statements have been audited by the other auditors whose reports have been furnished to us by management and our opinion is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and reports of the other auditors.

The comparative financial information of the Company for the year ended 31st March, 2017 included in these Ind AS financial statements, are based on the previously issued financial statements as audited by the predecessor auditor, whose report dated 21st September, 2017 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of above said matter.

**Emphasis of Matter**

We draw attention to the following notes with respect to the Gas Transport Business of the Company conducted through its subsidiary East West Pipeline Limited ("EWPL"):

I. Note No. 39 to the consolidated Ind AS financial statements in respect of 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 matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company, incorporated in India, none of the directors of these entities is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our Report in "Annexure A", which is based on the auditors' reports of the subsidiary Company incorporated in India.

   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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as referred to in note 36(I)(f) to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, 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 Group.

For **D T S & Associates**
Chartered Accountants
(Registration No. 142412W)

**Anuj Bhatia**
Partner
Membership No.: 122179

Place: Mumbai
Date: September 07, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Sikka Ports & Terminals Limited (Formerly known as "Reliance Ports And Terminals Limited") on the consolidated Ind AS financial statements for the year ended 31st March, 2018)

**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")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31st March, 2018, we have audited the Internal Financial Controls over financial reporting of Sikka Ports & Terminals Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") as of that date.

**Management's Responsibility For Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary, all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning Of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations Of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company.

For **D T S & Associates**
Chartered Accountants
(Registration No. 142412W)

**Anuj Bhatia**
Partner
Membership No.: 122179

Place: Mumbai
Date: September 07, 2018

# Consolidated Balance Sheet as at 31st March 2018

| | Notes | As at 31st March, 2018 | (₹ in crore) As at 31st March, 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 1 | **15 456.87** | 17 236.85 |
| Capital Work-in-Progress | 1 | **48.85** | 95.36 |
| Intangible Assets | 1 | **1.57** | 2.66 |
| Financial Assets | | | |
| Investments | 2 | **2 108.13** | 1 634.93 |
| Loans | 3 | **890.88** | 1 015.57 |
| Other Financial Assets | 4 | **206.87** | 202.70 |
| Other Non-Current assets | 5 | **729.38** | 713.50 |
| **Total Non-Current Assets** | | **19 442.55** | 20 901.57 |
| **Current Assets** | | | |
| Inventories | 6 | **473.45** | 477.13 |
| Financial Assets | | | |
| Investments | 7 | **5 130.85** | 5 328.88 |
| Trade Receivables | 8 | **218.69** | 205.41 |
| Cash and Cash Equivalents | 9 | **24.25** | 14.07 |
| Other Bank Balances | 10 | **68.57** | 64.31 |
| Loans | 11 | **2 188.27** | 67.09 |
| Other Financial Assets | 12 | **82.64** | 23.93 |
| Other Current Assets | 14 | **324.12** | 338.12 |
| **Total Current Assets** | | **8 510.84** | 6 518.94 |
| **Assets held for Disposal** | | **5.18** | 6.76 |
| **Regulatory Assets** | 33 | **3 169.00** | 2 965.00 |
| **Total Assets** | | **31 127.57** | 30 392.27 |
| **EQUITY & LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 15 | **275.00** | 275.00 |
| Other Equity | 16 | **11 493.30** | 10 366.26 |
| **Equity attributable to the owners** | | **11 768.30** | 10 641.26 |
| Non Controlling Interest | | **(4 802.75)** | (4 445.57) |
| **Total Equity** | | **6 965.55** | 6 195.69 |
| **Liabilities** | | | |
| **Non - Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17 | **18 153.88** | 19 044.33 |
| Other Financial Liabilities | 18 | **461.88** | 468.88 |
| Deferred Tax Liability (Net) | 19 | **1 665.29** | 2 274.58 |
| Other Non - Current Liabilities | 20 | **796.84** | 860.80 |
| **Total Non - Current Liabilities** | | **21 077.89** | 22 648.59 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | **940.00** | - |
| Trade Payables | 22 | **230.98** | 206.79 |
| Other Financial Liabilities | 23 | **1 787.77** | 1 243.96 |
| Other Current liabilities | 24 | **124.19** | 95.96 |
| Provisions | 25 | **1.19** | 1.28 |
| **Total Current Liabilities** | | **3 084.13** | 1 547.99 |
| **Total Liabilities** | | **24 162.02** | 24 196.58 |
| **Total Equity and Liabilities** | | **31 127.57** | 30 392.27 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Consolidated Financial Statements | 1-46 | | |

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 7th September, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

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

(₹ in crore)

| **Income** | Notes | **2017-18** | 2016-17 |
|---|---|---|---|
| Revenue from Operations | 26 | **4 537.70** | 4 609.39 |
| Other Income | 27 | **954.58** | 937.30 |
| **Total Income** | | **5 492.28** | 5 546.69 |
| **Expenses** | | | |
| Cost of Materials Consumed | | **5.41** | 6.29 |
| Employee Benefits Expense | 28 | **62.85** | 64.13 |
| Finance Costs | 29 | **2 358.36** | 1 868.89 |
| Depreciation and Amortisation Expense | 30 | **1 814.54** | 2 149.87 |
| Other Expenses | 31 | **1 132.75** | 872.25 |
| **Total Expenses** | | **5 373.91** | 4 961.43 |
| **Profit / (Loss) before Rate Regulated Activities and Tax** | | **118.37** | 585.26 |
| Regulatory Income | | **204.00** | 205.00 |
| **Profit / (Loss) Before Tax** | | **322.37** | 790.26 |
| **Tax Expense** | | | |
| Current Tax | 13 | **216.14** | 238.00 |
| Deferred Tax | 19 | **( 657.85)** | ( 833.52) |
| **Profit for the Year** | | **764.08** | 1 385.78 |
| **Other Comprehensive Income** | | | |
| A (i) Items that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge | | **9.97** | 236.57 |
| (ii) Income taxes relating to items that will be reclassified to Statement of Profit and Loss | | **( 3.45)** | (50.49) |
| B (i) Item that will not to be reclassified to Statement of Profit and Loss | 28.1 | **( 0.70)** | 3.66 |
| (ii) Income taxes relating to items that will not be reclassified to Statement of Profit and Loss | | **( 0.04)** | (0.00) |
| **Total Comprehensive Income for the Year** | | **769.86** | 1 575.52 |
| **Net Profit attributable to:** | | | |
| a) Owners of the Company | | **1 120.87** | 1 578.03 |
| b) Non Controlling Interest | | **( 356.79)** | (192.25) |
| **Other Comprehensive Income attributable to:** | | | |
| a) Owners of the Company | | **6.17** | 187.95 |
| b) Non Controlling Interest | | **( 0.39)** | 1.79 |
| **Total Comprehensive Income attributable to:** | | | |
| a) Owners of the Company | | **1 127.04** | 1 765.98 |
| b) Non Controlling Interest | | **( 357.18)** | ( 190.46) |
| **Earnings Per Equity Share of face value of ₹1 each** | | | |
| Basic and Diluted (In ₹) | 32 | **2.78** | 5.04 |

Significant Accounting Policies
See accompanying Notes to the Consolidated Financial Statements 1-46

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 7th September, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Consolidated Statement of Changes in Equity for the year ended 31st March 2018

**A. Equity Share Capital**

(₹ in crore)

| Particulars | As at 1st April, 2016 | Changes during 2016-17 | As at 31st March, 2017 | Changes during 2017-18 | As at 31st March, 2018 |
|---|---|---|---|---|---|
| Equity Share Capital | 275.00 | - | 275.00 | - | 275.00 |

**B. Other Equity** (₹ in crore)

| | Reserves and Surplus | | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | Debenture Redemption Reserve | Retained Earnings | Cashflow Hedging Reserve | Defined Benefit Plans | |
| **As on 31st March 2017** | | | | | | | | |
| Balance at the beginning of the reporting period i.e. 1st April, 2016 | 13 085.92 | 4.41 | 20 163.06 | 574.50 | (24 732.12) | (19.31) | (0.91) | **9 075.55** |
| Total Comprehensive Income for the year | - | - | - | - | 1 578.03 | 184.32 | 3.63 | **1 765.98** |
| Adjustment relating to Financial Instruments transferred to Non Controlling Interest | - | - | - | - | ( 475.27) | - | - | **( 475.27)** |
| Transfer to / (from) retained earning | - | - | - | 170.00 | ( 170.00) | - | - | **-** |
| **Balance at the end of the reporting period i.e. 31st March, 2017** | **13 085.92** | **4.41** | **20 163.06** | **744.50** | **(23 799.36)** | **165.01** | **2.72** | **10 366.26** |
| **As on 31st March 2018** | | | | | | | | |
| Balance at the beginning of the reporting period i.e. 1st April, 2017 | **13 085.92** | **4.41** | **20 163.06** | **744.50** | **(23 799.36)** | **165.01** | **2.72** | **10 366.26** |
| Total Comprehensive Income for the year | - | - | - | - | 1 120.87 | 6.91 | ( 0.74) | **1 127.04** |
| Transfer to / (from) retained earning | - | - | - | 585.00 | ( 585.00) | - | - | **-** |
| **Balance at the end of the reporting period i.e. 31st March, 2018** | **13 085.92** | **4.41** | **20 163.06** | **1 329.50** | **(23 263.49)** | **171.92** | **1.98** | **11 493.30** |

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 7th September, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Consolidated Cash Flow Statement for the year ended 31st March 2018

(₹ in crore)

| | | | 2017-18 | | 2016-17 |
|---|---|---|---|---|---|
| **A:** | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| | **Net Profit / (Loss) Before Tax as per Statement of Profit and Loss** | | **322.37** | | 790.26 |
| | Adjusted for: | | | | |
| | Depreciation and Amortisation Expense | **1 814.54** | | 2 149.87 | |
| | Capital Work-in-Progress written off | **20.71** | | - | |
| | (Profit) / Loss on sale of Property, Plant and Equipment (Net) | **1.20** | | 1.32 | |
| | Net Gain on Financial Assets | **( 601.96)** | | (1 701.83) | |
| | Disposal of Investment without consideration | **-** | | 93.60 | |
| | Finance Costs | **2 358.36** | | 1 868.89 | |
| | Effect of Exchange Rate Change | **( 0.27)** | | ( 3.01) | |
| | (Gain)/Loss arising on financial assets (Net) | **( 129.86)** | | (33.21) | |
| | Other financial assets carried at amortised cost | **75.47** | | 81.51 | |
| | Interest Income | **( 143.29)** | | ( 127.40) | |
| | | | **3 394.90** | | 2 329.74 |
| | **Operating Profit before Working Capital Changes** | | **3 717.27** | | 3 120.00 |
| | Adjusted for: | | | | |
| | Trade and Other Receivables | **( 285.63)** | | ( 299.33) | |
| | Inventories | **3.68** | | ( 13.18) | |
| | Trade and Other Payables | **( 22.92)** | | ( 896.80) | |
| | | | **( 304.87)** | | (1 209.31) |
| | **Cash Generated from Operations** | | **3 412.40** | | 1 910.69 |
| | Taxes Paid (net) | | **( 227.63)** | | ( 525.48) |
| | **Net Cash from Operating Activities** | | **3 184.77** | | 1 385.21 |
| **B:** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| | Purchase of Property, Plant and Equipment / Capital Work in Progress | **( 30.27)** | | ( 35.18) | |
| | Sale of Property, Plant and Equipment | **5.89** | | 9.48 | |
| | Change in Loans and Advances (net) | **(1 889.23)** | | 3 323.37 | |
| | Purchase of Other Investments | **(22 808.49)** | | (63 119.87) | |
| | Proceeds from Sale of Other Investments | **22 822.20** | | 60 266.68 | |
| | Deposits placed with Banks | **( 4.25)** | | ( 5.77) | |
| | Interest Income | **10.96** | | 22.83 | |
| | **Net Cash flow (used in) Investing Activities** | | **(1 893.19)** | | 461.54 |
| **C:** | **CASH FLOW FROM FINANCING ACTIVITIES:** | | | | |
| | Proceeds from Short Term Borrowings | **940.00** | | 3 982.24 | |
| | Repayment of Short Term Borrowings | **-** | | (3 982.24) | |
| | Proceeds from Borrowing - Non Current | **9.40** | | 4 000.00 | |
| | Repayment of Borrowings - Non Current (including premium) | **( 940.00)** | | (4 537.47) | |
| | Interest and Finance Charges Paid | **(1 290.80)** | | (1 382.28) | |
| | **Net Cash from / (used in) Financing Activities** | | **(1 281.40)** | | (1 919.75) |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **10.18** | | ( 73.00) |
| | **Opening Balance of Cash and Cash Equivalents** | | **14.07** | | 87.07 |
| | **Closing Balance of Cash and Cash Equivalents (refer Note 9)** | | **24.25** | | 14.07 |

**Change in Liability arising from financing activities**

| | 1st April 2017 | Cash flow (net) | effective interest rate adjustment | 31st March 2018 |
|---|---|---|---|---|
| **Borrowings Non - Current Liabilities (refer Note 17)** | **19 044.33** | **( 930.60)** | **1 040.15** | 19 153.88 |
| **Borrowings Current Liabilities (refer Note 21)** | **-** | **940.00** | - | 940.00 |

**Notes:**

1) Figures in brackets represents cash outflows.
2) Previous year figures have been regrouped, reclassified and rearranged wherever necessary.
3) The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

**As per our Report of even date**

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 7th September, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**A. CORPORATE INFORMATION**

A.1 The name of the Company has been changed from Reliance Ports And Terminals Limited to Sikka Ports & Terminals Limited ("the Company") with effect from 14th March, 2018. It is an entity incorporated in India. The debentures issued by the Company are listed on BSE Ltd on the Wholesale Debt Segment.

The address of Registered Office is Admin Building, MTF Area, Village Sikka, Taluka & District Jamnagar – 361 140, Gujarat. Other principal places of business are as follows :

i) Village Motikhavdi, P.O. Reliance Greens, Dist. Jamnagar, Gujarat - 361142.

ii) SSO A4, Village Motikhavdi, PO Digvijaygram, Taluka and District, Jamnagar - 361140

iii) Flat no 18-19, Block No 2, Reliance Kaveri Apartment, Dahej By Pass Road, Bharuch

Company is engaged in the business of Port Infrastructure facilities, Equipment Hiring, Construction and Engineering services, Provision of Infrastructure facilities as co-developer in Special Economic Zone (SEZ), Holding of investments, Gas Transportation through Pipeline and Operation and Maintenance of Pipeline.

A.2 Details of following Subsidiaries are considered in this consolidated financial statements are given in Note. The Company together with its subsidiaries is hereinafter referred to as Group.

1. EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited) (EHPL)
2. East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited) (EWPL)

**B. SIGNIFICANT ACCOUNTING POLICIES**

B.1 **Basis of Preparation and Presentation**

The consolidated financial statements have been prepared on a historical cost basis, except for property, plant and equipment to the extent stated at deemed cost as per Ind AS-101 and certain financial assets and liabilities, which are measured at fair value / amortised cost.

The consolidated financial statements of the Group 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 consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency.

B.2 **Principles of Consolidation**

The consolidated financial statements relate to the Company and its subsidiary companies and associates. The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions

(b) Profit or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment , are eliminated in full.

(c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

(e) Non Controlling interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

(f) Non Controlling interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

(g) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures

(h) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

B.3 **Summary of Significant Accounting Policies**

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

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

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

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation on property, plant and equipment is provided to the extent of depreciable amount using Written Down Value Method (WDV) except as stated otherwise.

Depreciation on property, plant and equipment of the Company is provided by using WDV, where as depreciation on property, plant and equipment of the subsidiary is provided on straight line method.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

| **Particulars** | **Depreciation/Amortisation** |
|---|---|
| Leasehold Land | Over the period of Lease |
| Plant and Machinery and Jetties | Over the Useful Life of 10-30 years as technically assessed |
| Loose Tools | 3 years |
| Building constructed on leasehold land | Over the period of Lease or Useful life wherever is lower |
| Vehicles held under contractual arrangements | Over the period of contracts/arrangements |

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

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

In case of jetties, the cumulative amortization for the original cost incurred at the end of any financial year is, the higher of cumulative depreciation as per Schedule II of the Companies Act, 2013 or cumulative rebate availed by the Company from Gujarat Maritime Board, moreover depreciation / amortisation on original cost is provided as above upto end of the specified period as prescribed in Schedule II of the Companies Act, 2013, and residual value is amortised in the year following the year in which such specified period is ended.

(b) **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 in the period in which they are incurred.

(c) **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 and duties incurred in bringing them to their respective present location and condition.

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

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(d) **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.

(e) **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.

(f) **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.

(g) **Provisions :**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) **Intangible Assets :**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised under staright line method over the period of useful lives.

(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.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Remeasurements are not re-classified to Statement of Profit and Loss in subsequent periods

(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 which case, the tax is also recognised in other comprehensive income and equity.

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 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.

Minimum Alternative Tax (MAT) is applicable to the Company. Tax credits in respect of MAT, to the extent, it is probable that future taxable profits will be available against which such carry forward tax credits can be utilised are recognised as Deferred Tax Assets / MAT Credit Entitlement.

(k) **Foreign Currencies Transactions and Translation :**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. 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 or Loss are also recognised in OCI or Statement of Profit or Loss, respectively).

(l) **Revenue Recognition :**

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

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. Amount received upfront in lumpsum under Agreement from Customers is recognised on a pro-rata basis over the period of the relevant Agreement.

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.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**-Interest Income**

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

**-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 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.

(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 Companies Act, 2013 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.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(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.

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

**B. Subsequent measurement**

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

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

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

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Equity Investments:**

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**D. Investment in Associates**

Investments in associate is measured at Cost

**E. 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).

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

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

i) 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

ii) 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**

Financial liabilities are recognized at fair value / amortised cost and in case of borrowings, net of directly attributable cost

**B. Subsequent measurement**

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

**III. Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, 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, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**a. Cash flow hedge**

The Company designates derivative contracts as cash flow hedges to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in Other Comprehensive Income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

**b. Fair Value Hedge**

The Company designates derivative contracts or non derivative financial assets/liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to Statement of Profit and Loss over the period of maturity.

**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.

(r) **Recent Accounting Pronouncements :**

**Standards issued but not yet effective**

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

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

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

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

(i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

(ii) Ind AS 40 - Investment Property

(iii) Ind AS 12 - Income Taxes

(iv) Ind AS 28 - Investments in Associates and Joint Ventures and

(v) Ind AS 112 - Disclosure of Interests in Other Entities

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

**C CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

**a. Depreciation/amortisation and useful lives of property plant and equipment/intangible assets**

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

**b. Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c. Provisions**

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

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**d. Impairment of non-financial assets**

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

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

**e. Impairment of financial assets**

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

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

## 1. Property, Plant And Equipment, Capital Work-In-Progress And Intangible Assets

(₹ in crore)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2017 | Additions | Deductions / Adjustments | **As at 31-03-2018** | As at 01-04-2017 | Fort the Year | Deductions / Adjustments | **As at 31-03-2018** | **As at 31-03-2018** | As at 31-03-2017 |
| **Property, Plant and Equipment:** | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold | 395.75 | 0.41 | - | **396.16** | - | - | - | **-** | **396.16** | 395.75 |
| Leasehold | 7.21 | - | - | **7.21** | 2.37 | 0.80 | - | **3.17** | **4.04** | 4.84 |
| Buildings | 434.45 | - | - | **434.45** | 51.00 | 23.93 | - | **74.93** | **359.52** | 383.45 |
| Line Pack Gas | 78.14 | - | - | **78.14** | - | - | - | **-** | **78.14** | 78.14 |
| Plant and Machinery | 16 750.51 | 38.93 | 292.40 | **16 497.04** | 3 221.68 | 1 258.53 | 285.87 | **4 194.34** | **12 302.70** | 13 528.83 |
| Office Equipments | 1.40 | 0.24 | - | **1.64** | 0.33 | 0.56 | - | **0.89** | **0.75** | 1.07 |
| Furniture and Fixtures | 72.58 | 0.98 | - | **73.56** | 39.31 | 11.89 | - | **51.20** | **22.36** | 33.27 |
| Vehicles | 10.07 | - | 4.36 | **5.71** | 6.59 | 1.11 | 3.80 | **3.90** | **1.81** | 3.48 |
| Jetties (refer Note 1.2) | 4 298.60 | - | - | **4 298.60** | 1 490.58 | 516.63 | - | **2 007.21** | **2 291.39** | 2 808.02 |
| **Total (A)** | **22 048.71** | **40.56** | **296.76** | **21 792.51** | **4 811.86** | **1 813.45** | **289.67** | **6 335.64** | **15 456.87** | 17 236.85 |
| **Intangible Assets:** | | | | | | | | | | |
| Computer Software* | 4.55 | - | - | **4.55** | 1.89 | 1.09 | - | **2.98** | **1.57** | 2.66 |
| **Total (B)** | **4.55** | **-** | **-** | 4.55 | **1.89** | **1.09** | **-** | 2.98 | 1.57 | 2.66 |
| **Total (A) + (B)** | **22 053.26** | **40.56** | **296.76** | **21 797.06** | **4 813.75** | **1 814.54** | **289.67** | **6 338.62** | **15 458.44** | 17 239.51 |
| **Previous Year** | **22 058.37** | **36.82** | **41.93** | **22 053.26** | **2 695.01** | **2 149.87** | **31.13** | **4 813.75** | **17 239.51** | |
| Capital Work-in-Progress | | | | | | | | | **48.85** | 95.36 |

* other than internally generated

**1.1** Additions to Property, Plant and Equipment of ₹ Nil (Previous Year ₹ 4.66 crore) on account of exchange differences in respect of Buildings, Plant and Machineries and Jetties.

**1.2** The ownership of the Jetties vests with Gujarat Maritime Board (GMB). However, under the agreements with GMB, the Company has been permitted to use the same.

**1.3** Capital Work-in-Progress includes ₹ 20.51 crore (Previous Year ₹ 47.71 crore) on account of cost of construction material at site.

**1.4** Buildings includes cost of shares in Co-operative Housing Societies of ₹ 1000 (Previous Year ₹ 1000) and ₹ 78.20 crore (Previous Year ₹ 78.20 crore) being building constructed on land owned by others.

**1.5** For Properties hypothecated/mortgaged as security - refer Note 17

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| **2.** | **Non-Current Investments** | | | | |
| | **Investments measured at Fair Value through Profit and Loss** | | | | |
| | **In Equity Shares of Others** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | Reliance Global Holdings Pte Limited of USD 1/- each | **1 99 900** | **91.82** | 1 99 900 | 106.33 |
| | **In Preference Shares of Others** | | | | |
| | **Unquoted, Fully Paid Up** | | | | |
| | Reliance Global Holdings Pte Limited of USD 1/- each | **20 00 00 000** | **1 540.72** | 20 00 00 000 | 1 440.07 |
| | **Investments in Units of Fixed Maturity Plan** | | | | |
| | **Quoted, Fully Paid Up** | | | | |
| | HDFC FMP 1107D March 16 (1) - Series 36 - Direct-Growth of ₹10 each | **5 00 00 000** | **58.84** | 5 00 00 000 | 54.97 |
| | Kotak FMP Series 191 Direct - Growth of ₹10 each | **2 00 00 000** | **23.53** | 2 00 00 000 | 21.96 |
| | Religare Invesco FMP - Series 22 Plan F (15 Months) Regular Plan of ₹ 10 each | **-** | **-** | 90 00 000 | 11.60 |
| | ICICI Prudential Fixed Maturity Plan Series 82-1223 Days Plan E Cum of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | DSP BlackRock FMP Series - 219 - 40 Month Reg-Growth of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | Birla Sun Life Fixed Term Plan-Series PB (1190 days) Reg-Growth of ₹ 10 each | **1 00 00 000** | **10.15** | - | - |
| | **Investments in Perpetual Bonds** | | | | |
| | **Quoted, Fully Paid Up** | | | | |
| | Bank of Baroda | **500** | **49.27** | - | - |
| | HDFC | **1 000** | **100.78** | - | - |
| | State Bank of India | **2 150** | **212.72** | - | - |
| | **In Limited Liability Partnership (LLP)** | | | | |
| | Akshaj Enterprises LLP [₹ 33,000 (Previous Year ₹ 33,000)] | **-** | **0.00** | - | 0.00 |
| | **Total of Investments measured at Fair Value through Profit and Loss** | | **2 108.13** | | 1 634.93 |
| | **Total Non-Current Investments** | | **2 108.13** | | 1 634.93 |
| | Aggregate amount of quoted investments | | **475.59** | | 88.52 |
| | Market Value of quoted investments | | **475.59** | | 88.52 |
| | Aggregate amount of unquoted investments | | **1 632.54** | | 1 546.41 |
| **2.1** | **Category-wise Non-Current Investment** | | | | |
| | Financial assets measured at Fair Value through Profit & Loss | | **2 108.13** | | 1 634.93 |
| | | | **2 108.13** | | 1 634.93 |

**2.2** Investments covered under Section 186(4) of the Companies Act, 2013 and outstanding as on close of the financial year are given in above note.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**2.3 Investments in Limited Liability Partnership (LLP)**

| Sr. No. | Name of the Partners | Capital Contribution | Amount ₹ |
|---|---|---|---|
| 1. | Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited) | 16.50% | 33 000 |
| 2. | Sikka Ports & Terminals Limited (Formerly Reliance Ports And Terminals Limited) | 16.50% | 33 000 |
| 3. | Antilia Commercial Private Limited | 48.00% | 96 000 |
| 4. | Exotic Investments And Trading Company Private Limited | 19.00% | 38 000 |
| | **Total** | | **2 00 000** |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **3. Loans - Non Current Assets** | | |
| *(Unsecured and Considered Good)* | | |
| Loans and Advances to other Bodies Corporate | **887.00** | 1 009.60 |
| Loans and Advances to employees | **3.88** | 5.97 |
| **Total** | **890.88** | 1 015.57 |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **4. Other Financial Assets - Non Current** | | |
| Security Deposits | **1.46** | 1.40 |
| Fair value of derivatives - receivables | **205.41** | 201.30 |
| **Total** | **206.87** | 202.70 |

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **5. Other Non - Current Assets** | | |
| Balance with Goverment Authorities etc. | **4.66** | 5.86 |
| Capital Advances | **0.02** | 1.72 |
| Advance Income Tax (Net of Provision) | **654.61** | 598.06 |
| Deposits | **21.94** | 20.09 |
| Others * | **48.15** | 87.77 |
| **Total** | **729.38** | 713.50 |

* includes prepaid expenses and other advances.

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **Advance Income Tax (Net of Provision)** | | |
| At start of year | **598.05** | 361.07 |
| Charge for the year | **( 216.14)** | ( 238.00) |
| Others # | **45.07** | ( 50.49) |
| Tax paid during the year | **227.63** | 525.48 |
| **Total** | **654.61** | 598.06 |

# represents tax on Other Comprehensive Income

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| | | | (₹ in crore) |
| **6.** | **Inventories** | | |
| | Stock of Natural Gas and Fuel | **9.12** | 10.63 |
| | Stores, Spares and Consumables | **464.33** | 466.50 |
| | **Total** | **473.45** | 477.13 |

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| **7.** | **Current Investments** | | | | |
| | Investment measured at Fair Value through Profit and Loss | | | | |
| | **In Mutual Fund - Unquoted** | | | | |
| | LIC Nomura MF Liquid Fund - Direct - Growth Plan of ₹1000 each | - | - | 45 479 | 13.41 |
| | L&T Liquid Fund - Direct Plan - Growth of ₹1000 each | **9 15 266** | **217.45** | 1 1 36 046 | 253.34 |
| | HDFC Liquid Fund -Direct Plan - Growth of ₹10 each | - | - | 22 944 | 7.36 |
| | UTI Money Market Fund - Institutional Plan - Direct Plan - Growth of ₹ 1000 each | **3 44 223** | **67.11** | 3 440 | 0.63 |
| | IDFC Cash Fund - Direct Plan - Growth of ₹1000 each | **24 915** | **5.26** | 26 098 | 5.16 |
| | ICICI Prudential Income Opportunities Fund - Growth of ₹10 each | - | - | 2 00 25 989 | 46.08 |
| | DSP Blackrock Ultra Short Term Fund - Direct Plan- Growth of ₹10 each | - | - | 13 91 325 | 1.66 |
| | Kotak Bond Short Term - Direct Plan - Growth of ₹10 each | - | - | 5 96 98 754 | 188.89 |
| | Axis Short Term Fund - Direct Plan - Growth of ₹ 10 each | - | - | 10 87 80 785 | 200.17 |
| | ICICI Prudential Ultra Short Term - Direct Plan - Growth of ₹ 10 each | - | - | 30 41 76 083 | 520.52 |
| | Axis Liquid Fund -Direct Growth of ₹ 1000 each | - | - | 8 05 669 | 145.28 |
| | Birla Sun Life Short Term Fund -Direct-Growth of ₹ 10 each | - | - | 7 99 89 633 | 500.28 |
| | DSP Black Rock Liquid Fund Direct Plan - Growth of ₹ 1000 each | - | - | 23 34 754 | 543.01 |
| | Franklin-India TMA - SIP -Direct Plan Growth of ₹ 1000 each | **49 215** | **12.78** | 8 88 157 | 216.02 |
| | HFDC High Interest Fund-Dynamic Plan -Growth of ₹ 10 each | - | - | 3 14 58 027 | 178.15 |
| | HDFC Short Term Opportunities Fund - Direct-Growth of ₹ 10 each | - | - | 44 22 16 166 | 800.43 |
| | ICICI Prudential Money Market Fund Direct Plan - Growth of ₹ 100 each | **85 10 529** | **203.85** | 3 29 92 896 | 742.42 |
| | Kotak Corporate Bond Fund Direct Growth of ₹ 1000 each | **62 867** | **14.35** | 2 30 183 | 50.02 |
| | Kotak Floter Short Term -Direct Plan-Growth of ₹ 1000 each | **13 65 413** | **388.40** | 1 12 502 | 30.03 |
| | Reliance Liquid Fund-Treasury Plan - Direct - Growth of ₹ 1000 each | - | - | 6 32 284 | 250.85 |
| | Tata Money Market Fund - Direct Plan - Growth of ₹ 1000 each | **12 69 943** | **346.33** | 11 30 282 | 289.70 |
| | UTI -Liquid Cash Plan-Instituonal-Direct Plan-Growth of ₹ 1000 each | - | - | 10 00 810 | 266.54 |
| | UTI Liquid Plan Instutional-Direct Growth of ₹ 1000 each | - | - | 21 461 | 5.72 |
| | Kotak Floater Short Term - Direct Plan - Growth of ₹ 1000 each | - | - | 26 213 | 6.97 |
| | Tata Liquid Fund - Direct Plan - Growth of ₹ 1000 each | - | - | 45 592 | 13.68 |
| | ICICI Prudential Money Market Fund - Direct Plan - Growth of ₹ 100 each | **6 31 458** | **15.18** | 2 02 625 | 4.56 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | Particulars | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | Units | Amount |
| | ICICI Prudential Liquid - Direct Plan Growth of ₹ 100 each | **-** | **-** | 7 527 | 0.18 |
| | Religare Liquid Fund - Growth of ₹ 1000 each | **-** | **-** | 7 085 | 1.58 |
| | Birla Sunlife Floating Rate Fund Short Term Plan - Growth - Regular Plan of ₹ 100 each | **2 30 880** | **5.36** | 21 33 141 | 46.26 |
| | Invesco Liquid Fund - Growth of ₹ 1000 each | **82 944** | **19.77** | - | - |
| | Principal Cash Mgmt Fund - Direct Plan - Growth of ₹ 1000 each | **59 300** | **10.04** | - | - |
| | Aditya Birla sun Life Cash Plus - Growth - Direct Plan of ₹ 100 each | **2 07 92 848** | **578.54** | - | - |
| | Reliance Liquid Fund Cash Plan Direct - Growth of ₹ 1000 each | **1 80 428** | **50.65** | - | - |
| | Aditya Birla Sun Life Floating Rate Fund - Short Term Plan - Growth - Regular Plan of ₹ 100 each | **1 33 18 009** | **307.74** | - | - |
| | Axis Liquid Fund - Growth of ₹ 1000 each | **5 15 896** | **99.09** | - | - |
| | Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan of ₹ 100 each | **85 01 419** | **190.88** | - | - |
| | DHFL Pramerica Insta Cash Plus Fund - Growth of ₹ 100 each | **1 14 52 333** | **257.67** | - | - |
| | DHFL Pramerica Short Term Floting Rate Fund - Growth of ₹ 10 each | **2 88 46 050** | **55.43** | - | - |
| | DSP Black Rock Liquidity Fund - Regular Plan - Growth of ₹ 1000 each | **8 72 403** | **215.83** | - | - |
| | Franklin India TMA - Super Institutional Plan - Growth of ₹ 1000 each | **2 83 645** | **73.49** | - | - |
| | Invesco India Liquid Fund Growth of ₹ 1000 each | **10 94 944** | **261.00** | - | - |
| | L&T Ultra Short Term Fund -Regular Growth of ₹ 10 each | **8 57 61 867** | **243.28** | - | - |
| | LICMF Liquid Fund - Regular Plan - Growth of ₹ 1000 each | **69 067** | **21.66** | - | - |
| | Principal Cash Management Fund - Regular Plan Growth of ₹ 1000 each | **4 14 343** | **69.87** | - | - |
| | Reliance Floting Rate Fund - Short Term Plan - Growth Plan of ₹ 10 each | **1 89 50 446** | **51.93** | - | - |
| | Reliance Liquid Fund - Cash Plan - Growth Option of ₹ 1000 each | **33 64 428** | **906.69** | - | - |
| | Sundaram Ultra Short Term Fund - Regular Growth of ₹ 10 each | **2 15 91 464** | **51.19** | - | - |
| | Tata Liquid Fund Regular Plan - Growth of ₹ 1000 each | **2 74 814** | **87.71** | - | - |
| | UTI Money Market Fund - Institutional Plan - Growth of ₹ 1000 each | **15 58 620** | **302.32** | - | - |
| | **Total Current Investments** | | **5 130.85** | | 5 328.88 |
| | Aggregate amount of quoted investments | | **-** | | - |
| | Market Value of quoted investments | | **-** | | - |
| | Aggregate amount of unquoted investments | | **5 130.85** | | 5 328.88 |
| **7.1** | **Category-wise Current Investment** | | | | |
| | Financial Assets measured at Fair Value through Profit and Loss | | **5 130.85** | | 5 328.88 |
| | **Total Current Investments** | | **5 130.85** | | 5 328.88 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **8.** | **Trade Receivables** | | |
| | *(Unsecured and Considered Good)* | | |
| | Trade receivables | **218.69** | 205.41 |
| | **Total** | **218.69** | 205.41 |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **9.** | **Cash and Cash Equivalents** | | |
| | Balance with Banks | **24.24** | 14.06 |
| | Cash on hand | **0.01** | 0.01 |
| | **Cash and cash equivalents as per balance sheet** | **24.25** | 14.07 |
| | **Cash and cash equivalents as per Statement of Cash Flows** | **24.25** | 14.07 |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **10.** | **Other Bank Balances** | | |
| | Fixed deposits with banks * | **68.57** | 64.31 |
| | **Total** | **68.57** | 64.31 |

* under lien with bank towards guarantee and other commitments.

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **11.** | **Loans - Current Assets** | | |
| | *(Unsecured and Considered Good)* | | |
| | Loans and Advances to other Bodies Corporate | **2 188.17** | 66.90 |
| | Loans and Advances to employees | **0.10** | 0.19 |
| | **Total** | **2 188.27** | 67.09 |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **12.** | **Other Financial Assets - Current** | | |
| | Contract Receivables | **2.99** | - |
| | Interest Accrued On Investment-Not Due | **20.03** | - |
| | Fair value of derivatives - receivables | **4.02** | - |
| | Deposits | **-** | 0.02 |
| | Others* | **55.60** | 23.91 |
| | **Total** | **82.64** | 23.93 |

* Includes Interest Receivable.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **13.** | **Taxation** | | |
| | **Income tax recognised in Statement of Profit and Loss** | | |
| | Current tax | **216.14** | 238.00 |
| | Deferred tax | **( 657.85)** | ( 833.52) |
| | **Total income tax expenses recognised in the current year** | **( 441.71)** | ( 595.52) |

**The income tax expenses for the year can be reconciled to the accounting profit as follows:**

(₹ in crore)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| Profit before tax | **322.37** | 790.26 |
| Applicable Tax Rate | **34.6080%** | 34.6080% |
| Computed Tax Expense | **111.56** | 273.49 |
| **Tax effect of :** | | |
| Expenses disallowed | **599.71** | 465.64 |
| Fair Value Changes | **311.00** | 581.22 |
| Additional allowances net of MAT Credit | **( 806.13)** | (1 082.35) |
| **Current Tax Provision (A)** | **216.14** | 238.00 |
| Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets | **( 507.76)** | ( 665.10) |
| Incremental / (Reversal) of Deferred Tax Asset / Liability on account of Financial Assets and Other Items | **( 150.09)** | ( 168.42) |
| **Deferred tax Provision (B)** | **( 657.85)** | ( 833.52) |
| **Tax Expenses recognised in Statement of Profit and Loss (A+B)** | **( 441.71)** | ( 595.52) |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **14.** | **Other Current Assets** | | |
| | Advance paid for Gratuity | **2.27** | 3.14 |
| | Balance with Government Authorities | **10.06** | 6.41 |
| | Deposits | **62.64** | 62.35 |
| | Others * | **249.15** | 266.22 |
| | **Total** | **324.12** | 338.12 |

* includes prepaid expenses, advance to vendors and VAT refundable etc.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount | No. of Shares | Amount |
| **15.** | **Equity Share Capital** | | | | |
| | **Authorised Share Capital** | | | | |
| | Equity Shares of ₹ 1 each | **5000 00 00 000** | **5 000.00** | 5000 00 00 000 | 5 000.00 |
| | Preference Shares of ₹ 10 each | **250 00 00 000** | **2 500.00** | 250 00 00 000 | 2 500.00 |
| | **Total** | | **7 500.00** | | 7 500.00 |
| | **Issued, Subscribed and Paid up Share Capital :** | | | | |
| | Equity Shares of ₹ 1 each fully paidup | **275 00 00 000** | **275.00** | 275 00 00 000 | 275.00 |
| | **Total** | | **275.00** | | 275.00 |

**15.1 The details of shareholders holding more than 5% shares :**

| Name of the Shareholder | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| **Equity Share :** | | | | |
| Reliance Industries Holding Private Limited (Holding Company along with nominees) | **275 00 00 000** | **100.00** | 275 00 00 000 | 100.00 |

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

| **Particulars** | As at 31st March 2018 No. of Shares | As at 31st March 2017 No. of Shares |
|---|---|---|
| **Equity Share :** | | |
| Equity Shares at the beginning of the year | **275 00 00 000** | 275 00 00 000 |
| Equity Shares at the end of the year | **275 00 00 000** | 275 00 00 000 |

**15.3 Rights and Restrictions to 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 the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **16.** | **Other Equity** | | |
| | **Capital Reserve** | | |
| | Opening Balance | **13 085.92** | 13 085.92 |
| | **Capital Redemption Reserve** | | |
| | Opening Balance | **4.41** | 4.41 |
| | **Securities Premium Reserve** | | |
| | Opening Balance | **20 163.06** | 20 163.06 |
| | **Debentures Redemption Reserve** | | |
| | Opening Balance | **744.50** | 574.50 |
| | Transferred from Retained Earnings | **585.00** | 170.00 |
| | | **1 329.50** | 744.50 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

| | As at 31st March 2018 | (₹ in crore) As at 31st March 2017 |
|---|---|---|
| **Retained Earnings** | | |
| Opening Balance | **(23 799.36)** | (24 732.12) |
| Profit for the year | **1 120.87** | 1 578.03 |
| Adjustment relating to Financial Instruments transferred to Non Controlling Interest | **-** | ( 475.27) |
| Transferred to Debenture Redemption Reserve | **( 585.00)** | ( 170.00) |
| | **(23 263.49)** | (23 799.36) |
| **Other Comprehensive Income (OCI)** | | |
| Opening Balance | **167.73** | ( 20.22) |
| Movement in OCI (Net) during the year | **6.17** | 187.95 |
| | **173.90** | 167.73 |
| **Total** | **11 493.30** | 10 366.26 |

**16.1 Nature and Purpose of Reserve :**

**a** Capital Reserve (CR) is created pursuant to various Schemes of Amalgamations and / or Arrangements in earlier years. The CR will be utilised in accordance with the provisions of the Companies Act, 2013.

**b** Capital Redemption Reserve (CRR) was created by erstwhile Reliance Property Management Services Private Limited (now amalgamated with the Company) against redemption of shares. The CRR will be utilised in accordance with the provisions of the Companies Act, 2013.

**c** Securities Premium Reserve (SPR) represents aggregate of (i) amount received in excess of face value of shares issued by the Company or the entities that have amalgamated with the Company in earlier years (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.

**d** Debenture Redemption Reserve (DRR) is created pursuant to requirement of Companies Act, 2013 and rules framed thereunder. Balance available in DRR will be transferred to retained earnings / general reserve upon redemption of debentures issued by the Company from time to time.

In terms of the provisions of Section 71 of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to provide for Debenture Redemption Reserve (DRR) of minimum amount of ₹ 2,625.00 crore, over the tenure of the debentures, being 25% of the outstanding value of Debentures i.e. ₹ 10,500.00 crore. The Company has provided for DRR of ₹ 585.00 crore during the year. The cumulative DRR provided so far is ₹ 1,329.50 crore till 31st March 2018. The Company shall transfer the balance amount to DRR out of profits, if any, in future years. The subsidiary company (EWPL) is required to create a Debenture Redemption Reserve (DRR) in terms of section 71(4) of the Act of ₹ 875.00 crore for Debenture Series PPD - 2 and Debenture Series PPD - 3 over the tenure of the Debentures, out of profits of EWPL. EWPL 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. The EWPL shall transfer the balance amount to DRR out of profits, if any, in future years.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **Non-Current** | **Current** | Non-Current | Current |
| **17. Borrowings - Non Current** | | | | |
| **Secured - At amortised cost** | | | | |
| Non Convertible Debentures | **10 482.85** | **1 000.00** | 11 480.86 | - |
| **Unsecured - At amortised cost** | | | | |
| 10% Non-Cumulative Redeemable Preference Shares (refer Note 17.1) | **1 569.07** | **-** | 1 775.09 | - |
| 9% Non-cumulative Redeemable Preference Shares (refer Note 17.2) | **3 592.56** | **-** | 3 288.38 | - |
| Cumulative Redeemable Preference share (refer Note 17.3) | **9.40** | - | - | - |
| Non Convertible Debentures (refer Note 17.7) | **2 500.00** | - | 2 500.00 | - |
| **Total** | **18 153.88** | **1 000.00** | 19 044.33 | - |

**17.1** Non-Cumulative Redeemable Preference Shares issued by the Company represents the net present value of 10% Non-Cumulative Redeemable Preference Shares Series 1 to 8 (RPS) being 3,76,00,000 shares of face value of ₹ 10/- each redeemable on 31st December, 2026 (Redemption Date) at a price of ₹ 1,000/- each including premium of ₹ 990/- per share aggregating to ₹ 3,760.00 crore comprising of face value of ₹ 37.60 crore and redemption premium of ₹ 3,722.40 crore. The Company has an option to redeem the outstanding RPS at any time prior to Redemption Date by giving 3 days prior notice to the holders of RPS. The RPS will carry a preferential right over the Equity Shares of the Company as regards payment of dividend and as regards repayment of capital in the event of winding up. The RPS carry voting rights prescribed under the provisions of the Companies Act, 2013.

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

| | As at 31st March 2018 | | As at 31st March 2017 | |
|---|---|---|---|---|
| Name of the Shareholders | **No. of Shares** | **% held** | No. of Shares | % held |
| Reliance Industries Holding Private Limited (Holding Company) | **1 52 00 000** | **40.43%** | 1 90 00 000 | 40.43% |
| Kankhal Trading LLP (Entity over which Holding Company exercises control) | **2 24 00 000** | **59.57%** | 2 80 00 000 | 59.57% |

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

| Particulars | As at 31st March 2018<br>No. of Shares | As at 31st March 2017<br>No. of Shares |
|---|---|---|
| RPS at the beginning of the year | **4 70 00 000** | 4 70 00 000 |
| RPS redeemed during the year | **94 00 000** | - |
| RPS at the end of the year | **3 76 00 000** | 4 70 00 000 |

**17.2** Represents the net present value of 9% Non-cumulative Redeemable Preference Shares (RPS) issued by EWPL which 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 EWPL, the above Redeemable Preference Shares are redeemable at any time before the dates mentioned above by giving 30 days notice to the Preference shareholders at a price calculated to give a yield of 8% p.a to the Preference shareholders after taking into account redemption made and dividends already distributed.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

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

| | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **No. of Shares** | **% held** | No. of Shares | % held |
| Reliance Industries Limited | **50 00 00 000** | **66.67%** | 50 00 00 000 | 66.67% |
| Sikka Ports & Terminals Limited (eliminated while consolidating) | **25 00 00 000** | **33.33%** | 25 00 00 000 | 33.33% |

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

| Particulars | **As at 31st March 2018 No. of Shares** | As at 31st March 2017 No. of Shares |
|---|---|---|
| RPS at the beginning of the year | **75 00 00 000** | 75 00 00 000 |
| RPS at the end of the year | **75 00 00 000** | 75 00 00 000 |

**17.3** 94,00,000 9% Cumulative Redeemable Preference Shares (CRPS) issued by the Company of face value of ₹ 10/- each fully paid up shall be redeemed at ₹ 10/- per share at any time, at the option of the Company, but not later than 14th October, 2025. The redemption shall be made in accordance with the applicable provisions of the Companies Act, 2013 and Articles of Association of the Company. The CRPS carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up. The CRPS are non-participating in the surplus funds/ surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The CRPS carry voting rights prescribed under the provisions of the Companies Act, 2013.

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

| **Name of the Shareholders** | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **No. of Shares** | **% held** | No. of Shares | % held |
| Reliance Industries Holding Private Limited (Holding Company) | **94 00 000** | **100%** | - | - |

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

| Particulars | **As at 31st March 2018 No. of Shares** | As at 31st March 2017 No. of Shares |
|---|---|---|
| CRPS at the beginning of the year | **-** | - |
| CRPS issued during the year | **94 00 000** | - |
| CRPS at the end of the year | **94 00 000** | - |

**17.4** 7.90% Secured Redeemable Non Convertible Debentures- PPD 7 issued by the Company amounting to ₹ 2,000.00 crore (Previous Year ₹ 2,000.00 crore) are redeemable at par on November 18, 2026. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

  i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company; and

  ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

**17.5** 7.95% Secured Redeemable Non Convertible Debentures- PPD 6 issued by the Company amounting to ₹ 2,000.00 crore (Previous Year ₹ 2,000.00 crore) are redeemable at par on October 28, 2026. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

  i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

  ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**17.6** 8.45% Secured Redeemable Non Convertible Debentures- PPD 5 issued by the Company amounting to ₹ 4000.00 crore (Previous Year ₹ 4000.00 crore) are redeemable at par on June 12, 2023. These Non Convertible Debentures are secured by;

(a) a pari passu charge by way of hypothecation over;

i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company and

(b) mortgage over a building owned by the Company situated at Kandivali, Mumbai;

**17.7** 10.25% Unsecured Redeemable Non Convertible Debentures- PPD 3 amounting ₹ 2,500.00 crore (Previous Year ₹ 2,500.00 crore) issued by EWPL are redeemable at par on August 22, 2021.

**17.8** 10.40% Secured Redeemable Non Convertible Debentures- PPD 4 issued by the Company amounting to ₹ 2500.00 crore (Previous Year ₹ 2500.00 crore) are redeemable at par on July 18, 2021. These Non Convertible Debentures are secured by;

a pari passu charge by way of hypothecation over;

i) all rights, title, interest, benefit, claims and demands in, to, or in respect of fixed assets of the Company;

ii) movable assets consisting of current assets (including current investments), loans & advances and investment in redeemable securities of the Company

**17.9** 10.95% Secured Redeemable Non Convertible Debentures- PPD 2 amounting to ₹ 1,000.00 crore (Previous Year ₹ 1,000.00 crore) issued by EWPL and redeemable at par on January 6, 2019 are secured on first ranking pari passu basis by way of mortgage / hypothecation / charge over; (a) all Property, plant and equipment of EWPL, both present and future; (b) all stocks, goods, book debts, revenue and Receivables, both present and future, of EWPL 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 bank accounts of EWPL

(₹ in crore)

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| **18.** | **Other Financial Liabilities - Non Current** | | |
| | Security Deposits from Related Party (refer Note 34) | **453.78** | 417.29 |
| | Security Deposits from others | **8.10** | 44.02 |
| | Other Financial Liabilities* | **-** | 7.57 |
| | **Total** | **461.88** | 468.88 |

* represents liability towards forward contracts and fair value of derivative transactions.

**19. Deferred Tax Liability / (Assets) (Net)**

**The movement on the deferred tax account is as follows:**

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **At the start of the year** | **2 274.58** | 3 108.10 |
| Others # | **45.07** | - |
| Charge / (credit) to Statement of Profit and Loss | **( 657.85)** | ( 833.52) |
| Charge / (credit) to Other Comprehensive Income | **3.49** | - |
| **At the end of year** | **1 665.29** | 2 274.58 |

# represents tax on Other Comprehensive Income of earlier years

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**Component of Deferred tax Liability / (Assets) (Net)** (₹ in crore)

| | As at 31st March 2017 | Others | Charge/(credit) to profit or loss | As at 31st March 2018 |
|---|---|---|---|---|
| **Deferred tax Liability / (Assets) (Net) in relation to:** | | | | |
| Property, Plant and Equipment | 5 274.59 | - | ( 507.76) | 4 766.83 |
| Financial Instruments | 1 160.38 | 45.07 | ( 552.67) | 652.78 |
| MAT Credit Entitlement | ( 339.28) | - | ( 78.31) | ( 417.59) |
| Brought Forward Losses | (3 759.12) | - | 229.61 | (3 529.51) |
| Other Assets | 64.77 | - | ( 92.68) | ( 27.91) |
| Other Liabilities | ( 126.32) | - | 347.42 | 221.10 |
| Provisions | ( 0.44) | - | 0.03 | ( 0.41) |
| **Total** | **2 274.58** | **45.07** | **( 654.36)** | **1 665.29** |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **20.** | **Other Non - Current Liabilities** | | |
| | Income received in Advance from Related Party (refer Note 34) | **556.54** | 596.22 |
| | Income received in Advance from Others | **6.61** | 18.32 |
| | Deferral Liability on account of Non-cumulative Redeemable Preference Shares | **165.92** | 182.52 |
| | Other Payables* | **67.77** | 63.74 |
| | **Total** | **796.84** | 860.80 |

* Represents Imbalance and Overrun Charges

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **21.** | **Borrowings - Current** | | |
| | **Unsecured** | | |
| | Loan from Related Party (refer Note 34) | **940.00** | - |
| | **Total** | **940.00** | - |

(₹ in crore)

| | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| **22.** | **Trade Payables** | | |
| | Micro, Small and Medium Enterprises* | **0.09** | 0.17 |
| | Others | **230.89** | 206.62 |
| | **Total** | **230.98** | 206.79 |

**22** * the details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under;

(₹ in crore)

| Particulars | | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|
| (a) | Principal amount due and remaining unpaid | **-** | - |
| (b) | Interest due on (a) above and unpaid interest | **-** | - |
| (c) | Interest paid | **-** | - |
| (d) | Payment made beyond the appointed day during the Year | **-** | - |
| (e) | Interest due and payable for the period of delay | **-** | - |
| (f) | Interest accrued and remaining unpaid | **-** | - |
| (g) | Amount of further interest remaining due and payable in succeeding years | **-** | - |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **23. Other Financial Liabilities - Current** | | |
| Current maturities of long term debt | **1 000.00** | - |
| Interest accrued but not due on borrowings | **760.04** | 761.78 |
| Creditors for Capital Expenditure | **14.56** | 31.77 |
| Other Financial Liabilities * | **13.17** | 450.41 |
| **Total** | **1 787.77** | 1 243.96 |

* includes liability towards forward contracts and Fair value of derivatives - payables.

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **24. Other Current Liabilities** | | |
| Deferral Liability on account of Non-cumulative Redeemable Preference Shares | **16.59** | 16.59 |
| Security Deposits | **4.04** | 3.84 |
| Income received in Advance from Related Party (refer Note 34) | **39.68** | 36.49 |
| Income received in Advance from Others | **5.94** | 5.55 |
| Other Current Liabilities* | **57.94** | 33.49 |
| **Total** | **124.19** | 95.96 |

* includes statutory dues, employee related liabilities and advances from customers etc.

| | | (₹ in crore) |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| **25. Provisions - Current** | | |
| Provisions for Superannuation and Leave Encashment | **1.19** | 1.28 |
| **Total** | **1.19** | 1.28 |

| | | (₹ in crore) |
|---|---|---|
| | **2017-18** | 2016-17 |
| **26. Revenue from Operations:** | | |
| **Sale of Services** | | |
| Port Infrastructure Facilities | **3 516.43** | 3 521.52 |
| Infrastructure Facilities in SEZ | **12.28** | 13.73 |
| Transportation and Logistics | **-** | 0.01 |
| Pipeline Infrastructure Facilities | **845.54** | 994.17 |
| Construction and Engineering | **375.58** | 392.29 |
| | **4 749.83** | 4 921.72 |
| Sale of Products | **5.51** | 6.84 |
| | **4 755.34** | 4 928.56 |
| Less: Service tax / GST recovered | **284.22** | 345.46 |
| **Total Operating Revenue** | **4 471.12** | 4 583.10 |
| Other Operating Revenue | **66.58** | 26.29 |
| **Total** | **4 537.70** | 4 609.39 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

| | | 2017-18 | (₹ in crore) 2016-17 |
|---|---|---|---|
| **27.** | **Other Income:** | | |
| | **Interest from** | | |
| | Other Financial Assets / Liabilties carried at Amortised Cost | **93.86** | 100.38 |
| | Others | **49.43** | 27.02 |
| | | **143.29** | 127.40 |
| | **Net Gain on Financial Assets** | | |
| | Gain on Sale / Transfer of Current Investments (net) | **158.99** | 242.01 |
| | Gain on Investments measured at fair value through profit or loss (net) | **129.86** | 33.21 |
| | Income on derivative transactions (net) | **444.62** | 491.49 |
| | | **733.47** | 766.71 |
| | Gain on Sale of Property, Plant and Equipment | **0.34** | 3.77 |
| | Profit on Sale of Assets held for Disposal | **2.24** | 0.95 |
| | Facilitation and Other Services | **36.57** | 30.10 |
| | Other Non Operating Income | **38.67** | 8.37 |
| | **Total** | **954.58** | 937.30 |

| | | 2017-18 | (₹ in crore) 2016-17 |
|---|---|---|---|
| **28.** | **Employee Benefits Expense** | | |
| | Salaries and Wages | **46.26** | 42.87 |
| | Contribution to Provident and Other Funds | **2.82** | 3.15 |
| | Staff Welfare Expenses | **13.77** | 18.11 |
| | **Total** | **62.85** | 64.13 |

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

**Defined Contribution Plans**

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

(₹ in crore)

| **Particulars** | **2017-18** | 2016-17 |
|---|---|---|
| Employer's Contribution to Provident Fund | **1.56** | 1.50 |
| Employer's Contribution to Superannuation Fund | **0.16** | 0.19 |
| Employer's Contribution to Pension Scheme | **0.63** | 0.60 |

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**Defined Benefit Plan**

**I) Reconciliation of opening and closing balances of Defined Benefit Obligation**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Defined Benefit obligation at beginning of the year | **6.92** | 9.10 |
| Current Service Cost | **0.65** | 0.78 |
| Interest Cost | **0.52** | 0.73 |
| Liability Transferred In / (Out) | **0.07** | 0.07 |
| Actuarial (Gain) / Loss | **0.81** | ( 3.61) |
| Benefits paid | **( 1.57)** | ( 0.15) |
| Defined Benefit obligation at year end | **7.40** | 6.92 |

**II) Reconciliation of opening and closing balances of fair value of Plan Assets**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Fair value of plan assets at beginning of the year | **10.07** | 9.10 |
| Expected Return on Plan Assets | **0.75** | 0.73 |
| Return on Plan Assets | **0.12** | 0.06 |
| Employer's Contribution | **0.24** | 0.26 |
| Assets Transferred In / Acquisitions | **0.07** | 0.07 |
| Benefits paid | **( 1.58)** | ( 0.15) |
| Fair value of plan assets at year end | **9.67** | 10.07 |

**III) Reconciliation of fair value of Assets and Obligations**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| Present value of obligation | **7.40** | 6.92 |
| Fair value of plan assets | **9.67** | 10.07 |
| Amount recognised in Balance Sheet | **(2.27)** | (3.15) |

**IV) Expenses recognised during the year**

(₹ in crore)

| | Gratuity (Funded) | |
|---|---|---|
| | **2017-18** | 2016-17 |
| **In Income Statement** | | |
| Current Service Cost | **0.65** | 0.78 |
| Interest Cost | **0.52** | 0.73 |
| Expected Return on Plan Assets | **( 0.75)** | ( 0.73) |
| **Net Cost** | **0.42** | 0.78 |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain) / Loss | **0.82** | ( 3.60) |
| Return On Plan Assets | **( 0.12)** | ( 0.06) |
| **Net (Income) / Expense For the year Recognised in OCI** | **0.70** | ( 3.66) |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**V) Investment Details**

| | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **(₹ in crore)** | **% Invested** | (₹ in crore) | % Invested |
| Insurance Fund | **9.67** | **100** | 10.07 | 100 |

**VI) Actuarial assumptions**

| | **Gratuity (Funded)** | |
|---|---|---|
| | **2017-18** | 2016-17 |
| Mortality Table (IALM) | **2006-08** | 2006-08 |
| | **(Ultimate)** | (Ultimate) |
| Discount Rate (per annum) | 8.00% | 7.46% |
| Expected rate of return on Plan Assets (per annum) | 8.00% | 7.46% |
| Rate of escalation in Salary (per annum) | 6.00% | 6.00% |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several 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 2017-18.

**VIII) Sensitivity Analysis**

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

(₹ in crore)

| Particulars | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **Decrease** | **Increase** | Decrease | Increase |
| Change in discounting rate (delta effect of +/- 0.5%) | **7.67** | **7.15** | 4.19 | 3.98 |
| Change in rate of salary increase (delta effect of +/- 0.5%) | **7.15** | **7.67** | 3.97 | 4.20 |
| Change in rate of employee turnover (delta effect of +/- 0.25%) | **7.38** | **7.43** | 3.96 | 3.98 |
| Mortality Rate (- / + 10% of mortality rates) | **7.40** | **7.40** | - | - |

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 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.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **29.** | **Finance Costs:** | | |
| | Interest Costs* | **2 356.18** | 1 852.54 |
| | Other Borrowing Costs | **2.18** | 13.39 |
| | Applicable net gain/loss on foreign currency transactions and translation | **-** | 2.96 |
| | **Total** | **2 358.36** | 1 868.89 |

* the Company has redeemed 94,00,000 10% Non-Cumulative Redeemable Preference Shares (Series 9 and 10) of face value of ₹ 10 each at a premium of ₹ 990/- per share aggregating to ₹ 940.00 crore on 29th September 2017. The amount of ₹ 584.98 crore net off pro-rata amount already provided out of profits of earlier years upto 31st March 2017, has been recognised as Finance Costs during the year.

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **30.** | **Depreciation and Amortisation Expense** | | |
| | Depreciation and Amortisation | **1 814.54** | 2 149.87 |
| | **Total** | **1 814.54** | 2 149.87 |

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| **31.** | **Other Expenses** | | |
| | Port Infrastructure related Expenses | **317.17** | 302.65 |
| | Sub Contracts | **82.76** | 78.15 |
| | Electricity, Power and Fuel | **66.06** | 62.86 |
| | Pipeline Transmission Charges | **179.78** | - |
| | Construction Material, Stores, Spares and Consumables | **132.54** | 99.74 |
| | Repairs to Plant and Machinery | **72.18** | 75.53 |
| | Excise Duty | **0.06** | 0.59 |
| | Professional Fees | **8.40** | 19.45 |
| | Insurance | **41.92** | 35.30 |
| | Rent | **4.50** | 2.68 |
| | Rates and Taxes | **2.71** | 5.40 |
| | Repairs to Buildings | **0.55** | 0.30 |
| | Repairs to Others | **40.23** | 25.03 |
| | Payment to Auditors | **0.91** | 1.16 |
| | General Expenses | **59.77** | 64.55 |
| | Capital Work-in-Progress written off | **20.71** | - |
| | Corporate Social Responsibility Expenditure / Charity and Donations | **19.00** | 10.80 |
| | Net Loss / (Gain) on Foreign Currency Transactions and Translation | **6.48** | 1.46 |
| | Other Financial Assets carried at Amortised Cost | **75.47** | 81.51 |
| | Loss on Sale of Property, Plant and Equipment | **1.55** | 5.09 |
| | **Total** | **1 132.75** | 872.25 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| | | **2017-18** | 2016-17 |
|---|---|---|---|
| **31.1** | **Payment to Auditors as :** | | |
| (a) | Auditor : | | |
| | Statutory Audit Fees | **0.83** | 0.81 |
| | Tax Audit Fees | **0.05** | 0.17 |
| | Certification and Consultation Fees | **0.01** | 0.17 |
| (b) | Cost Audit Fees | **0.02** | 0.01 |
| | **Total** | **0.91** | 1.16 |

**31.2 Corporate Social Responsibility (CSR)**

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 18.97 crore (Previous Year ₹ 10.74 crore).

(b) Expenditure related to Corporate Social Responsibility is ₹ 19.00 crore (Previous Year ₹ 10.80 crore).

Details of Amount spent towards CSR given below:

(₹ in crore)

| | **2017-18** | 2016-17 |
|---|---|---|
| **Particulars** | | |
| Health Care | **16.00** | - |
| Animal Welfare | **3.00** | 10.80 |
| **Total** | **19.00** | 10.80 |

| | | **2017-18** | 2016-17 |
|---|---|---|---|
| **32.** | **Earnings Per Share (EPS)** | | |
| i) | Net Profit after Tax as per Statement of Profit and Loss before considering Regulatory Income (₹ in crore) | **560.08** | 1 180.78 |
| | Add :- Regulatory Income | **204.00** | 205.00 |
| | Less :- Preference Dividend | **0.43** | - |
| | Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore) (Used as Numerator for calculation) | **763.65** | **1 385.78** |
| ii) | Weighted Average number of Equity Shares (Used as Denominator for calculation) | **275 00 00 000** | 275 00 00 000 |
| iii) | Basic and Diluted Earnings Per Share of ₹ 1/- each (In Rupees) | **2.78** | 5.04 |

**33.** 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 EWPL 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.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

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. EWPL has filed application for determination of final tariff and subsequent revisions as directed by PNGRB, which are pending for consideration before them. Pending approval, EWPL has been recognising revenue as per the expected final levelised tariff. Accordingly income of ₹ 2,965.00 crore for the period from 1st April 2009 till 31st March 2017 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 2018, EWPL has recognised an amount of ₹ 204.00 crore as Regulatory Income. The above amount of ₹ 204.00 crore along with ₹ 2,965.00 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 EWPL.

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. EWPL is exposed to regulatory risk to the extent of such variations and disallowance on periodic tariff reviews.

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

**(i) List of related parties where control exists and also related parties with whom transactions have taken place and relationships :**

| Sr. No. | Name of the Related Party | Relationship |
|---|---|---|
| 1 | Reliance Industries Holding Private Limited | Holding Company |
| 2 | Kankhal Trading LLP | Entity over which Holding Company is having control |
| 3 | Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited) | Fellow Subsidiary |
| 4 | Antilia Commercial Private Limited | Fellow Subsidiary |
| 5 | Reliance Industries Limited | Other related party |
| 6 | Shri Vishvanath Indi | Key Managerial Personnel |
| 7 | Shri Ritesh Shiyal | Key Managerial Personnel |
| 8 | Ms. Kalpana Srinivasan | Key Managerial Personnel (upto 15.12.2016) |
| 9 | Ms. V Mohana | Key Managerial Personnel (w.e.f. 16.12.2016) |
| 10 | Reliance Ports And Terminals Limited Employees Provident Fund | Post Employment Benefits Plan |
| 11 | Reliance Ports And Terminals Limited Employees Superannuation Scheme | Post Employment Benefits Plan |
| 12 | Reliance Ports And Terminals Limited Employees Gratuity Fund | Post Employment Benefits Plan |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**(ii) Transactions during the year with Related Parties :** (₹ in crore)

| Sr. No. | Nature of Transactions (Excluding reimbursements) | Holding Company | Fellow Subsidiaries / Entity over which Holding Company is having control | Other related party | Key Managerial Personnel | Post Employment Benefits Plan | Total |
|---|---|---|---|---|---|---|---|
| 1 | Proceeds from Borrowings - Cumulative | **9.40** | **-** | **-** | **-** | **-** | **9.40** |
| | Redeemable Preference Shares | - | - | - | - | - | - |
| 2 | Repayment of Borrowings - Non-Cumulative | **380.00** | **560.00** | **-** | **-** | **-** | **940.00** |
| | Redeemable Preference shares (including premium) | - | - | - | - | | |
| 3 | Loans and advances taken | **-** | **940.00** | **-** | **-** | **-** | **940.00** |
| 4 | Advance from Customers received (repayment) | **-** | **-** | **-** | **-** | **-** | **-** |
| | | - | *( 913.95)* | - | - | - | *( 913.95)* |
| 5 | Deposit given / (received) | **( 0.02)** | **-** | **-** | **-** | **-** | **( 0.02)** |
| | | - | - | - | - | - | - |
| 6 | Deposit refunded | **0.02** | **-** | **-** | **-** | **-** | **0.02** |
| | | - | - | - | - | - | - |
| 7 | Income from Services* | **-** | **2.76** | **3 907.96** | **-** | **-** | **3 910.72** |
| | | - | *14.65* | *3 831.67* | - | - | *3 846.32* |
| 8 | Billing for KMP Salary on Deputation* | **-** | **0.28** | **-** | **-** | **-** | **0.28** |
| | | - | *0.25* | - | - | - | *0.25* |
| 9 | Sale of Traded Goods / Material* | **-** | **-** | **7.21** | **-** | **-** | **7.21** |
| | | - | - | *5.62* | - | - | *5.62* |
| 10 | Lease Rent Expenses [₹ 2000 (Previous Year ₹ 2000)] | **-** | **-** | **0.00** | **-** | **-** | **0.00** |
| | | - | - | *0.00* | - | - | *0.00* |
| 11 | Purchase including Construction Material, fuel, | **-** | **-** | **40.45** | **-** | **-** | **40.45** |
| | Stores, Spares and Consumables* | - | - | *43.01* | - | - | *43.01* |
| 12 | Payment to Key Managerial Personnel | **-** | **-** | **-** | **1.85** | **-** | **1.85** |
| | | - | - | - | *1.56* | - | *1.56* |
| 13 | Other Expense* | **-** | **-** | **0.53** | **-** | **-** | **0.53** |
| | (Previous Year ₹ 21,774) | - | *0.00* | *0.53* | - | - | *0.53* |
| 14 | Employee Benefits Expense | **-** | **-** | **-** | **-** | **3.02** | **3.02** |
| | | - | - | - | - | *2.71* | *2.71* |
| 15 | Sale of Property, Plant and Equipment | **-** | **-** | **1.05** | **-** | **-** | **1.05** |
| | | - | - | - | - | - | - |

* including taxes, wherever applicable

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

(₹ in crore)

| Sr. No. | Nature of Transactions (Excluding reimbursements) | Holding Company | Fellow Subsidiaries / Entity over which Holding Company is having control | Other related party | Key Managerial Personnel | Post Employment Benefits Plan | Total |
|---|---|---|---|---|---|---|---|
| (iii) | **Balances as at 31st March 2018** | | | | | | |
| 16 | **Equity Share Capital** | **275.00** | **-** | **-** | **-** | **-** | **275.00** |
| | | *275.00* | *-* | *-* | *-* | *-* | *275.00* |
| 17 | **Borrowings - Redeemable Preference share [$]** | **643.71** | **934.76** | **3 592.56** | **-** | **-** | **5 171.03** |
| | | *717.60* | *1 057.49* | *3 288.38* | *-* | *-* | *5 063.46* |
| 18 | **Trade Receivable** | **-** | **-** | **180.75** | **-** | **-** | **180.75** |
| | | *-* | *0.94* | *168.67* | *-* | *-* | *169.61* |
| 19 | **Trade Payable** | **-** | **-** | **0.41** | **-** | **-** | **0.41** |
| | | *-* | *-* | *7.92* | *-* | *-* | *7.92* |
| 20 | **Security Deposits taken** | **-** | **-** | **453.78** | **-** | **-** | **453.78** |
| | | *-* | *-* | *417.29* | *-* | *-* | *417.29* |
| 21 | **Income received in Advance** | **-** | **-** | **596.22** | **-** | **-** | **596.22** |
| | | *-* | *-* | *632.71* | *-* | *-* | *632.71* |
| 22 | **Financial Guarantees received** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | *-* | *-* | *0.98* | *-* | *-* | *0.98* |

[$] refer Note 17 for redemption date(s)

Note:- Figures in italics represent Previous Year's amounts.

**Disclosure of material Related Party transactions (in respect of the parties and for the period during which the relationship exists) :**

(₹ in crore)

| Particulars | Relationship | 2017-18 | 2016-17 |
|---|---|---|---|
| **Proceeds from Borrowings - Cumulative Redeemable Preference Shares** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **9.40** | - |
| **Repayment of Borrowings - Non-Cumulative Redeemable Preference shares (including premium)** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **380.00** | - |
| Kankhal Trading LLP | Entity over which Holding Company is having control | **560.00** | - |
| **Loans and advances taken** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **940.00** | - |
| **Advance from Customers received (repayment)** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **-** | ( 913.95) |
| **Deposit given / (received)** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **( 0.02)** | - |
| **Deposit refunded** | | | |
| Reliance Industries Holding Private Limited | Holding Company | **0.02** | - |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**Disclosure of material Related Party transactions (in respect of the parties and for the period during which the relationship exists) : (Continued)**

(₹ in crore)

| **Particulars** | **Relationship** | **2017-18** | 2016-17 |
|---|---|---|---|
| **Income from Services** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **2.76** | 14.65 |
| Reliance Industries Limited | Other related party | **3 907.96** | 3 831.67 |
| **Billing for KMP Salary on Deputation** | | | |
| Jamnagar Utilities & Power Private Limited | Fellow Subsidiary | **0.28** | 0.25 |
| **Sale of Traded Goods / Material** | | | |
| Reliance Industries Limited | Other related party | **7.21** | 5.62 |
| **Lease Rent Expenses** | | | |
| Reliance Industries Limited [₹ 2000 (Previous Year ₹ 2000)] | Other related party | **0.00** | 0.00 |
| **Purchase including Construction Material, fuel, Stores, Spares and Consumables** | | | |
| Reliance Industries Limited | Other related party | **40.45** | 43.01 |
| **Payment to Key Managerial Personnel** | | | |
| Shri Vishvanath Indi | Key Managerial Personnel | **0.62** | 0.62 |
| Shri Ritesh Shiyal | Key Managerial Personnel | **0.55** | 0.48 |
| Ms. Kalpana Srinivasan | Key Managerial Personnel | **-** | 0.23 |
| Ms. V Mohana | Key Managerial Personnel | **0.68** | 0.23 |
| **Other Expense** | | | |
| Vibrant Advertising Private Limited (₹ 21774) | Fellow Subsidiary | **-** | 0.00 |
| Reliance Industries Limited | Other related party | **0.53** | 0.53 |
| **Employee Benefits Expense** | | | |
| Reliance Ports And Terminals Limited Employees Provident Fund | Post Employment Benefits Plan | **2.65** | 2.32 |
| Reliance Ports And Terminals Limited Employees Superannuation Scheme | Post Employment Benefits Plan | **0.13** | 0.13 |
| Reliance Ports And Terminals Limited Employees Gratuity Fund | Post Employment Benefits Plan | **0.24** | 0.26 |
| **Sale of Property, Plant and Equipment** | | | |
| Reliance Industries Limited | Other related party | **1.05** | - |

**Balance as at 31st March 2018**

(₹ in crore)

| **Particulars** | **Relationship** | **As at 31st March 2018** | As at 31st March 2018 |
|---|---|---|---|
| **Security Deposits Taken *** | | | |
| Reliance Industries Limited | Other related party | **453.78** | 417.29 |
| **Income received in Advance *** | | | |
| Reliance Industries Limited | Other related party | **596.22** | 632.71 |
| **Financial Guarantees Received** | | | |
| Reliance Industries Limited | Other related party | **-** | 0.98 |

* received pursuant to the agreement and will remain valid till the period of the agreement.

All related party contracts / arrangements have been entered on arms' length basis.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**34.1 Compensation of Key Managerial Personnel**

The remuneration of key managerial personnel during the year was as follows:

(₹ in crore)

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| (i) | Short-Term Benefits | **1.77** | 1.49 |
| (ii) | Post Employment Benefits | **0.08** | 0.07 |
| (iii) | Share Based Payments | **-** | - |
| | **Total** | **1.85** | 1.56 |

**35. Segment Information**

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

The Company has two principal operating and reporting segment i.e. Port Infrastructure and Transportation of Natural Gas.

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

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related items and other Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(i) **Primary Segment Information :** (₹ in crore)

| | Particulars | Port Infrastructure | | Transportation of Natural Gas | | Others | | Unallocable | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 | **2017-2018** | 2016-2017 |
| 1 | **Segment Revenue** | | | | | | | | | | |
| | Sales and Service Income | **3 521.96** | 3 527.92 | **911.67** | 1 019.80 | **388.29** | 407.13 | **-** | - | **4 821.92** | 4 954.85 |
| | **Gross Revenue** | **3 521.96** | 3 527.92 | **911.67** | 1 019.80 | **388.29** | 407.13 | **-** | - | **4 821.92** | 4 954.85 |
| | Less:- Service Tax / GST | **221.02** | 186.61 | **25.22** | 122.93 | **37.98** | 35.92 | **-** | - | **284.22** | 345.46 |
| | **Net Revenue** | **3 300.94** | 3 341.31 | **886.45** | 896.87 | **350.31** | 371.21 | **-** | - | **4 537.70** | 4 609.39 |
| 2 | **Segment Result before Interest and Taxes** | **1 952.67** | 1 815.34 | **( 31.06)** | 267.86 | **66.52** | 27.43 | **549.31** | 421.12 | **2 537.44** | 2 531.75 |
| | Less:- Interest and Finance Charges | **-** | - | **-** | - | **-** | - | **2 358.36** | 1 868.89 | **2 358.36** | 1 868.89 |
| | Add:- Interest Income | **-** | - | **22.45** | 37.27 | **-** | 0.08 | **120.84** | 90.05 | **143.29** | 127.40 |
| | **Profit before Tax** | **1 952.67** | 1 815.34 | **(8.61)** | 305.13 | **66.52** | 27.51 | **(1 688.21)** | (1 357.72) | **322.37** | 790.26 |
| | Current Tax | **-** | - | **-** | - | **-** | - | **216.14** | 238.00 | **216.14** | 238.00 |
| | Deferred Tax | **-** | - | **-** | - | **-** | - | **( 657.85)** | ( 833.52) | **( 657.85)** | ( 833.52) |
| | **Profit after Tax** | **1 952.67** | 1 815.34 | **(8.61)** | 305.13 | **66.52** | 27.51 | **(1 246.50)** | ( 762.20) | **764.08** | 1 385.78 |
| 3 | **Other Information** | | | | | | | | | | |
| | Segment Assets | **4 459.59** | 5 268.63 | **14 632.17** | 15 268.85 | **567.79** | 653.78 | **11 468.03** | 9 201.01 | **31 127.57** | 30 392.27 |
| | Segment Liabilities | **1 200.70** | 1 207.17 | **9 377.51** | 1 276.16 | **62.86** | 66.21 | **13 520.95** | 21 647.04 | **24 162.02** | 24 196.58 |
| | Capital Expenditure | **9.44** | 30.33 | **1.13** | 11.29 | **0.53** | - | **3.67** | 9.26 | **14.77** | 50.88 |
| | Depreciation and Amortisation Expenses | **823.67** | 1 032.30 | **840.28** | 902.37 | **130.15** | 194.70 | **20.44** | 20.50 | **1 814.54** | 2 149.87 |
| | Non Cash Items other than Depreciation and Amortisation Expenses | **-** | - | **-** | - | **-** | - | **-** | - | **-** | - |

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

The reporting Segment is further described below :

- The Port Infrastructure segment includes operations related to evacuation of petroleum products and crude at port and infrastructure facilities in Jamnagar.
- Transporation of Natural Gas segment includes operations related to pipelines for transportation of Natural and other gases.
- The businesses, which were not reportable segment during the year, have been grouped under "Others" segment. This mainly comprises of Construction & Engineering services, Provision of Infrastructure Facilities as Co-Developer in Special Economic Zone and Transportation and Logistics segment .

(ii) **Secondary Segment Information (Geographical):**

Since the operations of the Company is predominantly conducted within India hence there are no separate reportable geographical segment.

**36. Contingent Liabilities And Commitments**

(₹ in crore)

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| **(I)** | **Contingent Liabilities** | | |
| (a) | Claims against the Company / disputed liabilities not acknowledged as debts* | **1.47** | 1.47 |
| (b) | Performance Guarantee | **11.06** | 14.01 |
| (c) | Guarantee issued by Bank | **21.10** | 20.08 |
| (d) | Others - Continuity Bond given to the Deputy Commissioner of Customs, Jamnagar (refer Note 34) | **-** | 0.98 |
| (f) | Special Additional Duty under dispute not acknowledged as debt | **2.64** | 2.64 |

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 and financial year 2017-18 on OCPS, hence contingent liability in respect of dividend on OCPS as on 31st March 2017 and 31st March 2018 is ₹ Nil

* the disputed liabilities are not likely to have any material effect on financial position of the Company.

| | | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|---|
| **(II)** | **Commitments** | | |
| (a) | Estimated amount of contracts remaining to be executed on capital accounts and not provided for | | |
| | (i) in respect of Related Parties | **-** | 0.81 |
| | (ii) in respect of Others | **3.14** | 19.17 |
| (b) | Dividend to be paid on 9% Cumulative Redeemable Preference Shares (CRPS) being 94,00,000 shares of face value of ₹ 10/- each | **0.43** | - |
| (c) | Lease Commitment | | |
| | The total of future minimum lease payments under non-cancellable long term operating lease are as follows :- | | |
| | - Not later than one year (₹ 2,000) | **3.59** | 0.00 |
| | - Later than one year but not later than five years (₹ 10,000) | **12.74** | 0.00 |
| | - Later than five years [₹ 11,000 (Previous Year ₹13,000)] | **0.00** | 0.00 |

**37.** Short term borrowings taken by the Company by way of commercial paper for which maximum balance outstanding during the year was ₹ Nil (Previous Year ₹ 3,982.24 crore).

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**38. Approval of Financial Statements**

The financial statements were approved for issue by the board of directors on 7th September, 2018.

**39.** EHPL had made various representations to Ministry of Petroleum and Natural Gas (MoPNG) seeking appropriate extension of time for execution of the pipeline project as there was no definite source of gas supply as well as customers. EHPL had also committed to execute the projects within such extended time once a definite source of gas is identified. Despite the above, MoPNG vide its letter dated 24th September, 2012 has rescinded the authorizations granted to EHPL in respect of four pipelines primarily on the grounds that the projects couldn't be completed within the timelines as per the terms of the authorization. EHPL had again made representation to MoPNG and Petroleum and Natural Gas Board (PNGRB) requesting for the recall of the rescinding order for the reasons stated earlier in various representations and their response is awaited.

**40.** With the gas production from Krishna Godavari (KG) basin remaining subdued during the current reporting period as well, the volume of gas transported by the EWPL continued to be low resulting in lower capacity utilisation of the pipeline and consequent continued losses and erosion of net worth. The promoters have provided funds by way of subordinated loans and preference shares, which has helped the EWPL to repay its external debts and reduce the interest obligation. Moreover, the long term prospects of the EWPL appear better considering enhanced level of exploration activities in the KG basin and expected government policy for reviving stranded gas based power plants and 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 EWPL's ability to continue as a going concern.

**41.** (A) Pursuant to the Sanction by the Hon'ble National Company Law Tribunal, bench at Ahmedabad, Gujarat (NCLT) vide its order dated 28th March 2018 to the Application filed by EHPL under Section 66 and Section 52 read with Section 66;

(i) the issued, subscribed and paid-up share capital of the EHPL is reduced from ₹ 2,500.00 crore divided into 2500,00,00,000 equity shares of ₹ 1/- each to ₹ 1.00 crore divided into 1,00,00,000 equity shares of ₹ 1 each.

(ii) The Securities Premium Account of EHPL is reduced from ₹ 1857.94 crore to ₹ Nil.

(B) Subsequent to 31st March 2018, the Board of Directors of the Company had approved a Scheme of Arrangement between the Company and M/s East West Pipeline Limited (Transferor Company) which provided for, inter-alia, demerger of Investment Division of the Transferor Company to the Company and cancellation of paid-up share capital of Transferor Company. The Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) on 30th July 2018. Accordingly the assets and liabilities of the Investment Division of Transferor Company stands transferred to and vested in Company from Appointed Date. The Appointed Date being 1st May 2018, the effects of the above Scheme will be reflected in the Financial Statements of the Company for the year ended 31st March 2019.

(C) The Board of Directors of the EWPL in its meeting held on 17th July 2018 has approved a Scheme of Arrangement between M/s East West Pipeline Limited (Transferor Company) and M/s Pipeline Infrastructure Private Limited (Transferee Company) which provides for, inter-alia, transfer of Pipeline Business of the Transferor Company to the Transferee Company as going concern from the Appointed Date as mentioned in the Scheme. The Scheme shall be subject to necessary approvals of respective shareholders and creditors of the Transferor Company and the Transferee Company and sanction of the Hon'ble National Company Law Tribunal, Ahmedabad Bench and Mumbai Bench.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**42. Capital Management**

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

a) Maintain financial strength to ensure AAA ratings.

b) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

c) Proactively manage exposure in forex and interest to mitigate risk to earnings.

d) 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 :

(₹ in crore)

| | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| Gross Debt | **20 093.88** | 19 044.33 |
| Cash and Marketable Securities | **5 630.68** | 5 431.48 |
| **Net Debt (A)** | **14 463.20** | 13 612.85 |
| **Total Equity (As per Balance Sheet) (B)** | **11 768.30** | 10 641.26 |
| **Net Gearing (A/B)** | **123%** | 128% |

**43. Financial Instruments**

**A. Fair value measurement hierarchy :**

(₹ in Crore)

| **Particulars** | **As at 31st March 2018** | | | | As at 31st March 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Carrying Amount** | **Level of input used in** | | | Carrying Amount | Level of input used in | | |
| | | **Level 1** | **Level 2** | **Level 3** | | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | | | |
| **At FVTPL** | | | | | | | | |
| Investments (Level 3 ₹ 33000/-) | **7 238.98** | **5 606.44** | **1 632.54** | **0.00** | 6 963.81 | 5 417.40 | 1 546.41 | 0.00 |
| **At FVTOCI** | | | | | | | | |
| Financial Derivatives | **209.43** | **-** | **209.43** | **-** | 201.30 | - | 201.30 | - |
| **Financial Liabilities** | | | | | | | | |
| **At FVTOCI** | | | | | | | | |
| Financial Derivatives | **13.17** | **-** | **13.17** | **-** | 457.97 | - | 457.97 | - |

Above Investments excludes financial assets measured at Cost (Refer note 2).

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

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

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

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

**Level 3**: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Valuation Methodology**

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

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

b) 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.

c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or other suitable valuation model.

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

e) Fair values of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and other financial liabilities are approximate at their carrying amounts.

**B. Financial Risk Management**

The different types of risks the Company is exposed to are market risk, credit risk and liquidity risk. The Company uses derivative financial instruments such as forwards, options and currency swap contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved Risk Management Policy framework.

**i) Market Risk**

**a) Foreign Currency Risk**

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

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

**Foreign Currency Exposure** (₹ in crore)

| Particulars | As at 31st March 2018 | | | As at 31st March 2017 | | |
|---|---|---|---|---|---|---|
| | USD | EUR | JPY | USD | EUR | JPY |
| Investments | **(1 304.80)** | **-** | **-** | (1 298.30) | - | - |
| Trade and Other Payables | **23.35** | **5.80** | **0.23** | 31.07 | 3.52 | 0.17 |
| Trade and Other Receivables ₹ 2934/- | **( 64.52)** | **( 2.10)** | **(0.00)** | ( 4.30) | ( 0.08) | - |
| Derivatives | | | | | | |
| Currency Swap | **9 366.80** | **-** | **-** | 7 682.00 | - | - |
| **Net Exposure** | **8 020.83** | **3.70** | **0.23** | 6 410.47 | 3.44 | 0.17 |

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the Company follows hedge accounting.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

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

(₹ in crore)

**Foreign Currency Sensitivity**

| **Particulars** | **As at 31st March 2018** | | | As at 31st March 2017 | | |
|---|---|---|---|---|---|---|
| | **USD** | **EUR** | **JPY** | USD | EUR | JPY |
| **1% Depreciation in INR** | | | | | | |
| Impact on Equity | **81.67** | **-** | **-** | 40.12 | - | - |
| Impact on P&L | **( 1.46)** | **0.04** | **0.00** | 23.98 | 0.03 | 0.00 |
| **Total** | **80.21** | **0.04** | **0.00** | 64.10 | 0.03 | 0.00 |
| **1% Appreciation in INR** | | | | | | |
| Impact on Equity | **( 81.67)** | **-** | **-** | ( 40.12) | - | - |
| Impact on P&L | **1.46** | **( 0.04)** | **( 0.00)** | ( 23.98) | ( 0.03) | ( 0.00) |
| **Total** | **( 80.21)** | **( 0.04)** | **( 0.00)** | ( 64.10) | ( 0.03) | ( 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 :

**Interest Rate Exposure**

(₹ in crore)

| **Particulars** | **As at 31st March 2018** | As at 31st March 2017 |
|---|---|---|
| **Loans** | | |
| Long Term Fixed Loan | **19 153.88** | 19 044.33 |
| **Total** | **19 153.88** | 19 044.33 |
| **Derivatives** | | |
| Currency Swap-Floating Interest | **2 320.00** | 4 670.00 |
| Currency Swap-Fixed Interest | **7 046.80** | 3 012.00 |
| **Total** | **9 366.80** | **7 682.00** |

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

(₹ in crore)

**Interest rate Sensitivity**

| **Particulars** | **As at 31st March 2018** | | As at 31st March 2017 | |
|---|---|---|---|---|
| | **Up Move** | **Down Move** | Up Move | Down Move |
| Impact on P&L | **23.20** | **(23.20)** | 46.70 | (46.70) |
| **Total** | **23.20** | **(23.20)** | 46.70 | (46.70) |

**ii) 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 Consolidated Financial Statements for the year ended 31st March 2018

**iii) Liquidity Risk**

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient stock of cash, marketable securities and committed credit facilities. The company accesses global and local 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.

(₹ in crore)

**Maturity Profile of Loans and Derivative Financial Liabilities as on 31st March 2018**

| Particulars | Below 3 Months | 3-6 Months | 6-12 Months | 1-3 Years | 3-5 Years | Above 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **Non Derivative Liabilities** | | | | | | | |
| Long Term Loans* | - | - | 1 000.00 | - | 5 000.00 | 13 171.03 | **19 171.03** |
| **Total Borrowings** | **-** | **-** | **1 000.00** | **-** | **5 000.00** | **13 171.03** | **19 171.03** |
| **Derivative Liabilities** | | | | | | | |
| Forwards | - | - | - | - | - | - | **-** |
| Currency Swap | 108.80 | 108.80 | 217.60 | 3 061.88 | 2 575.88 | 3 293.84 | **9 366.80** |
| **Total Derivative Liabilities** | **108.80** | **108.80** | **217.60** | **3 061.88** | **2 575.88** | **3 293.84** | **9 366.80** |

* including ₹ 17.15 crore as prepaid finance charges

(₹ in crore)

**Maturity Profile of Loans and Derivative Financial Liabilities as on 31st March 2017**

| Particulars | Below 3 Months | 3-6 Months | 6-12 Months | 1-3 Years | 3-5 Years | Above 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **Non Derivative Liabilities** | | | | | | | |
| Long Term Loans* | - | - | - | 1 000.00 | 5 000.00 | 13 063.47 | **19 063.47** |
| **Total Borrowings** | **-** | **-** | **-** | **1 000.00** | **5 000.00** | **13 063.47** | **19 063.47** |
| **Derivative Liabilities** | | | | | | | |
| Forwards | - | - | - | - | - | - | **-** |
| Currency Swap | 200.00 | 832.50 | 1 220.00 | 2 023.38 | 2 070.88 | 1 335.24 | **7 682.00** |
| **Total Derivative Liabilities** | **200.00** | **832.50** | **1 220.00** | **2 023.38** | **2 070.88** | **1 335.24** | **7 682.00** |

* including ₹ 19.14 crore as prepaid finance charges

**C. Hedge Accounting**

The Company's business objective includes safe-guarding its earnings and foreign currency liabilities against adverse price movements of foreign exchange rates. The Company has adopted a structured risk management policy to hedge all this risk within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges. Hedging instruments include forward and options as well as non derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as of the balance sheet date.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**Disclosure of effects of Hedge Accounting** (₹ in Crore)

**Cash Flow Hedge**

**Hedging Instrument**

| Type of Hedge and Risks | Nominal Value | Carrying amount | | Changes in FV | Hedge Matury Date | Line Item in Balance Sheet |
|---|---|---|---|---|---|---|
| | | Assets | Liabilities | | | |
| **Foreign currency risk** | | | | | | |
| Derivatives-Currency Swap | 9 366.80 | 209.43 | 13.17 | 196.26 | April 2018 to July 2026 | Non Current Assets-Other Financial Assets (Refer Note 4), Current Assets-Other Financial Assets (Refer Note 12) & Other Financial Liabilities - Current (Refer Note 23) |

**Hedging Items** (₹ in Crore)

| Type of Hedge and Risks | Nominal Value | Changes in FV | Hedge Reserve | Line Item in Balance Sheet |
|---|---|---|---|---|
| **Foreign currency risk** | | | | |
| Highly Probable Revenues | 9 366.80 | 196.26 | 196.26 | Other Equities |

| Particulars | 2017-18 | Line Item in Statement of Profit and Loss |
|---|---|---|
| **Hedging gains / (losses) of the year that were recognized in other comprehensive income** | **11.63** | Items that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge |
| Hedge ineffectiveness recognized in profit and loss; | **(15.54)** | Other Income - Income on derivative transactions (net) |
| Amount reclassified from the cash flow hedge reserve into profit and loss as a reclassification adjustment | **(1.66)** | Items that will be reclassified to Statement of Profit and Loss - Cash Flow Hedge |

**44. Enteprises Consolidated as Subsidiary and Associates in this consolidated financial statements in accordance with Indian Accounting Standard 110 and 28**

| Name of Enterprise | Relationship | Country of Incorporation | Principal Activities | Proportion of equity interest As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|---|---|---|
| EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited) (EHPL) | Subsidiary | India | Transportation of gas through pipelines. EHPL holds 100% of equity shares of EWPL | 50.93% | 50.93% |
| East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited) (EWPL)* | Subsidiary | India | Transportation of gas through pipelines & investments | 50.93%$ | 50.93%$ |

* 100% Equity held by EWPL Holdings Private Limited

$ ownership interest is calculated with reference to equity shares only. The Company also holds Optionally Convertible Preference Shares (OCPS) in East West Pipeline Limited and the aggregate % of shares held by Company (together with equity shares held by subsidiary) is 89.14%.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

**45. Additional information as required udner Schedule III of the Companies Act, 2013 of enterprises consolidated as Subsidiary and Associates**

| Name of the Enterprise | As at 31st March 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | As % of consolidated Net Assets | Amount (₹ In crore) | As % of consolidated Profit or Loss | Amount (₹ In crore) | As % of consolidated Other Comprehensive Income | Amount (₹ In crore) | As % of consolidated Total Comprehensive Income | Amount (₹ In crore) |
| **Parent** | | | | | | | | |
| Sikka Ports & Terminals Limited | 145.70 | 17 146.41 | 77.33 | 590.90 | 113.91 | 6.59 | 77.61 | 597.49 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| EWPL Holdings Private Limited | 2.76 | 325.31 | ( 1.57) | (12.01) | - | - | ( 1.56) | ( 12.01) |
| East West Pipeline Limited | 1.37 | 161.48 | ( 93.60) | ( 715.15) | ( 13.99) | ( 0.81) | ( 93.00) | ( 715.96) |
| **Non Controlling Interest in all subsidiaries** | ( 40.81) | (4 802.75) | (46.69) | (356.79) | (6.74) | (0.39) | ( 46.40) | ( 357.18) |
| **Associates** | | | | | | | | |
| None | - | - | - | - | - | - | - | - |
| Eliminations / Adjustments | (9.02) | (1 062.15) | 164.53 | 1 257.13 | 6.82 | 0.39 | 163.35 | 1 257.52 |
| **Total** | **100.00** | **11 768.30** | **100.00** | **764.08** | **100.00** | **5.78** | **100.00** | **769.86** |

**46. Non Controlling Interests (NCI)**

**Summarised financial Information:-**

Summarised financial Information for subsidiary that has non controlling interest that are material to the Group. The amounts disclosed for subsidiary is before inter company eliminations.

(₹ in crore)

| **Summarised Balance Sheet** | **EWPL Holdings Private Limited** | |
|---|---|---|
| | **As at 31st March 2018** | As at 31st March 2017 |
| Current assets | 610.23 | 559.52 |
| Current Liabilities | 8 102.32 | 7 309.39 |
| **Net current assets / (liabilities)** | **(7 492.09)** | **(6 749.87)** |
| Non-current assets | 11 053.92 | 11 915.71 |
| Non-current liabilities | 8 519.19 | 9 191.24 |
| **Net non-current assets** | **2 534.73** | **2 724.47** |
| Regulatory Assets | **3 169.00** | **2 965.00** |
| Less:- Equity Component of Financial Instrument* | **8 000.00** | **8 000.00** |
| **Net assets** | **(9 788.36)** | **(9 060.40)** |
| **Accumulated NCI** | **(4 802.75)** | **(4 445.57)** |

* Financial instrument held by RPTL - not considered.

# Notes to Consolidated Financial Statements for the year ended 31st March 2018

| **Summarised Statement of profit and loss** | **EWPL Holdings Private Limited** | |
|---|---|---|
| | **2017-18** | **2016-17** |
| Revenue from operations | 884.78 | 820.99 |
| Profit for the year | ( 727.16) | ( 391.82) |
| Other Comprehensive income | ( 0.80) | 3.65 |
| **Total comprehensive income** | **( 727.96)** | **( 388.17)** |
| **Profit allocated to NCI** | **( 357.18)** | **( 190.46)** |

| **Summarised Statement of cash flow** | **EWPL Holdings Private Limited** | |
|---|---|---|
| | **2017-18** | **2016-17** |
| Cash flow from / (used in) operating activities | 301.94 | 291.31 |
| Cash flow from / (used in) investing activities | ( 16.46) | 95.99 |
| Cash flow from (used in) financing activities | ( 282.24) | ( 452.89) |
| **Net increase / (decrease) in cash and cash equivalents** | **3.24** | **( 65.59)** |

**As per our Report of even date**
For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

**Anuj Bhatia**
Partner
Membership No. 122179

Place : Mumbai
Dated : 7th September, 2018

**For and on behalf of the Board**

**K R Raja**
Director

**Geeta Fulwadaya**
Director

**Natarajan T G**
Director

**S. Anantharaman**
Director

**Ritesh Shiyal**
Chief Financial Officer

**V. Mohana**
Company Secretary

# Annexure to Consolidated Financial Statements for the year ended 31st March 2018

**Salient features of Fianancial Statements of Subsidiaries as per Companies Act, 2013**

(₹ in crore)

| Name of Subsidiary Company | The date since which Subsidiary was acquired | Reporting Currency | Equity Share Capital | Other Equity | TotalAssets | Total Liabilities | Investments |
|---|---|---|---|---|---|---|---|
| EWPL Holdings Private Limited | 07.10.2011 | INR | 1.00 | 324.31 | 2 282.51 | 1 957.20 | 2 275.16 |
| East West Pipeline Limited | 07.10.2011 | INR | 2 275.16 | (2 113.67) | 14 825.80 | 14 664.31 | 193.38 |

| Name of Subsidiary Company | Revenue from Operations Taxation | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Other Comprehensive Income | Total Comprehensive Income | Proposed Dividend | % of Shareholding* |
|---|---|---|---|---|---|---|---|---|
| EWPL Holdings Private Limited | - | ( 12.01) | - | ( 12.01) | - | ( 12.01) | - | 50.93% |
| East West Pipeline Limited | 884.78 | ( 767.39) | ( 52.25) | ( 715.14) | ( 0.80) | ( 715.94) | - | 50.93% |

* ownership interest is calculated with reference to equity shares only. The Company also holds Optionally Convertible Preference Shares (OCPS) in East West Pipeline Limited and the aggregate % of shares held by Company (together with equity shares held by subsidiary) is 89.14%