East West Pipeline Limited

(Formerly Reliance Gas Transportation Infrastructure Limited)

Financial Statements
2018 - 19

Independent Auditor's Report

TO THE MEMBERS OF EAST WEST PIPELINE LIMITED (FORMERLY RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **East West Pipeline Limited (Formerly Reliance Gas Transportation Infrastructure Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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 financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 (financial position) of the Company as at 31st March, 2019, and its profit (financial performance), total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 35 of the accompanying financial statements regarding preparation of the financial statements on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon realization of the various initiatives being undertaken by the Company towards exploring new business opportunities and to meet its obligations.

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

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affair (financial position), profit and loss (financial performance) including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015 as amended.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the financial statements, 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 books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015 as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2019 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) In our opinion, the managerial remuneration for the year ended 31st March, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company doesn't have any pending litigations which would impact its financial position.

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

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

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
Firm Registration No. 142412W

Nirmal Kumar Burad
Partner
Membership No.: 071041
UDIN: 19071041AAAABU6051

Place: Mumbai
Date: 12th September, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF EAST WEST PIPELINE LIMITED (FORMERLY RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED)

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

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

We have audited the internal financial controls over financial reporting of **EAST WEST PIPELINE LIMITED (FORMERLY RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED)** ("the Company") as of 31st March, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, 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 issued by the Institute of Chartered Accountants of India.

For D T S & Associates
Chartered Accountants
Firm Registration No. 142412W

Nirmal Kumar Burad
Partner
Membership No.: 071041
UDIN: 19071041AAAABU6051

Place: Mumbai
Date: 12th September, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF EAST WEST PIPELINE LIMITED (FORMERLY RELIANCE GAS TRANSPORTATION INFRASTRUCTURE LIMITED)

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

i. In respect of its fixed assets:

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

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

   c) According to the information and explanations provided to us and based on the documents/ confirmations, as the case may be, produced to us for our verification, in our opinion, title deeds of immovable properties are held in the name of the Company. For the above purpose, lease/title deeds/other relevant documents have been taken as basis for verification in respect of land as well as self-constructed building thereupon.

ii. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of The Companies Act, 2013, herein after referred to as “the Act”. Therefore, the provisions of Clause (iii) of paragraph 3 of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments and provided any guarantees and securities covered under Section 185 and 186 of the Act. Therefore, the provisions of the Clause (iv) of the paragraph 3 of the Order is not applicable to the Company.

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 is not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

   b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, service tax, Goods and Service Tax and cess which have not been deposited on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of Initial Public Offer or further public offer (including debt instruments) and monies raised by way of term loans during the year have been applied by the Company for the purposes for which they were raised.

x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act.

xii. The Company is not a Nidhi Company and hence reporting under Clause (xii) of Paragraph 3 of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under Clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For D T S & Associates
Chartered Accountants
Firm Registration No. 142412W

Nirmal Kumar Burad
Partner
Membership No.: 071041
UDIN: 19071041AAAABU6051

Place: Mumbai
Date: 12th September, 2019

Balance Sheet as at 31st March, 2019

(₹ in crore)

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	0.46	11,040.00
Capital Work-in-Progress	1	-	0.36
Intangible Assets	1	-	1.49
Financial Assets			
Security Deposits	2	-	1.46
Other Non- Current Assets	3	22.00	10.55
Total Non-Current Assets		22.46	11,053.86
Current Assets			
Inventories	4	10.17	254.59
Financial Assets			
Investments	5	90.04	193.38
Trade Receivables	6	-	55.31
Cash and Cash Equivalents	7	8.84	4.54
Other Bank Balances	8	0.52	66.57
Other Financial Assets	9	35.73	4.42
Other Current Assets	10	1.62	18.95
Total Current Assets		146.92	597.76
Assets held for Disposal	11	3.86	5.18
Regulatory Assets	26.7	-	3,169.00
Total Assets		173.24	14,825.80
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1,275.16	2,275.16
Other Equity	13	(8,800.32)	(2,113.67)
Total Equity		(7,525.16)	161.49
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	5,887.30	7,888.83
Other Financial Liabilities	15	-	8.10
Deferred Tax Liabilities (Net)	16	-	298.99
Other Non-Current Liabilities	17	224.00	323.27
Total Non-Current Liabilities		6,111.30	8,519.19
Current Liabilities			
Financial Liabilities			
Borrowings	18	-	4,826.70
Trade Payables dues of			
-Micro and Small Enterprises	19	-	0.09
-Other than Micro and Small Enterprises	19	14.93	57.26
Other Financial Liabilities	20	1,455.66	1,195.86
Other Current Liabilities	21	116.20	64.03
Provisions	22	0.31	1.18
Total Current Liabilities		1,587.10	6,145.12
Total Liabilities		7,698.40	14,664.31
Total Equity and Liabilities		173.24	14,825.80
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-36		

As per our report of even date

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

Nirmal Kumar Burad
Partner
(Membership No. 071041)

Place: Mumbai
Dated: 12th September, 2019

For and on behalf of the Board

Rakesh Mohan — Director
C.M. Mehra — Director
Girish Nadkarni — Director

Venkataraman Ramachandran
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in crore)

	Notes	2018-19	2017-18
INCOME			
Other Income	**23**	**25.74**	27.13
Total Income		**25.74**	27.13
EXPENSES			
Finance Costs	**24**	**498.47**	456.26
Other Expenses	**25**	**2.75**	2.71
Total Expenses		**501.22**	458.97
Profit / (Loss) Before Tax		**(475.48)**	(431.84)
Tax Expenses			
Current Tax		**-**	-
Deferred Tax		**-**	-
Profit / (Loss) for the year from continuing operations (after tax)		**(475.48)**	(431.84)
Profit / (Loss) from discontinued operations (before tax)	**26**	**3,658.02**	(539.55)
Tax Expense of discontinued operations	**26**	**(292.49)**	(52.25)
Profit / (Loss) from discontinued operations (after tax)	**26**	**3,950.51**	(487.30)
Regulatory Income	**26.7**	**55.58**	204.00
Regulatory Assets derecognised	**26.7**	**(3,224.58)**	-
Profit / (Loss) for the year		**306.03**	(715.14)
Other Comprehensive Income			
Items that will not be reclassified to profit and loss		**(0.43)**	(0.80)
Total Comprehensive Income for the year		**305.60**	(715.94)
Earnings per share of face value of Re. 1 each			
A. Continuing Operation			
- Basic (₹)	**27**	**(0.35)**	(0.19)
- Diluted (₹)	**27**	**(0.35)**	(0.19)
B. Discontinued Operation			
a. Before considering Regulatory Income / Assets			
- Basic (₹)	**27**	**2.91**	(0.21)
- Diluted (₹)	**27**	**1.96**	(0.21)
b. After considering Regulatory Income / Assets			
- Basic (₹)	**27**	**0.58**	(0.12)
- Diluted (₹)	**27**	**0.39**	(0.12)
C. Continuing and Discontinued Operation			
a. Before considering Regulatory Income / Assets			
- Basic (₹)	**27**	**2.56**	(0.40)
- Diluted (₹)	**27**	**1.72**	(0.40)
b. After considering Regulatory Income / Assets			
- Basic (₹)	**27**	**0.23**	(0.31)
- Diluted (₹)	**27**	**0.15**	(0.31)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	**1-36**		

As per our report of even date

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

Nirmal Kumar Burad
Partner
(Membership No. 071041)

Place: Mumbai
Dated: 12th September, 2019

For and on behalf of the Board

Rakesh Mohan
Director

C.M. Mehra
Director

Girish Nadkarni
Director

Venkataraman Ramachandran
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2019

(₹ in crore)

A. EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period i.e. 1st April 2017	Change during the year 2017-18	Balance at the end of the reporting period i.e. 31st March 2018	Change during the year 2018-19	Balance at the end of the reporting period i.e. 31st March 2019
2,275.16	**-**	**2,275.16**	**(1,000.00)**	**1,275.16**

B. OTHER EQUITY

	Equity component of compound financial instruments	Reserves and Surplus				Other Compre-hensive Income	Total
		Securities Premium Account	Capital Reserve	Debenture Redemption Reserve	Retained Earnings		
As on 31st March 2018							
Balance at the beginning of the reporting period i.e. 1st April 2017	8,000.00	1,985.01	-	4.29	(11,390.23)	3.20	(1,397.73)
Total Comprehensive Income for the year	-	-	-	-	(715.14)	(0.80)	(715.94)
Balance at the end of the reporting period i.e. 31st March 2018	**8,000.00**	**1,985.01**	**-**	**4.29**	**(12,105.37)**	**2.40**	**(2,113.67)**
As on 31st March 2019							
Balance at the beginning of the reporting period i.e. 1st April 2018	8,000.00	1,985.01	-	4.29	(12,105.37)	2.40	(2,113.67)
Transfer to / (from) retained earning	-	-	-	(4.29)	4.29	-	-
Adjustment pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	(8,000.00)	-	1,007.75	-	-	-	(6,992.25)
Adjustment to / (from) retained earnings pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	-	-	(1,007.75)	-	1,007.75	-	-
Total Comprehensive Income for the year	-	-	-	-	306.03	(0.43)	305.60
Balance at the end of the reporting period i.e. 31st March 2019	**-**	**1,985.01**	**-**	**-**	**(10,787.30)**	**1.97**	**(8,800.32)**

As per our report of even date

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

Nirmal Kumar Burad
Partner
(Membership No. 071041)

Place: Mumbai
Dated: 12th September, 2019

For and on behalf of the Board

Rakesh Mohan
Director

C.M. Mehra
Director

Girish Nadkarni
Director

Venkataraman Ramachandran
Company Secretary

Cash Flow Statement for the year ended 31st March, 2019

(₹ in crore)

		2018-19		2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Statement of Profit and Loss (Continuing Operation)	**(475.48)**		(431.84)	
Net Profit before tax as per Statement of Profit and Loss (Discontinued Operation)	**489.02**		(335.55)	
		13.54		(767.39)
Adjusted for:				
Depreciation and Amortisation	**209.38**		840.28	
(Profit) / Loss on sale of investments (Net)	**(13.89)**		(13.83)	
Gain on transfer of Pipeline Business	**(6,217.91)**		-	
Profit on sale of Property, Plant And Equipment	**-**		(0.09)	
Unrealised Loss on Derivatives	**(13.17)**		(351.52)	
Interest Income	**(27.36)**		(30.75)	
Finance Costs	**3,010.57**		821.65	
		(3,052.38)		1,265.74
Operating profit / (loss) before working capital changes		**(3,038.84)**		498.35
Trade and Other Receivables	**3,215.12**		(224.08)	
Inventories	**244.43**		7.97	
Trade and Other Payables	**(74.05)**		14.67	
		3,385.50		(201.44)
Cash Generated from Operations		**346.66**		296.91
Taxes Paid (Net)		**(22.36)**		(3.95)
Net Cash Flow from / (used in) Operating Activities		**324.30**		292.96
Net Cash from / (used in) Operating Activities (Continuing Operations)		**9.51**		(34.24)
Net Cash from / (used in) Operating Activities (Discontinued Operations)		**314.79**		327.20
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment		**(0.91)**		(4.37)
Transfer of Pipeline Business		**600.00**		-
Sale of Property, Plant and Equipment		**-**		0.46
Purchase of Current Investments		**(5,438.78)**		(1,237.19)
Sale of Current Investments		**2,066.85**		1,224.55
Deposits placed with Banks (net)		**(83.95)**		(4.25)
Interest Income		**(11.84)**		4.34
Net Cash Flow from / (used in) Investing Activities		**(2,868.63)**		(16.46)
Net Cash from / (used in) Investing Activities (Continuing Operations)		**-**		-
Net Cash from / (used in) Investing Activities (Discontinued Operations)		**(2,868.63)**		(16.46)

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

(₹ in crore)

	2018-19	2017-18
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayment) from Short Term Borrowings (net)	**3,573.30**	99.45
Interest paid	**(1,024.67)**	(372.73)
Net Cash Flow from / (used in) Financing Activities	**2,548.63**	(273.28)
Net Cash from / (used in) Financing Activities (Continuing Operations)	**-**	-
Net Cash from / (used in) Financing Activities (Discontinued Operations)	**2,548.63**	(273.28)
Net Increase in Cash and Cash Equivalents	**4.30**	3.22
Opening Balance of Cash and Cash Equivalents	**4.54**	1.32
Cash and Cash Equivalents of Investment Division of the Company demerged to Sikka Ports & Terminals Limited ("Transferee Company") (₹ 885/-)	**(0.00)**	-
Closing Balance of Cash and Cash Equivalents (refer Note 7)	**8.84**	4.54

Change in Liability arising from Financing Activities

(₹ in crore)

	1st April, 2018	**Cash Flow (net)**	**Non Cash Changes**		**31st March, 2019**
			Fair Value Adjustment	**Other Changes**	
Borrowing - Non current (refer Note 14)	7888.83	-	498.47	(2,500.00)	5,887.30
Borrowing - Current (refer Note 18 & 20)	5826.70	3,573.30	-	(9,400.00)	-

(₹ in crore)

	1st April, 2017	**Cash Flow (net)**	**Non Cash Changes**		**31st March, 2018**
			Fair Value Adjustment	**Other Changes**	
Borrowing - Non current (refer Note 14)	8,432.57	-	456.26	(1,000.00)	7,888.83
Borrowing - Current (refer Note 18 & 20)	4,727.25	99.45	-	1,000.00	5,826.70

As per our report of even date

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

Nirmal Kumar Burad
Partner
(Membership No. 071041)

Place: Mumbai
Dated: 12th September, 2019

For and on behalf of the Board

Rakesh Mohan
Director

C.M. Mehra
Director

Girish Nadkarni
Director

Venkataraman Ramachandran
Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2019

A. Corporate Information

The Company is an entity incorporated in India. The name of the Company was changed from Reliance Gas Transportation Infrastructure Limited to East West Pipeline Limited ("the Company") effective 20th March, 2018.

The Registered Office of the Company is at Office No. 21, 2nd Floor, 4, North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai -400051. The Company has filed an application with Regional Director, Western Region Bench at Mumbai for conversion to a private limited company. The same is pending for disposal.

The principal business of the Company was transportation of gas through pipeline and Investment operations. The Company had set up East West Pipeline (EWPL) for transportation of gas. The EWPL network extends from Kakinada in the state of Andhra Pradesh to Bharuch in the state of Gujarat and traverses through the states of Andhra Pradesh, Telangana, Karnataka, Maharashtra and Gujarat passing through major cities. During the year Company has demerged the Investments Division (refer Note No. 26 (i) (a)) and transferred the Pipeline Business (refer Note No. 26 (i) (b)). The Company is in the process of exploring new business opportunities in the forthcoming year/s.

B. Significant Accounting Policies

B.1 Basis of preparation and presentation

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

i) Certain Financial Assets and Liabilities

ii) Defined Benefit Plans - Plan Assets

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013 [the Act].

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

B.2 Summary of Significant Accounting Policies

(a) Property, Plant and Equipment:

i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Such cost includes purchase price (net of recoverable taxes, trade discount and rebates) and any cost directly attributable to bring the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.The Company has recognised the carrying value of Property, Plant and Equipment on the date of transition i.e. 1st April, 2015 as deemed cost.

ii) Line pack gas has been considered as part of Property, Plant and Equipment.

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

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

v) Depreciation on Property, Plant and Equipment is provided on straight line method over the useful life as per Schedule II to the Act / technically evaluated life. Loose tools are depreciated over a period of three years; Premium on leasehold land is amortised over the period of lease; line pack gas is not depreciated. In respect of additions or extensions forming an integral part of existing assets, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, Plant and Equipment, depreciation is provided over the residual life of the respective assets.

vi) Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Intangible Assets

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

Notes to the Financial Statements for the year ended 31st March, 2019

(c) Finance Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(d) Inventories

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

(e) Cash and cash equivalents

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

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

(f) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease. Leased Assets: Assets held under finance leases are initially recognised as Assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset ranging from 18 years to 99 years. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements for the year ended 31st March, 2019

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

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

(j) Tax Expenses

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

Current tax

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

Deferred tax

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

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

(k) Foreign Currencies Transactions and Translation

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

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

(iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(l) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

Notes to the Financial Statements for the year ended 31st March, 2019

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

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

(m) Earnings per share

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

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

(n) Current and non-current classification

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

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

An asset is classified as current when it is

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is

a) Expected to be settled in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(o) Fair value measurement

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

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

a) In the principal market for the asset or liability, or

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

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2019

(p) Off-setting financial Instrument

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

(q) Financial instruments

i) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

C. Impairment of financial assets

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

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

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

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

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

ii) Financial Liabilities

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

Notes to the Financial Statements for the year ended 31st March, 2019

iii) Derivative financial instruments and Hedge Accounting

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

iv) Derecognition of financial instruments

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

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

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

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

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

b) Provisions

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

c) Recoverability of trade receivable

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

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

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 Financial Statements for the year ended 31st March, 2019

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

a) Issue of Ind AS 116 - Leases

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17- Leases and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

b) Amendment to Existing issued Ind AS

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

(i) Ind AS 101- First time adoption of Indian Accounting Standards

(ii) Ind AS 103 – Business Combinations

(iii) Ind AS 109 - Financial Instruments

(iv) Ind AS 111 – Joint Arrangements

(v) Ind AS 12 – Income Taxes

(vi) Ind AS 19 – Employee Benefits

(vii) Ind AS 23 – Borrowing Costs

(viii) Ind AS 28 - Investment in Associates and Joint Ventures

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

Notes to the Financial Statements for the year ended 31st March, 2019

NOTE 1. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS

(₹ in crore)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2018	Additions	Deductions / Adjustments	**As at 31.03.2019**	As at 01.04.2018	For the year	Deductions / Adjustments	**As at 31.03.2019**	**As at 31.03.2019**	As at 31.03.2018
Property, Plant and Equipment:										
Land										
Freehold	57.13	-	56.67	**0.46**	-	-	-	-	**0.46**	57.13
Leasehold	1.56	-	1.56	-	0.15	0.01	0.16	-	-	1.41
Buildings	431.90	-	431.90	-	139.75	3.51	143.26	-	-	292.15
Plant and Machinery	25,758.67	-	25,758.67	-	15,150.22	205.30	15,355.52	-	-	10,608.45
Furniture and Fixtures	8.23	-	8.23	-	6.58	0.24	6.82	-	-	1.65
Vehicles	2.44	-	2.44	-	1.73	0.13	1.86	-	-	0.71
Office Equipment	3.64	-	3.64	-	3.28	0.05	3.33	-	-	0.36
Line pack gas	78.14	-	78.14	-	-	-	-	-	-	78.14
Total (A)	**26,341.71**	**-**	**26,341.25**	**0.46**	**15,301.71**	**209.24**	**15,510.95**	**-**	**0.46**	11,040.00
Intangible Assets:										
Software*	4.49	-	4.49	-	3.00	0.14	3.14	-	-	1.49
Total (B)	**4.49**	**-**	**4.49**	**-**	**3.00**	**0.14**	**3.14**	**-**	**-**	1.49
TOTAL (A+B)	**26,346.20**	**-**	**26,345.74**	**0.46**	**15,304.71**	**209.38**	**15,514.09**	**-**	**0.46**	**11,041.49**
Previous Year	**26,348.32**	**0.76**	**2.88**	**26,346.20**	**14,466.94**	**840.28**	**2.51**	**15,304.71**	**11,041.49**	
Capital Work-in-Progress									-	0.36

* other than internally generated

1.1 For properties mortgaged / hypothecated as security (refer Note 14)

1.2 Deductions during the year in Property, Plant and Equipment and Capital Work-In-Progress are pursuant to Scheme of Arrangement (refer Note 26 (i) (b))

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 2. NON-CURRENT FINANCIAL ASSETS		
(Unsecured and Considered Good)		
Security Deposits	-	1.46
TOTAL	**-**	1.46

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 3. OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision) (refer Note 3.1)	**22.00**	6.14
Balance with Custom Authorities etc.	-	4.41
	22.00	10.55

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
3.1 **Advance Income Tax (Net of Provision)**		
At beginning of the year	**6.14**	2.19
Charge for the year	**(6.50)**	-
Tax paid (Net) during the year	**22.36**	3.95
At the end of the year	**22.00**	6.14

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 4. INVENTORIES		
Stock of Natural Gas and Fuel	**-**	9.12
Stores and Spares	**10.17**	245.47
TOTAL	**10.17**	254.59

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

(₹ in crore)

	As at 31st March, 2019		As at 31st March, 2018	
	Units	**Amount**	Units	Amount
NOTE 5. CURRENT INVESTMENTS				
Investments measured at Fair Value through Profit and Loss				
In Units of Mutual Fund - Unquoted				
Birla Sunlife Floating Rate Fund Short Term Plan - Growth - Direct Plan of ₹ 100 each	-	-	2 30 880	5.36
Tata Money Market Fund Direct Plan - Growth of ₹ 1,000 each	-	-	18 036	4.94
ICICI Prudential Money Market Fund - Direct Plan -Growth of ₹ 100 each	-	-	6 31 458	15.19
UTI Money Market Fund - Institutional Plan - Direct Plan - Growth of ₹ 1,000 each	-	-	3 44 223	67.11
Franklin India Liquid Fund - Super Institutional Plan - Direct - Growth of ₹ 1,000 each	**2 08 846**	**58.38**	49 215	12.78
IDFC Cash Fund - Direct Plan - Growth of ₹ 1,000 each	-	-	24 915	5.26
Invesco Liquid Fund - Growth of ₹ 1,000 each	-	-	82 944	19.77
Principal Cash Mgmt Fund - Direct Plan - Growth of ₹ 1,000 each	-	-	59 300	10.04
Birla sun Life Cash Plus - Growth - Direct Plan of ₹ 100 each	-	-	81 583	2.28
Reliance Liquid Fund Cash Plan Direct - Growth of ₹ 1,000 each	-	-	1 80 428	50.65
Reliance Liquid Fund – Treasury Plan-Direct–Growth of ₹ 1,000 each	**69 493**	**31.66**	-	-
TOTAL		**90.04**		193.38
Aggregate amount of quoted investments		-		-
Market Value of quoted investments		-		-
Aggregate amount of unquoted investments		**90.04**		193.38

5.1 Category-wise Current Investment

	As at 31st March, 2019	As at 31st March, 2018
Financial Assets measured at Fair Value through Profit and Loss	**90.04**	193.38
Total Current Investments	**90.04**	193.38

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 6. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade Receivables	-	55.31
TOTAL	**-**	55.31

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 7. CASH AND CASH EQUIVALENTS		
Balances with Banks	**8.84**	4.54
TOTAL	**8.84**	4.54

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 8. OTHER BANK BALANCES		
Other Bank Balances		
In bank deposits to the extent held as security against guarantees and other commitments	**0.52**	66.57
TOTAL	**0.52**	66.57

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 9. OTHER CURRENT FINANCIAL ASSETS		
(Unsecured and Considered Good)		
Other Receivables	**35.61**	2.64
Others*	**0.12**	1.78
TOTAL	**35.73**	4.42

* includes interest receivable on fixed deposits with Banks.

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 10. OTHER CURRENT ASSETS		
(Unsecured and Considered Good)		
Advance paid for Gratuity	**0.54**	2.27
Balance with Government Authorities	**0.95**	10.06
Other Advances*	**0.13**	6.62
TOTAL	**1.62**	18.95

* includes Advances to Vendors, Prepaid expenses and other receivables.

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 11. ASSETS HELD FOR DISPOSAL		
Assets held for Disposal*	**3.86**	5.18
TOTAL	**3.86**	5.18

* represents construction equipment which are in the process of being disposed off.

(₹ in crore)

	As at 31st March, 2019		As at 31st March, 2018	
	Units	**Amount**	Units	Amount
NOTE 12. SHARE CAPITAL				
Authorised :				
Equity Shares of Re. 1 each	**2500 00 00 000**	**2,500.00**	2500 00 00 000	2,500.00
Preference Shares of ₹ 10 each	**950 00 00 000**	**9,500.00**	950 00 00 000	9,500.00
TOTAL		**12,000.00**		12,000.00
Issued, Subscribed and Fully Paid up :				
Equity Shares of Re. 1 each fully paid up	**1275 16 25 000**	**1,275.16**	2275 16 25 000	2,275.16
TOTAL		**1,275.16**		2,275.16

12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
	No. of Shares	No. of Shares
Equity Shares:		
Equity Shares at the beginning of the year	**2275 16 25 000**	2275 16 25 000
Less :- Reduction in share capital pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**1000 00 00 000**	-
Equity Shares at the end of the year	**1275 16 25 000**	2275 16 25 000

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

Name of Shareholders	**As at 31st March, 2019**		As at 31st March, 2018	
	No. of Shares	**% held**	No. of Shares	% held
Equity Shares :-				
EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited), (Holding Company along with its nominees)	**1275 16 25 000**	**100.00%**	2275 16 25 000	100.00%

12.3 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 any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 13. OTHER EQUITY		
Equity component of compound financial instruments		
9% Cumulative Optionally Convertible Preference Shares (refer Note 13.1)	**8,000.00**	8,000.00
Cancellation of shares pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**(8,000.00)**	-
	-	8,000.00
Securities Premium		
As per last Balance Sheet	**1,985.01**	1,985.01
Debenture Redemption Reserve		
As per last Balance Sheet	**4.29**	4.29
Less: Transferred to Retained Earnings	**(4.29)**	-
	-	4.29
Capital Reserve		
As per last Balance Sheet	**-**	-
Add: Adjustment pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**1,007.75**	-
Less: Adjustment to retained earnings pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**(1,007.75)**	-
	-	-
Retained Earnings		
As per last Balance Sheet	**(12,105.37)**	(11,390.23)
Profit / (Loss) for the year	**306.03**	(715.14)
Transferred from Debenture Redemption Reserve	**4.29**	-
Adjustment from capital reserve pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**1,007.75**	-
	(10,787.30)	(12,105.37)
Other Comprehensive Income [OCI]		
As per last Balance Sheet	**2.40**	3.20
Movement in OCI (Net) during the year	**(0.43)**	(0.80)
	1.97	2.40
TOTAL	**(8,800.32)**	(2,113.67)

13.1 <u>9% Cumulative Optionally Convertible Preference Shares [OCPS]</u>

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

	As at 31st March, 2019 No. of Shares	As at 31st March, 2018 No. of Shares
OCPS at the beginning of the year	**800 00 00 000**	800 00 00 000
Less :- Adjustment pursuant to Scheme of Arrangement (refer Note 26 (i) (a))	**(800 00 00 000)**	-
OCPS at the end of the year	**-**	800 00 00 000

Notes to the Financial Statements for the year ended 31st March, 2019

(b) The details of Shareholders holding more than 5% shares and details of shares held by holding company or holding company of holding company or by subsidiaries / associates of holding company :

Name of holders of OCPS	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	**% held**	No. of Shares	% held
Sikka Ports & Terminals Limited (Formerly Reliance Ports And Terminals Limited) (Holding Company of the Holding Company)	-	-	800 00 00 000	100%

(c) Rights and Restrictions to Preference Shares

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

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

13.3 **Debenture Redemption Reserve (DRR) :**In terms of provisions of Section 71 of the Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debenture) Rules, 2014, the Company had during the earlier years created DRR of ₹ 4.29 crore. During the year the debentures issued by the Company stand cancelled and be deemed to have been redeemed in terms of Scheme of Arrangement referred to in Note 26 (i) (a). Hence the balance lying in DRR has been transferred to Retained Earnings.

13.4 **Capital Reserve :**Capital Reserve (CR) was created and transferred to retained earning pursuant to Scheme of Arrangement in the current year (refer Note 26 (i) (a)).

(₹ in crore)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	**Current**	Non Current	Current
NOTE 14. BORROWINGS				
A. PREFERENCE SHARES - AT AMORTISED COST				
Non-cumulative Redeemable Preference Shares (refer Note 14.1)	**5,887.30**	-	5,388.83	-
B. DEBENTURES				
Secured				
Non Convertible Debentures (refer Note 14.2)	-	-	-	1,000.00
Unsecured				
Non Convertible Debentures	-	-	2,500.00	-
TOTAL	**5,887.30**	-	7,888.83	1,000.00

14.1 **9% Non-Cumulative Redeemable Preference Shares of ₹ 10 each (RPS):**

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

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
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

Notes to the Financial Statements for the year ended 31st March, 2019

(b) The details of Shareholders holding more than 5% shares and details of shares held by holding company or holding company of holding company or by subsidiaries / associates of holding company :

Name of holders of RPS	**As at 31st March, 2019**		As at 31st March, 2018	
	No. of Shares	**% held**	No. of Shares	% held
Reliance Industries Limited (Associate of Holding Company of Holding Company)	-	-	50 00 00 000	66.67%
Sikka Ports & Terminals Limited (Formerly Reliance Ports And Terminals Limited) (Holding Company of the Holding Company)	**50 00 00 000**	**66.67%**	25 00 00 000	33.33%
Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited) (Fellow Subsidiary)	**25 00 00 000**	**33.33%**	-	-

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

(d) Rights and Restrictions to RPS

RPS of the Company have priority over the Equity Shares of the Company i) For receiving dividend ii) For repayment of capital in the event of liquidation of the Company in proportion to their holding. The preference shareholders will have voting rights incase the dividend is not paid for a consecutive period of two years.

14.2 The Secured Non - Convertible Debentures referred to above were secured on first ranking pari passu basis by way of mortgage / hypothecation / charge over;(a) all Property, plant and equipment of the Company, both present and future;(b) all stocks, goods, book debts, revenue and Receivables, both present and future, of Company from operations of the Project;(c) all rights, titles, interest, claims and demands of the Company in respect of Project Documents including Insurance Contracts;(d) all its bank accounts.

NOTE 15. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Others		
Security Deposits	**-**	8.10
TOTAL	**-**	8.10

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 16. DEFERRED TAX LIABILITIES (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	**298.99**	351.24
Charge / (credit) to Statement of Profit and Loss	**(298.99)**	(52.25)
At the end of the year	**-**	298.99

Notes to the Financial Statements for the year ended 31st March, 2019

Component of Deferred tax liabilities / (asset) (₹ in crore)

	As at 31st March, 2018	Charge / (credit) to profit and loss	As at 31st March, 2019
Deferred tax liabilities / (asset) in relation to:			
Property, Plant and Equipment	3,829.10	**(3,829.10)**	-
Financial Assets	(0.96)	**0.96**	-
Brought Forward Losses (refer Note 16.1)	(3,529.51)	**3,529.51**	-
Financial Liabilities	0.77	**(0.77)**	-
Provisions	(0.41)	**0.41**	-
TOTAL	298.99	**(298.99)**	**-**

16.1 The Company has Deferred Tax Assets of ₹ Nil (Previous Year ₹ 3,529.51 crore) relating to unabsorbed depreciation of ₹ Nil (Previous Year ₹ 820.27 crore) and Specified business loss ₹ Nil (Previous Year ₹ 9280.21 crore).

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 17. OTHER NON CURRENT LIABILITIES		
Others		
Deferral Liability on account of Non-Cumulative Redeemable Preference Shares	**224.00**	248.89
Income Received in Advance	**-**	6.61
Other Payables*	**-**	67.77
TOTAL	**224.00**	323.27

* Represents Imbalance and Overrun Charges

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 18. BORROWINGS - CURRENT		
A. LOAN FROM RELATED PARTY		
Unsecured		
Loan from Related Party (refer Note 28)	**-**	4,826.70
TOTAL	**-**	4,826.70

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 19. TRADE PAYABLES		
Dues of Micro and Small Enterprises (refer Note 19.1)	**-**	0.09
Dues of Other than Micro and Small Enterprises	**14.93**	57.26
TOTAL	**14.93**	57.35

Notes to the Financial Statements for the year ended 31st March, 2019

19.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	**-**	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**-**	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 20. OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Secured Long-term Debt (refer Note 14.2)	**-**	1,000.00
Interest accrued on Borrowings^	**1,455.66**	181.86
Creditors for Capital Expenditure	**-**	0.83
Other Financial Liabilities*	**-**	13.17
TOTAL	**1,455.66**	1,195.86

^ inculdes ₹ 1,455.66 crore (Previous Year ₹ Nil) payable to Related Party (refer Note 28)

* represents mark to market provision for derivative transactions.

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 21. OTHER CURRENT LIABILITIES		
Income Received In Advance	**-**	5.94
Deferral Liability on account of Non-cumulative Redeemable Preference Shares	**24.89**	24.89
Other payables*	**91.31**	33.20
TOTAL	**116.20**	64.03

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

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 22. SHORT TERM PROVISIONS		
Provision for Leave Encashment / Superannuation	**0.31**	1.18
TOTAL	**0.31**	1.18

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	2018-19	2017-18
NOTE 23. OTHER INCOME		
Interest Income from Others*	**24.89**	24.89
Profit on Sale of Assets held for Disposal	**0.85**	2.24
TOTAL	**25.74**	27.13

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

(₹ in crore)

	2018-19	2017-18
NOTE 24. FINANCE COSTS		
Interest Expenses	**498.47**	456.26
TOTAL	**498.47**	456.26

(₹ in crore)

	2018-19	2017-18
NOTE 25. OTHER EXPENSES		
ADMINISTRATION EXPENSES		
Payment to Managerial Personnel on deputation	**2.48**	2.25
Payment to Auditors	**0.21**	0.41
Professional Fees	**0.06**	0.05
TOTAL	**2.75**	2.71

(₹ in crore)

	2018-19	2017-18
25.1 PAYMENT TO AUDITORS AS :		
(a) Auditor		
Statutory Audit Fees	**0.16**	0.40
Tax Audit Fees	-	-
(b) Certification Fees	**0.05**	-
(c) Expenses Reimbursed	-	-
(d) Cost Audit Fees (₹ 33,250/-)	**0.00**	0.01
TOTAL	**0.21**	0.41

NOTE 26. SCHEMES OF ARRANGEMENT

(i) (a) A Scheme of Arrangement under Section 230-232 of the Companies Act, 2013 between the Company and Sikka Ports & Terminals Limited (SPTL) was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order dated 30th July, 2018. The Scheme of Arrangement, inter alia, provided for demerger of Investment Division of the Company to SPTL and reduction in paid-up share capital of the Company. The Appointed Date of the Scheme was 1st May 2018. In terms of the Scheme;

(i) All assets aggregating to ₹ 3,704.16 crore and liabilities (including in respect of debentures issued by the Company) aggregating to ₹ 3,711.91 crore of the Company forming part of the Investment Division were transferred to and vested into SPTL from the Appointed Date i.e 1st May 2018.

(ii) The issued, subscribed and paid-up equity share capital of the Company was reduced from ₹ 2275.16 crore (comprising of 2275,16,25,000 equity shares of Re. 1/- each) to ₹ 1275.16 crore (comprising of 1275,16,25,000 equity shares of Re. 1/- each) upon cancellation and extinguishment of 1000,00,00,000 equity shares of Re. 1/- each.

Notes to the Financial Statements for the year ended 31st March, 2019

(iii) 800,00,00,000 9% Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10/- each fully paid up aggregating to ₹ 8,000.00 crore issued by the Company and held by SPTL were cancelled and extinguished. In terms of the Scheme, the amount to be distributed upon cancellation of the OCPS was to be decided mutually by the respective boards of the companies, accordingly it was decided to distribute ₹ 10/- per OCPS and also agreed that pending distribution, the amount will be treated as payable in the books of the Company.

(iv) The capital reserve of the Company was credited by (a) ₹ 7.75 crore being the excess of liabilities over assets of Investment Division transferred to SPTL as per clause (i) above and (b) ₹ 1,000.00 crore being net amount of face value of shares extinguished net off amount distributable to shareholders as per clause (ii) and (iii) above.

(v) The accumulated amount of ₹ 1,007.75 crore in capital reserve as mentioned in clause (iv) above was adjusted against the deficit in Retained Earnings of the Company

(b) A Scheme of Arrangement under Section 230-232 of the Companies Act, 2013 between the Company and Pipeline Infrastructure Private Limited (PIPL) was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench and Mumbai Bench vide their Orders dated 12th November, 2018 and 21st December, 2018 providing for transfer of Pipeline Business of the Company to PIPL as going concern. The Appointed Date of the Scheme was 1st July 2018. In terms of the Scheme;

(i) The Pipeline Business of the Company was transferred to PIPL from the Appointed Date i.e 1st July 2018 for a net consideration of ₹ 650.00 crore which was discharged by PIPL by (a) payment of ₹ 600.00 crore and (b) allotment of redeemable preference shares of PIPL of aggregate face value of ₹ 50.00 crore to the Company.

(ii) Liability of ₹ 16,400.00 crore being borrowings of Pipeline Business were transferred to and vested into PIPL from the Appointed Date;

(iii) Carrying value of Property, Plant and Equipment amounting to ₹ 10,832.09 crore forming part of the Pipeline Business was derecognised. Excess of enterprise value (including value assigned to intangible assets) of Pipeline Business over the carrying value of assets is recognised in Statement of Profit and Loss.

(ii) Discontinued Operations

The Investment Division and Pipeline Business transferred pursuant to above Scheme are considered as Discontinued Operations.

Details of revenue and expenses of Discontinued Operation are as under :

(₹ in crore)

Particulars	Note	2018-19	2017-18
INCOME			
Revenue from Operations	26.1	**311.22**	884.78
Other Income	26.2	**6,417.82**	138.64
Total Income		**6,729.04**	1,023.42
EXPENSES			
Employee Benefits Expense	26.3	**16.28**	24.19
Finance Costs	26.4	**2,512.10**	365.39
Depreciation and Amortisation Expense	26.5	**209.38**	840.28
Other Expenses	26.6	**333.26**	333.11
Total Expenses		**3,071.02**	1,562.97
Profit / (Loss) before Tax		**3,658.02**	(539.55)
Tax Expenses			
Current Tax	29	**6.50**	-
Deferred Tax	16	**(298.99)**	(52.25)
Profit / (Loss) for the year		**3,950.51**	(487.30)
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss		**(0.43)**	(0.80)
Total Comprehensive Income for the year		**3,950.08**	(488.10)

Notes to the Financial Statements for the year ended 31st March, 2019

26.1 REVENUE FROM OPERATIONS

(₹ in crore)

	2018-19	2017-18
Income from Services		
Income from Transportation of Gas	**287.42**	821.71
Other Operating Income	**23.80**	63.07
TOTAL	**311.22**	884.78

26.2 OTHER INCOME

(₹ in crore)

		2018-19		2017-18
Interest Income from Others		**2.47**		5.86
Gain (net) on Financial Assets		**13.89**		13.83
Gain on transfer of Pipeline Business(refer Note 26 (i) (b)) :-				
Gross consideration for transfer of Pipeline Business (including Tangible and Intangible Assets) pursuant to Scheme of Arrangement	**17,050.00**		-	
Less :- Carrying value of Property, Plant And Equipment	**10,832.09**	**6,217.91**	-	-
Profit on sale of Property, Plant And Equipment		**-**		0.09
Net Gain on Derivative Transactions (₹ 22,027/-)		**0.00**		78.95
Facilitation and other Services		**3.36**		36.57
Other Non-Operating Income		**180.19**		3.34
TOTAL		**6,417.82**		138.64

26.3 EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

	2018-19	2017-18
Salaries, Wages and Bonus	**14.68**	20.11
Contribution to Providend Fund and other Funds	**0.47**	1.11
Staff Welfare Expenses	**1.13**	2.97
TOTAL	**16.28**	24.19

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

(₹ in crore)

	2018-19	2017-18
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under :		
Employer's Contribution to Provident Fund	**0.32**	0.65
Employer's Contribution to Superannuation Fund	**0.02**	0.03
Employer's Contribution to Pension Scheme	**0.17**	0.32

Defined Benefit Plan

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

Notes to the Financial Statements for the year ended 31st March, 2019

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

	2018-19	2017-18
	Gratuity (Funded)	
Defined Benefit Obligation at beginning of the year	**2.96**	2.97
Current Service Cost	**0.08**	0.29
Interest Cost	**0.16**	0.22
Actuarial (gain) / loss	**0.41**	0.85
Benefits paid	**(0.64)**	(1.38)
Transfer In / (Out)	**(2.02)**	-
Defined Benefit Obligation at the year end	**0.95**	2.96

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

(₹ in crore)

	2018-19	2017-18
	Gratuity (Funded)	
Fair value of Plan Assets at beginning of the year	**5.23**	6.11
Expected Return on Plan Assets	**0.28**	0.46
Actuarial Gain / (Loss)	**(0.01)**	0.05
Benefits paid	**(0.64)**	(1.38)
Transfer In / (Out)	**(3.37)**	-
Fair value of Plan Assets at the year end	**1.49**	5.23

iii) Reconciliation of fair value of assets and obligations

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Fair value of Plan Assets at year end	**1.49**	5.23
Present value of Obligation as at year end	**0.95**	2.96
Amount recognised in the Balance Sheet [Surplus / (Deficit)]	**0.54**	2.27

iv) Expenses recognised during the year

(₹ in crore)

	2018-19	2017-18
	Gratuity (Funded)	
Current Service Cost	**0.08**	0.29
Interest Cost	**0.16**	0.22
Expected Return on Plan Assets	**(0.28)**	(0.46)
Actuarial (Gain)/Loss	**0.43**	0.80
Expenses recognised during the year	**0.38**	0.87

v) Investment Details

Particulars of Investments - Gratuity (%)

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

Notes to the Financial Statements for the year ended 31st March, 2019

vi) Actuarial Assumptions

Mortality Table (IALM)

	Gratuity (Funded)	
	2018-19	2017-18
	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate	8.00%	8.00%
Salary escalation	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 expected rate of return on plan assets is determined considering RBI Bond Interest rate or historical return on plan assets.

vii) The expected contributions for defined benefit plan for the next financial year will be Nil as the employees have been transferred.

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 cr ore)

	As at 31st March, 2019		As at 31st March, 2018	
	Decrease	**Increase**	Decrease	Increase
Change in discounting rate (delta effect of -/+ 0.5%)	0.14	(0.13)	3.10	2.83
Change in rate of salary increase (delta effect of -/+ 0.5%)	(0.13)	0.14	2.83	3.10
Change in rate of Attrition (delta effect of -/+ 025%)	(0.02)	0.02	2.95	2.98

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

Investment Risk :-

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

Interest Risk :-

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

Longevity Risk :-

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

Salary Risk :-

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

(₹ in crore)

	2018-19	2017-18
26.4 FINANCE COSTS		
Interest Expenses (refer Note 26.4.1)	**2,512.10**	365.34
Other Borrowing Costs (₹ 39,396/-)	**0.00**	0.05
TOTAL	**2,512.10**	365.39

Notes to the Financial Statements for the year ended 31st March, 2019

26.4.1 The Company had received loans (subordinated to borrowings from external lenders) from Sikka Ports & Terminals Limited (SPTL), as promoter of the Company from FY 2011-12 onwards with a condition to charge interest at specified rate on Company becoming compliant with stipulated financial covenants. As the Company could not meet those financial covenants, no interest was accrued till FY 2017-18. During FY 2018-19, entire external borrowings of the Company stood repaid/redeemed and the Pipeline Business of the Company was transferred to M/s Pipeline Infrastructure Private Limited ("PIPL") at an asset value of ₹ 17,050.00 crore w.e.f. 1st July 2018. Interest expenses recognised above includes sum of ₹ 2,480.31 crore towards interest payable to SPTL on such loans till 30th June 2018.

(₹ in crore)

	2018-19	2017-18
26.5 Depreciation and Amortisation Expense		
Depreciation and Amortisation	**209.38**	840.28
TOTAL	**209.38**	840.28

(₹ in crore)

	2018-19	2017-18
26.6 OTHER EXPENSES		
OPERATION AND MAINTENANCE EXPENSES		
Stores and Spare	**56.03**	12.53
Electricity, Power and Fuel	**16.49**	66.06
Repairs - Machinery	**8.95**	34.98
Transmission Charges	**129.10**	179.78
Other Operational Expenses	**1.63**	6.31
	212.20	299.66
ADMINISTRATION EXPENSES		
Insurance	**1.69**	6.51
Rent	**0.02**	0.59
Repairs - Others	**0.02**	0.38
Rates and Taxes	**4.83**	1.28
Contracted and Others Services	**0.17**	2.37
Travelling and Conveyance	**1.39**	4.85
Professional Fees	**110.63**	2.63
General Expenses	**2.31**	14.84
	121.06	33.45
TOTAL	**333.26**	333.11

26.7 REGULATORY ASSETS

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

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

PNGRB had approved the provisional transportation tariff for the Company in year 2010. The customers were being billed for transportation of gas as per the said provisional tariff further broken into zone wise rates. The Company had filed application for determination of final tariff and subsequent revisions as directed by PNGRB, which were pending for consideration before them.

Notes to the Financial Statements for the year ended 31st March, 2019

Pending approval, the Company has been recognising revenue as per the expected final levelised tariff. Accordingly income of ₹ 3,224.58 crore for the period from 1st April 2009 till 30th June 2018 (including ₹ 55.58 crore 1st April 2018 to 30th June 2018 and ₹ 204.00 crore for FY 2017-18) 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 was recognised as Regulatory Assets.

Upon transfer of pipeline business of the Company in terms of Scheme of Arrangement referred to in Note 26 (i) (b) and the transfer of authorisation issued by PNGRB to PIPL, the Company is no more entitled to recover this amount. Hence the accumulated Regulated Assets of ₹ 3,224.58 crore till 30th June 2018 has been derecognised in the current year.

26.8 IMBALANCE AND OVERRUN CHARGES

In terms of Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipeline) Regulations, 2008, the Company had collected amount of ₹ 43.21 crore upto 30th June 2018 towards Imbalance and Overrun charges from its customers.

Further, above regulations provided that the amounts so collected to be credited to a separate escrow account to be maintained by the transporter and Petroleum and Natural Gas Regulatory Board (PNGRB) to specify the manner and purpose for which the amount available in such escrow accounts (after permitted withdrawal for eligible amounts by Company) is to be utilised.

Pending further guidelines from PNGRB regarding utilisation of the amount, the Company had placed the amount so collected in fixed deposit with banks and the interest accrued thereon from time to time had also been reinvested in fixed deposit.

The Company had recognised (i) the amount so collected toward imbalance and overrun charges and (ii) the provision made for interest payable on outstanding balance from time to time by the Company (which amount is equivalent to interest earned on the above fixed deposits) as amount payable to PNGRB in the financial statements of the Company. Aggregate amount of liability so recognised as on 30th June 2018 was ₹ 68.70 crore including interest of Rs 25.49 crore.

Pursuant to the transfer of Pipeline Business from the Company to PIPL with Appointed Date 1st July 2018 in terms of Scheme of Arrangement referred to in Note 26 (i) (b), the liability towards provision created for imbalance and overrun along with fixed deposits placed by the Company outstanding as at 30th June 2018 stood transferred to PIPL.

PNGRB has notified Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipeline) Amendment Regulations, 2019 on 13th August 2019. In terms of the said notification, PNGRB has now directed the transporters to deposit the amounts collected towards imbalance and overrun charges in an escrow account maintained by PNGRB itself.

Since the Company has already transferred the liability alongwith fixed deposits to PIPL, the Company's obligation towards utilisation of amount collected towards imbalance and overrun charges stands discharged.

NOTE 27. EARNINGS PER SHARE (EPS)

		2018-19	2017-18
i)	Net Profit / (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders - Continuing Operation (₹ in crore)	**(475.48)**	(431.84)
ii)	Net Profit / (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders - Discontinued Operation :-		
	Before considering Regulatory Income / Assets (₹ in crore)	**3,950.51**	(487.30)
	After considering Regulatory Income / Assets (₹ in crore)	**781.51**	(283.30)
iii)	Net Profit / (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders - Continuing Operation and Discontinued Operation :-		
	Before considering Regulatory Income / Assets (₹ in crore)	**3,475.03**	(919.14)
	After considering Regulatory Income / Assets (₹ in crore)	**306.03**	(715.14)
iv)	Weighted Average number of equity shares (used as denominator for calculating Basic EPS)	**1357 35 42 808**	2275 16 25 000
v)	Weighted Average number of Potential Equity Shares	**657 53 42 466**	8000 00 00 000
vi)	Total Weighted Average number of Equity Shares (used as denominator for calculating Diluted EPS)	**2014 88 85 274**	10275 16 25 000

Notes to the Financial Statements for the year ended 31st March, 2019

	2018-19	2017-18
vii) **Earnings per share of face value of ₹ 1 each**		
A. Continuing Operation		
- Basic (₹)	**(0.35)**	(0.19)
- Diluted (₹)	**(0.35)**	(0.19)
B. Discontinued Operation		
a. Before considering Regulatory Income / Assets		
- Basic (₹)	**2.91**	(0.21)
- Diluted (₹)	**1.96**	(0.21)
b. After considering Regulatory Income / Assets		
- Basic (₹)	**0.58**	(0.12)
- Diluted (₹)	**0.39**	(0.12)
C. Continuing and Discontinued Operation		
a. Before considering Regulatory Income / Assets		
- Basic (₹)	**2.56**	(0.40)
- Diluted (₹)	**1.72**	(0.40)
b. After considering Regulatory Income / Assets		
- Basic (₹)	**0.23**	(0.31)
- Diluted (₹)	**0.15**	(0.31)

Since the effect of potential equity shares is anti-dilutive, basic and diluted EPS is same wherever applicable.

The sole holder of 9% Cumulative Optionally Convertible Preference Shares (OCPS) had unconditionally waived its entitlement to the dividend for the financial year 2017-18 and financial year 2018-19 on OCPS, hence the dividend on OCPS is not deducted from profit or loss attributable to ordinary equity shareholders.

NOTE 28. RELATED PARTY DISCLOSURES

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 related parties with whom transactions have taken place and relationships:

Entities which exercise control on the Company

Reliance Industries Holding Private Limited

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

EWPL Holdings Private Limited (Formerly Reliance Utilities Private Limited)

Associate Company

Reliance Industries Limited (upto 19.03.2019)

Fellow Subsidiary Company

Jamnagar Utilities & Power Private Limited (Formerly Reliance Utilities And Power Private Limited)

Pipeline Infrastructure Private Limited (up to 17.03.2019)

Key Managerial Person

Mr. R. K. Dhadda

Mr. Ramachandran Venkataraman

Mr. Ritesh Shiyal

Notes to the Financial Statements for the year ended 31st March, 2019

ii) Transactions during the year with related parties :

(₹ in crore)

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Entities which exercise control on the Company	Associate Company	Fellow Subsidiary Company	Key Managerial Person	Total
1	Loan Taken (net)	**3,573.30**	-	-	-	**3,573.30**
		99.45	-	-	-	*99.45*
2	Deposit received for proposing candidature of Directors	-	-	-	-	-
		0.02	-	-	-	*0.02*
3	Deposit repaid for proposing candidature of Directors	-	-	-	-	-
		0.02	-	-	-	*0.02*
4	Sale of materials	-	-	-	-	-
		-	*0.11*	-	-	*0.11*
5	Purchase of fuel	-	**8.97**	-	-	**8.97**
		-	*35.49*	-	-	*35.49*
6	Income from Services (Including Taxes)	-	**219.29**	-	-	**219.29**
		-	*465.06*	-	-	*465.06*
7	Interest Expenses	**2,480.31**	-	-	-	**2,480.31**
		-	-	-	-	-
8	Remuneration	-	-	-	**2.48**	**2.48**
		-	-	-	*2.25*	*2.25*
9	Net liabilities transferred on Demerger of Investment Division	**7.75**	-	-	-	**7.75**
		-	-	-	-	-
10	Net consideration for transfer of Pipeline Business	-	-	**650.00**	-	**650.00**
		-	-	-	-	-
	Balances as at 31st March 2019					
1	Other Equity - Equity component of compound financial instruments	-	-	-	-	-
		8,000.00				*8,000.00*
2	Borrowings - Non-Cumulative Redeemable Preference Shares	**3,924.87**	-	**1,962.43**	-	**5,887.30**
		1,796.28	*3,592.55*	-	-	*5,388.83*
3	Equity Share Capital	**1,275.16**	-	-	-	**1,275.16**
		2,275.16	-	-	-	*2,275.16*
4	Loan Taken (net)	-	-	-	-	-
		4,826.70	-	-	-	*4,826.70*
5	Trade Receivables	-	-	-	-	-
		-	*37.01*	-	-	*37.01*
6	Interest Payable	**1,455.66**	-	-	-	**1,455.66**
		-	-	-	-	-

Figures in italic represents Previous Year's amounts.

Notes to the Financial Statements for the year ended 31st March, 2019

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

(₹ in crore)

	Particulars	Relationship	2018-19	2017-18
1	**Loan Taken (net)**			
	Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**3,573.30**	99.45
2	**Deposit received for proposing candidature of Directors**			
	EWPL Holdings Private Limited	Holding Company	**-**	0.02
3	**Deposit repaid for proposing candidature of Directors**			
	EWPL Holdings Private Limited	Holding Company	**-**	0.02
4	**Sale of materials**			
	Reliance Industries Limited	Associate Company	**-**	0.11
5	**Purchase of fuel**			
	Reliance Industries Limited	Associate Company	**8.97**	35.49
6	**Income from Services (Including Taxes)**			
	Reliance Industries Limited	Associate Company	**219.29**	465.06
7	**Interest Expenses**			
	Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**2,480.31**	-
8	**Remuneration**			
	Mr. R.K.Dhadda	Key Managerial Person	**1.14**	1.07
	Mr. Ramachandran Venkataraman	Key Managerial Person	**1.34**	1.18
9	**Net liabilities transferred on Demerger of Investment Division**			
	Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**7.75**	-
10	**Net consideration for transfer of Pipeline Business**			
	Pipeline Infrastructure Private Limited	Fellow Subsidiary Company	**650.00**	-

iv) Balances as at 31st March, 2019

(₹ in crore)

Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
Other Equity - Equity component of compound financial instruments			
Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**-**	8,000.00
Borrowings - Non-Cumulative Redeemable Preference Shares			
Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**3,924.87**	1,796.28
Reliance Industries Limited	Associate Company	**-**	3,592.55
Jamnagar Utilities & Power Private Limited	Fellow Subsidiary Company	**1,962.43**	-

Notes to the Financial Statements for the year ended 31st March, 2019

Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
Equity Share Capital			
EWPL Holdings Private Limited	Holding Company	**1,275.16**	2,275.16
Loan Taken (net)			
Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**-**	4,826.70
Trade Receivables			
Reliance Industries Limited	Associate Company	**-**	37.01
Interest Payables			
Sikka Ports & Terminals Limited	Entities which exercise control on the Company	**1,455.66**	-

NOTE 29. TAXATION

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Income tax recognised in Statement of Profit and Loss		
Current Tax	**6.50**	-
Deferred Tax	**(298.99)**	(52.25)
Total income tax expenses recognised in the current year	**(292.49)**	(52.25)

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

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Profit / (Loss) Before tax	**13.54**	(767.38)
Applicable Tax Rate	**34.944%**	34.608%
Computed Tax Expense	**4.73**	(265.58)
Tax effect of :		
Expenses Disallowed / allowances	(3,739.59)	(230.14)
Brought Forward Losses	3,740.90	495.92
Fair Value Changes	0.46	(0.21)
Current Tax Provision (A)	**6.50**	-
Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets	(3,829.10)	(282.82)
Incremental / (Reversal) of Deferred Tax Asset / Liability on account of Financial Assets and Other Items	3,530.11	230.57
Deferred Tax Provision (B)	**(298.99)**	(52.25)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**(292.49)**	(52.25)
Effective Tax Rate	**N.A**	N.A

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
NOTE 30. CONTINGENT LIABILITITIES AND COMMITMENTS		
(to the extent not provided for)		
Contingent Liabilities		
Guarantee issued by Bank	**20.62**	21.10
Claims against the Company / disputed liabilities not acknowledged as debt*	**6.14**	2.64
* the disputed liabilities are not likely to have any material effect on financial position of the Company.		
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**-**	1.10

NOTE 31. CAPITAL MANAGEMENT

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

a) Ensure financial flexibility

b) Minimize liquidity risk while meeting investment requirements.

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

This framework is adjusted based on underlying macro-economic factors affecting business environment.

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

(₹ in crore)

	As at 31st March, 2019	As at 31st March, 2018
Gross Debt	5,887.30	13,715.53
Cash and Marketable Securities	98.88	197.92
Net Debt (A)	**5,788.42**	**13,517.60**
Total Equity (As per Balance Sheet) (B)	**(7,525.16)**	**161.49**
Net Gearing (A/B)	**N.A.**	**83.70**

NOTE 32. SEGMENT INFORMATION

The Company's operating segments are identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems established for evaluation by the Board of Directors of the Company (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance.

The Company was having two principal operating and reporting segments viz. Pipeline Infrastructure segment providing transportation of gas and Investment segment which deploys funds of the Company in financial assets.

The accounting policies adopted for segment reporting are in line with the accounting policies 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 a 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 (Business) : (₹ in crore)

Notes to the Financial Statements for the year ended 31st March, 2019

Particulars		Pipeline Infrastructure (Discontinued)		Investments (Discontinued)		Unallocable		Total	
		2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
1	**Segment Revenue**								
	Revenue from Operations	**311.22**	884.78	-	-	-	-	**311.22**	884.78
	Other Income	**6 399.01**	86.37	**18.81**	52.27	**25.74**	27.13	**6 443.56**	165.77
	Total Segment Revenue	**6 710.23**	971.15	**18.81**	52.27	**25.74**	27.13	**6 754.78**	1 050.55
2	**Segment Result before Interest and Taxes**	**2 982.32**	(22.21)	**18.80**	52.05	**22.99**	24.42	**3 024.11**	54.26
	Less:- Interest Expenses	-	-	-	-	**3 010.57**	821.65	**3 010.57**	821.65
	Profit Before Tax	**2 982.32**	(22.21)	**18.80**	52.05	**(2 987.58)**	(797.23)	**13.54**	(767.39)
	Current Tax	-	-	-	-	**6.50**	-	**6.50**	-
	Deferred Tax	-	-	-	-	**(298.99)**	(52.25)	**(298.99)**	(52.25)
	Profit After Tax	**2 982.32**	(22.21)	**18.80**	52.05	**(2 695.09)**	(744.98)	**306.03**	(715.14)
3	**Other Information**								
	Segment Assets	**57.34**	14 621.10	**90.04**	193.38	**25.86**	11.32	**173.24**	14 825.80
	Segment Liabilities	**106.55**	675.00	-	0.00	**7 591.85**	13 989.31	**7 698.40**	14 664.31
	Capital Expenditure	**(0.36)**	1.12	-	-	-	-	**(0.36)**	1.12
	Depreciation and Amortisation	**209.38**	840.28	-	-	-	-	**209.38**	840.28
	Non Cash Expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-

(ii) The reportable Segments are further described below:

- The Pipeline Infrastructure segment represents the Natural Gas Transportation operations of the Company.
- Revenues from Operations of ₹ 204.84 crore (Previous Year ₹ 429.02 crore) are from a customer representing more than 10% of the Company's revenue.
- The Investments segment representing Investments, loans and advances and related financing activities.

(iii) Secondary Segment Information (Geographical):

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

NOTE 33. FINANCIAL INSTRUMENTS

Valuation

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 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.

Fair value measurement hierarchy:

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Security Deposits	-			1.46		
Trade Receivables	-			55.31		
Cash and Cash Equivalents	8.84			4.54		
Other Bank Balances	0.52			66.57		
Other Financial Assets	35.73			4.42		
At FVTPL						
Investments	90.04	-	90.04	193.38	-	193.38
Financial Liabilities						
At Amortised Cost						
Borrowings	5,887.30			13,715.53		
Trade Payables	14.93			57.26		
Other Financial Liabilities	1,455.66			190.79		
At FVTPL						
Financial Derivatives		-	-		13.17	13.17

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

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

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

Foreign Currency Risk

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

(₹ in crore)

Foreign Currency Exposure

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	USD	EUR	USD	EUR
Trade and Other Payables	**14.56**	-	12.41	1.73
Derivatives - Currency Swap	-	-	700.00	-
Net Exposure	**14.56**	**-**	712.41	1.73

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

Notes to the Financial Statements for the year ended 31st March, 2019

(₹ in crore)

Foreign Currency Sensitivity

Particulars	**As at 31st March, 2019**		As at 31st March, 2018	
	USD	**EUR**	USD	EUR
1% Depreciation in INR				
Impact on P&L	**(0.15)**	-	(7.12)	(0.02)
Total	**(0.15)**	-	(7.12)	(0.02)
1% Appreciation in INR				
Impact on P&L	**0.15**	-	7.12	0.02
Total	**0.15**	-	7.12	0.02

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

Particulars	**As at 31st March, 2019**	As at 31st March, 2018
Loan		
Non-Current - Fixed Interest	-	2,500.00
Current - Fixed Interest	-	1,000.00
Total	-	3,500.00
Derivatives		
Currency swap - Fixed Interest	-	700.00
Total	-	700.00

Impact on Interest Expenses for the year on 1% change in Interest rate (₹ in crore)

Interest Rate Sensitivity

Particulars	**As at 31st March, 2019**		As at 31st March, 2018	
	Up Move	Down Move	Up Move	Down Move
Impact on P&L	-	-	(7.00)	7.00
Total Impact	-	-	(7.00)	7.00

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.

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

Notes to the Financial Statements for the year ended 31st March, 2019

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 as on 31 March, 2019

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Borrowings							
Non Current	-	-	-	-	-	5,887.30	5,887.30
Total Borrowings	**-**	**-**	**-**	**-**	**-**	**5,887.30**	**5,887.30**

Maturity Profile as on 31 March, 2018 (₹ in crore)

Particulars	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Total
Borrowings							
Non Current	-	-	1,000.00	-	2,500.00	5,388.83	8,888.83
Current	-	-	4,826.70	-	-	-	4,826.70
Total Borrowings	**-**	**-**	**5,826.70**	**-**	**2,500.00**	**5,388.83**	**13,715.53**
Derivative Liabilities							
Currency Swap*	-	-	-	700.00	-	-	700.00
Total Derivative Liabilities	**-**	**-**	**-**	**700.00**	**-**	**-**	**700.00**

* All the Currency Swap contracts were foreclosed in April 2018

NOTE 34.

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

NOTE 35. GOING CONCERN

During the year the Pipeline Business and Investment Division of the Company were transferred pursuant to the scheme of arrangements referred to in Note 26 (i). Accordingly Company is not having any operating activities as of now. The management of the Company is in process of exploring new business opportunities in the area of its core expertise**.** The promoters of the Company continue to remain committed to extend any financial support that the Company may need in future. In view of the above the management of the Company is of the opinion that the status of the Company as going concern is not affected.

NOTE 36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 12th September, 2019.

As per our report of even date

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

Nirmal Kumar Burad
Partner
(Membership No. 071041)

Place: Mumbai
Dated: 12th September, 2019

For and on behalf of the Board

Rakesh Mohan
Director

C.M. Mehra
Director

Girish Nadkarni
Director

Venkataraman Ramachandran
Company Secretary