Reliance Gas Pipelines Limited

Independent Auditor's Report

To the Members of Reliance Gas Pipeline Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Gas Pipeline** Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.

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

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

   ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

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

For **Chaturvedi & Shah**
Chartered Accountants
Registration No : 101720W

Jignesh Mehta
Partner
Membership No. : 102749

Place : Mumbai
Date : April 06, 2015

Balance Sheet as at 31st March, 2015

(In Rupees)

	Note		As at 31st March, 2015		As at 31st March, 2014
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	1	150,00,00,000		5,00,000	
Reserves and Surplus	2	(1,48,03,157)		(40,948)	
			148,51,96,843		4,59,052
Non-Current Liabilities					
Long Term Borrowing	3	398,30,00,000		33,15,00,000	
			398,30,00,000		33,15,00,000
Current Liabilities					
Other Current Liabilities	4	83,75,00,173		2,17,80,476	
Short Term Provisions	5	19,95,291		100	
			83,94,95,464		2,17,80,576
TOTAL			630,76,92,307		35,37,39,628
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	6	5,83,16,514		2,31,73,128	
Capital Work-in-Progress		514,72,07,095		11,29,49,383	
Long-term Loans and Advances	7	41,25,28,800		21,00,99,728	
			561,80,52,409		34,62,22,239
Current assets					
Current Investments		23,61,11,390		-	
Cash and Bank Balances	8	1,11,26,950		21,29,706	
Short-Term Loans and Advances		44,24,01,558		53,87,683	
			68,96,39,898		75,17,389
TOTAL			630,76,92,307		35,37,39,628
Significant Accounting Policies					
Notes to the Financial Statement	1 to 19				

As per our Report of even date

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

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 06, 2015

For and on behalf of the Board

S Sudhakar
Director
(DIN - 00001330)

Amit Mehta
Director
(DIN - 5112454)

Vikas Pethe
Asst. Company Secretary
(Mem. - A34879)

EVS Rao
Chief Financial Officer
(PAN: AANPR3231K)

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

(In Rupees)

	Note	2014-15	2013-14
INCOME			
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
EXPENDITURE			
Other Expenses	12	1,47,62,209	29,962
Total Expenses		1,47,62,209	29,962
Profit / (Loss) before tax		(1,47,62,209)	(29,962)
Tax expenses			
Current Tax		-	-
Profit / (Loss) for the Year		(1,47,62,209)	(29,962)
Earnings per equity share of Face Value of ₹ 10 Each			
Basic & Diluted (In ₹)	13	(0.16)	(0.60)
Significant Accounting Policies Notes to the Financial Statement	1 to 19		

As per our Report of even date

For **Chaturvedi & Shah**
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Firm Regn No. - 101720W

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Chief Financial Officer
(PAN: AANPR3231K)

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

					(In Rupees)
			2014-15		2013-14
A.	**Cash Flow from Operating Activities**				
	Net Profit/(Loss) before tax as per Statement of Profit & Loss		**(1,47,62,209)**		(29,962)
	Adjusted for:				
	Trade and Other Receivables	**(44,05,03,801)**		(77,08,228)	
	Trade and Other Payables	**2,49,99,288**		8,46,811	
			(41,55,04,513)		(68,61,417)
	Cash Generated from Operations		**(43,02,66,722)**		(68,91,379)
	Net Taxes (Paid) / Refunds		**(30,046)**		-
	Net Cash (used in) Operating Activities		**(43,02,96,768)**		(68,91,379)
B.	**Cash Flow from Investing Activities**				
	Purchase of fixed assets	**(440,29,19,941)**		(32,14,43,116)	
	Purchase of Current Investments	**(192,01,11,390)**		-	
	Sale of Current Investments	**168,40,00,000**		17,714	
	Investment in Fixed Deposits	**(43,90,500)**		-	
	Net Cash (used in) Investing Activities		**(464,34,21,831)**		(32,14,25,402)
C.	**Cash Flow From Financing Activities**				
	Proceeds from Issue of Share Capital	**149,95,00,000**		-	
	Proceeds from Long Term Borrowings	**467,35,00,000**		33,15,00,000	
	Repayment of Long Term Borrowings	**(102,20,00,000)**		(15,00,000)	
	Interest Paid	**(7,26,74,658)**		-	
	Net Cash Generated from Financing Activities		**507,83,25,342**		33,00,00,000
	Net Increase in Cash and Cash Equivalents		**46,06,744**		16,83,219
	Opening balance of Cash and Cash equivalents		**21,29,706**		4,46,487
	Closing balance of Cash and Cash equivalents		**67,36,450**		21,29,706
	(Refer Note No. 9)				

As per our Report of even date

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

Jignesh Mehta
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Mem. No. - 102749

Mumbai
April 06, 2015

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

Significant Accounting Policies

A Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

B Use of Estimates

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

C Fixed Assets

Fixed Assets are stated at cost net of cenvat / value added tax, less accumulated depreciation, amortisation and impairment loss, if any. All costs, including financing costs till commencement of operations, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised. All the expenditure (net of income earned) related to Project incurred during the construction period till commencement of operations are treated as Project Development Expenditure pending capitalisation, and are included under Capital Work-In-Progress and the same are allocated on all the Fixed Assets of the Project on completion.

D Depreciation

Depreciation on fixed assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Cost of leasehold land is amortised over the period of lease.

E Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.

(iii) Non-monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

F Investments

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Non Current Investments i.e., Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

G Inventories

Items of inventories are measured at lower of cost or net realisable value after providing for obsolence if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Costs are determined on weighted average basis.

H Revenue Recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of services, service tax adjusted for discounts (net).

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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

I Employee Benefits

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. These benefits include performance incentive and compensated absences.

Post-employmemt 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.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

J Borrowing Costs

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

K Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

L Provision, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

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

1. Share Capital

(In Rupees)

		As at 31st March, 2015	As at 31st March, 2014
Authorised Share Capital			
150,000,000 (50,000)	Equity Shares of ₹ 10 each	**150,00,00,000**	5,00,000
		150,00,00,000	5,00,000
Issued, Subscribed and Paid up:			
150,000,000 (50,000)	Equity Shares of ₹ 10 each fully paid up	**150,00,00,000**	5,00,000
TOTAL		**150,00,00,000**	5,00,000

a) All the above 15,00,00,000 (Previous Year 50,000) equity shares of ₹ 10 each, fully paid up are held by Reliance Industries Limited, the holding company.

b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

(In Rupees)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Equity shares at the beginning	**50,000**	50,000
Add : Shares issued during the year	**14,99,50,000**	-
Equity shares at the end of the year	**15,00,00,000**	50,000

c) Details of Share holders holding more than 5% shares

	As at 31st March, 2015		As at 31st March, 2014	
Name of Shareholder	**No. of Shares**	**Held (%)**	No. of Shares	Held (%)
Reliance Industries Limited	**15,00,00,000**	**100**	50,000	100
Total	**15,00,00,000**	**100**	50,000	100

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

2. Reserves and Surplus

(In Rupees)

		As at 31st March, 2015		As at 31st March, 2014
Surplus / (Deficit) in Profit and Loss Account				
As per last Balance Sheet	**(40,948)**		(10,987)	
Add: (Loss) for the Year	**(1,47,62,209)**		(29,962)	
		(1,48,03,157)		(40,948)
TOTAL		**(1,48,03,157)**		(40,948)

2.1 In view of the loss for the year, the company has not created the debenture redemption reserve for a cumulative amount of ₹ 48,66,048/- in terms of section 71(4) of the companies Act, 2013. The company shall create the debenture redemption reserve out of profits if any, in the future year.

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

3. Long Term Borrowing

(In Rupees)

	As at 31st March, 2015	As at 31st March, 2014
Secured		
Term Loan - from Financial Institution	**300,00,00,000**	-
Unsecured		
Zero Coupon Unsecured Optionally Fully Convertible Debentures of ₹ 10 each	**65,15,00,000**	-
Loans and advances from Holding Company	**33,15,00,000**	33,15,00,000
TOTAL	**398,30,00,000**	33,15,00,000

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

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

(In Rupees)

	Maturity Profile		
	6 year	**2-5 years**	**TOTAL**
Term Loans - from Financial Institution	94,36,80,000	205,63,20,000	**300,00,00,000**

3.3 Debentures represents: ₹ 65,15,00,000/- (Previous Year ₹ NIL) as Zero Coupon Unsecured Optionally Fuly Convertible Debentures of ₹ 10/- each, have been issued to Reliance Industries Limited. The Company and Reliance Industries Limited shall have an option for an early conversion at “fair value” as may be determined by a valuer appointed by the Company, at any time after allotment of OFCD’s by giving one month notice to the other party.The outstanding Debentures shall be redeemed on expiry of 13 years i.e. Financial year 2028-29, from the date of allotment

3.4 Loan represents ₹ 33,15,00,000/- (Previous Year ₹ 33,15,00,000/-) Interest free Loan from Reliance Industries Limited, repayable after 31st March, 2025.

4. Other Current Liabilities

(In Rupees)

	As at 31st March, 2015	As at 31st March, 2014
Interest accrued but not due on borrowings	**1,32,73,973**	-
Creditors for Capital Expenditure#	**80,03,68,450**	2,09,26,923
Other Payables *	**2,38,57,750**	8,53,553
TOTAL	**83,75,00,173**	2,17,80,476

* Other Payables include Statutory dues

The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

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

	As at 31st March, 2015	As at 31st March, 2014
Principal amount due and remaining unpaid	**-**	-
Interest due on above and the unpaid interest	**-**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-

5. Short Term Provisions (In Rupees)

	As at 31st March, 2015	As at 31st March, 2014
Provision for Employee Benefits	**19,95,291**	-
Provision for Income Tax (Net of Advance Tax)	**-**	100
TOTAL	**19,95,291**	100

6. Fixed Assets (In Rupees)

Description	Gross Block				Depreciation				Net Block	
	As at 01-04-2014	Additions	Deductions/ Adjustments	As at 31-03-2015	As at 01-04-2014	For the Year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2015
TANGIBLE ASSETS										
OWNED ASSETS:										
Leasehold Land	64,33,754	19,50,314	-	83,84,068	1,05,332	2,80,275	-	3,85,607	79,98,461	63,28,422
Freehold Land	1,11,36,619	2,53,49,542	-	3,64,86,161	-	-	-	-	3,64,86,161	1,11,36,619
Buildings	-	51,82,187	-	51,82,187	-	12,18,860	-	12,18,860	39,63,327	-
Plant & Machinery	4,46,131	1,39,569	-	5,85,699	32,624	1,45,602	-	1,78,226	4,07,473	4,13,507
Electrical Installations	15,73,455	19,29,903	-	35,03,358	32,057	3,00,023	-	3,32,080	31,71,278	15,41,398
Equipments	9,64,295	8,02,787	-	17,67,081	20,597	3,35,188	-	3,55,785	14,11,296	9,43,698
Furniture & Fixtures	28,91,886	25,52,440	-	54,44,326	82,401	4,83,407	-	5,65,808	48,78,518	28,09,484
Total	**2,34,46,139**	**3,79,06,741**	**-**	**6,13,52,881**	**2,73,012**	**27,63,355**	**-**	**30,36,367**	**5,83,16,514**	**2,31,73,128**
Previous Year	-	*2,34,46,139*	-	*2,34,46,139*	-	*2,73,012*	-	*2,73,012*	*2,31,73,128*	-
Capital Work In Progress									**514,72,07,095**	11,29,49,383

6.1 Capital Work in Progress includes:
Cost of Construction Materials at Site ₹ 347,35,40,469 (Previous Year ₹ 33,41,827/-)

6.2 Capital Work-in-Progress includes Project Development Expenditure ₹ 16,57,41,940/- (Previous year ₹ 55,43,876/-)
Details of Project Development Expenditure:

(In Rupees)

		2014-15		2013-14
Opening Balance		**55,43,876**		-
Interest and Finance charges	**6,69,16,509**		7,749	
Other Indiect Costs	**9,05,18,200**		52,63,115	
Depreciation	**27,63,355**	**16,01,98,063**	2,73,012	55,43,876
Closing Balance		**16,57,41,940**		55,43,876

6.3 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the Profit and Loss Account.

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

7. Long-Term Loans and Advances
(Unsecured & Considered Good)

		(In Rupees)
	As at 31st March, 2015	As at 31st March, 2014
Capital Advances	**40,66,66,528**	20,77,57,528
Deposits	**58,62,272**	23,42,200
TOTAL	**41,25,28,800**	21,00,99,728

8. Current Investments

		(In Rupees)
(carried at lower of cost)	**As at 31st March, 2015**	As at 31st March, 2014
Investment in Mutual Fund - Unquoted		
1,41,795 IDFC Cash Fund - Growth	**23,61,11,390**	-
-		
TOTAL	**23,61,11,390**	-
Aggregate value of Unquoted Investments	**23,61,11,390**	-

9. Cash and Bank Balances

		(In Rupees)
	As at 31st March, 2015	As at 31st March, 2014
Cash & Cash Equivalents		
Balance with Bank - In Current Accounts	**67,36,450**	21,29,706
Other Bank Balance		
Fixed Deposits with Banks*	**43,90,500**	-
TOTAL	**1,11,26,950**	21,29,706

* Deposits of ₹ 43,90,500 held with government authorities

10. Short-Term Loans and Advances
(Unsecured and Considered Good)

		(In Rupees)
	As at 31st March, 2015	As at 31st March, 2014
Advance Income Tax (Net of Provision)	**30,146**	-
Balance with customs, central Excise and Sales Tax authorities	**18,19,27,379**	-
Others	**26,04,44,033**	53,87,683
TOTAL	**44,24,01,558**	53,87,683

11. As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:
Defined Contribution Plan
Contribution to Defined Contribution Plans , recognised as expense for the year is as under

		(In Rupees)
	2014-15	2013-14
Employers Contribution to Provident Fund	**8,61,839**	-
Employers Contribution to Pension Fund	**3,20,419**	-
Employers Contribution to Superannuation Fund	**1,666**	-
TOTAL	**11,83,924**	-

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

Defined Benefit Plan

The Employees Gratuity Scheme is a defined 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. The obligation for leave encashment is recognised in the same manner as gratuity.

I Reconciliation of Opening and closing balances of Defined Benefit obligation

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	**2014-15**	2013-14
Defined Benefit obligation at beginning of the year	**-**	-	**-**	-
Current Service Cost	**11,65,462**	-	**8,28,163**	-
Interest cost	**-**	-	**-**	-
Actuarial (gain) / loss on obligations	**-**	-	**-**	-
Benefits paid	**-**	-	**-**	-
Defined Benefit obligation at end of the year	**11,65,462**	-	**8,28,163**	-

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

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	**2014-15**	2013-14
Fair value of plan assets at the beginning of the year	**-**	-	**-**	-
Expected return on plan assets	**-**	-	**-**	-
Actuarial Gain / (Loss)	**-**	-	**-**	-
Employer Contribution	**-**	-	**-**	-
Other Transfers	**-**	-	**-**	-
Benefits Paid	**-**	-	**-**	-
Fair value of plan assets at the end of the year	**-**	-	**-**	-

III Reconciliation of fair value of assets and obligations

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	**2014-15**	2013-14
Fair value of plan assets at end of year	**-**	-	**-**	-
Present Value of obligation	**11,65,462**	-	**8,28,163**	-
Amount recognised in Balance Sheet	**11,65,462**	-	**8,28,163**	-

IV Expense recognised / capitalised during the year

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	**2014-15**	2013-14
Current Service Cost	**11,65,462**	-	**8,28,163.00**	-
Interest Cost	**-**	-	**-**	-
Expected return on plan assets	**-**	-	**-**	-
Actuarial (gain) / loss	**-**	-	**-**	-
Other Transfers	**-**	-	**-**	-
Net cost	**11,65,462**	-	**8,28,163**	-

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

V **Actuarial Assumptions**

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	**2014-15**	2013-14
Mortality Table	**(Ultimate)**	(Ultimate)	**(Ultimate)**	(Ultimate)
Discount rate (per annum)	**8.00%**	-	**8.00%**	-
Expected rate of return on plan assets (per annum)	**-**	-	**-**	-
Rate of escalation in salary (per annum)	**6.00%**	-	**6.00%**	-

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

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

12. Other Expenses (In Rupees)

Establishment Expenses	**2014-15**	2013-14
Professional Fees	**3,00,000**	-
Rates and Taxes	**1,44,06,600**	17,644
Audit Fees	**25,000**	12,000
General Expenses	**30,609**	318
TOTAL	**1,47,62,209**	29,962

12.1 Payment to Auditors (In Rupees)

	2014-15	2013-14
Statutory Audit Fees	**25,000**	12,000
TOTAL	**25,000**	12,000

12.2 Value of Imports on CIF basis in respect of Capital Goods ₹ 11,92,01,392 (Previous Year ₹ NIL).

12.3 Expenditure in Foreign Currency (In Rupees)

	2014-15	2013-14
Travelling Expenses	**4,65,929**	-
TOTAL	**4,65,929**	-

13. Earning Per Share (In Rupees)

	2014-15	2013-14
Net Profit / (Loss) after tax as per statement of profit and loss	**(1,47,62,209)**	(29,962)
Net Profit / (Loss) attributable to Equity Shareholders	**(1,47,62,209)**	(29,962)
Weighted Average number of equity shares used as denominator for calculating EPS:	**9,43,28,219**	50,000
Basic & Diluted Earnings per share of face value of ₹.10 each (In ₹)	**(0.16)**	(0.60)

14. The Company is mainly engaged in the business of providing Pipeline Infrastructure services in India. Accordingly, there is no separate reportable segment as defined by the Accounting Standard 17 "Segment Reporting" notified by Companies (Accounting Standards) Rules, 2006.

15. Pursuant to the Authorisation received from Petroleum and Natural Gas Board (PNGRB), the Company is setting up pipeline infrastructure from Shahdol in Madhya Pradesh to Phulpur in Uttar Pradesh (SHPPL Project) for transportation of natural gas.

The Company has also received the Acceptance from PNGRB, consequent to which the Company has commenced work relating to setting up pipeline infrastructure from Dahej, in Gujarat to Nagothane, in Maharashtra (DNEPL Project) for dedicated use by Reliance Industries Limited for transportation of liquid ethane.

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

16. Related Party Disclosures

(i) List of related parties where control exists and relationships:

S.No.	Name of the Related Party	Relationship
1.	Reliance Industries Limited	Holding Company
2.	Reliance Corporate IT Park Limited	Fellow Subsidiary
3.	Reliance Retail Limited	

(ii) Transactions during the year with related parties:

SNo.	Nature of Transactions (Excluding reimbursements)	Holding Company	Fellow Subsidiaries	Total
1)	**Purchase of Fixed Assets**	**7,21,06,081**	**26,08,147**	**7,47,14,228**
		-	*52,94,743*	*52,94,743*
2)	**Net Unsecured Loans Taken / (Repaid)**	**-**	**-**	**-**
		33,15,00,000	-	*33,15,00,000*
3)	**Finance Charges Paid**	**1,41,13,014**	**-**	**1,41,13,014**
		-	-	-
4)	**Issue of Equity Share Capital**	**149,95,00,000**	**-**	**149,95,00,000**
		-	-	-
5)	**Issue of Zero Coupon Unsecured Optionally Fully**	**65,15,00,000**	**-**	**65,15,00,000**
	Convertible Debentures	-	-	-
	Balance as on 31st March, 2015			
6)	**Equity Shares**	**150,00,00,000**	**-**	**150,00,00,000**
		5,00,000	-	*5,00,000*
7)	**Zero Coupon Unsecured Optionally Fully**	**65,15,00,000**	**-**	**65,15,00,000**
	Convertible Debentures	-	-	-
8)	**Unsecured Loans**	**33,15,00,000**	**-**	**33,15,00,000**
		33,15,00,000	-	*33,15,00,000*

Note :

Figures in Italic represents Previous Year's amount.

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

	Particulars	Relationship	2014-15	2013-14
1.	Purchase of Fixed Assets			
	Reliance Industries Limited	Holding Company	**7,21,06,081**	-
	Reliance Retail Limited	Fellow Subsidiary	**9,22,747**	52,94,743
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**16,85,400**	-
2.	Net Unsecured Loans Taken / (Returned)			
	Reliance Industries Limited	Holding Company	**-**	33,15,00,000
3.	Issue of Equity Share Capital			
	Reliance Industries Limited	Holding Company	**1,49,95,00,000**	-
4.	Issue of Zero Coupon Optionally Fully Convertible Debentures			
	Reliance Industries Limited	Holding Company	**65,15,00,000**	-
	Balance as on 31st March, 2015			
5.	Equity Share Capital			
	Reliance Industries Limited	Holding Company	**150,00,00,000**	5,00,000
6.	Zero Coupon Optionally Fully Convertible Debentures			
	Reliance Industries Limited	Holding Company	**65,15,00,000**	-
7.	Unsecured Loans			
	Reliance Industries Limited	Holding Company	**33,15,00,000**	33,15,00,000

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

17. Deferred tax assets being higher than deferred tax liabilities, the Company recognizes deferred tax assets only to the extent of deferred tax liabilities on a conservative basis and any excess of deferred tax asset has not been given effect to in the balance sheet.

18. Additional Information

	As at 31st March, 2015	(In Rupees) As at 31st March, 2014
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	**247,25,08,218**	335,72,84,958
(B) Contingent Liabilities		
Bank Gurantees	**15,56,21,570**	13,11,15,136

19. The previous year's figures have been regrouped and reclassified wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date

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

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 06, 2015

For and on behalf of the Board

S Sudhakar
Director
(DIN - 00001330)

Amit Mehta
Director
(DIN - 5112454)

Vikas Pethe
Asst. Company Secretary
(Mem. - A34879)

EVS Rao
Chief Financial Officer
(PAN: AANPR3231K)