# Reliance Gas Pipelines Limited

## Financial Statements

## 2021-22

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF RELIANCE GAS PIPELINES LIMITED

### Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of **RELIANCE GAS PIPELINES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of 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 Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including total comprehensive loss, the statement of changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the 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 of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 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 Board 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 during the course of our 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.

**Responsibilities of Management 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 were 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.

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 the 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 and as represented by the management:

   i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements.

   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.

   iv. (a) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the current year.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

**Vitesh D. Gandhi**
**Partner**
Membership No.: 110248

UDIN: 22110248AHDRMB6031

Place: Mumbai
Date: April 15, 2022

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE GAS PIPELINES LIMITED**

**(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)**

1) a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.

(B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets on the basis of available information.

b) As explained to us, Property, Plant & Equipment and right-of-use 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 given to us and the records examined by us, tittle deeds in respect of immovable properties disclosed as Property, Plant & Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are in the name of the Company as at the balance sheet date.

d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year.

e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

3) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:

   a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause (iii)(a), (c), (d), (e) and (f) of paragraph 3 of the Order are not applicable to the Company.

   b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made-are, prima facie, not prejudicial to Company's interest.

4) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.

5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

6) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate

7) In respect of Statutory dues:

   a) According to the records of the Company examined by us, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as March 31, 2022 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute, except for the items set out as below:

| Name of the statue | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 265.12 | AY 2018-19 | Commissioner of Income-tax (Appeals) |

8) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.

b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable to the Company.

10) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

b) In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

12) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

13) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

14) a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of Companies Act.

16) a) In our Opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of paragraph 3 of the Order is not applicable.

b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.

17) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) With respect to CSR contribution under section 135 of the Act:

a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

**Vitesh D. Gandhi**
**Partner**
Membership No.: 110248

UDIN: 22110248AHDRMB6031

Place : Mumbai
Date : April 15, 2022

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE GAS PIPELINES LIMITED**

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

**Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the financial statements of **RELIANCE GAS PIPELINES LIMITED** ("the Company") as of March 31, 2022 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 with reference to financial statements 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 ("ICAI"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to these financial statements.

**Meaning of Internal Financial Controls With Reference To Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With Reference To Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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 with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control with reference to Financial Statements 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 **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720W/W100355

**Vitesh D. Gandhi**
**Partner**
Membership No.: 110248

UDIN: 22110248AHDRMB6031

Place : Mumbai
Date : April 15, 2022

**Reliance Gas Pipelines Limited**
**Balance Sheet as at 31st March, 2022**

(₹ in Lakhs)

| | Notes | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 1 | 81,557.05 | 86,593.81 |
| Capital Work-in-Progress | 1 | 713.21 | 403.70 |
| Deferred Tax Assets (net) | 2 | 2,796.07 | 1,842.05 |
| Other Non- Current Assets | 3 | 465.62 | 365.26 |
| **Total Non-Current Assets** | | 85,531.95 | 89,204.82 |
| **Current Assets** | | | |
| Inventories | 4 | 2,425.08 | 2,533.27 |
| Financial Assets | | | |
| Investments | 5 | 2,384.09 | 3,046.86 |
| Trade Receivables | 6 | 409.49 | 473.13 |
| Cash and Cash Equivalent | 7 | 31.58 | 13.53 |
| Other Financial Assets | 8 | 29.51 | 29.51 |
| Other Current Assets | 9 | 884.94 | 541.06 |
| **Total Current Assets** | | 6,164.69 | 6,637.36 |
| **Total Assets** | | 91,696.64 | 95,842.18 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity Share Capital | 10 | 26,110.00 | 26,110.00 |
| Other Equity | 11 | 24,715.39 | 26,216.90 |
| **Total Equity** | | 50,825.39 | 52,326.90 |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 12 | 39,500.00 | 42,000.00 |
| **Total Non-Current Liabilities** | | 39,500.00 | 42,000.00 |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Trade Payables Due to : | | | |
| Micro and Small enterprises | 13 | 105.30 | 65.84 |
| Other than micro and small enterprises | | 372.69 | 464.62 |
| Other Financial Liabilities | 14 | 251.07 | 258.59 |
| Other Current Liabilities | 15 | 623.88 | 710.42 |
| Provisions | 16 | 18.31 | 15.82 |
| **Total Current Liabilities** | | 1,371.25 | 1,515.28 |
| **Total Liabilities** | | 40,871.25 | 43,515.28 |
| **Total Equity and Liabilities** | | 91,696.64 | 95,842.18 |

Significant Accounting Policies

See accompanying Notes to the Financial Statements **1 to 33**

As per our Report of even date

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W/ W100355

**For and on behalf of the Board**

**Vitesh D. Gandhi**
Partner
Mem. No. - 110248

**Sudhakar Saraswatula**
Chairman

**Amit Mehta**
Whole Time Director & CEO

**Jayashri Rajesh**
Director

**Venkata Ravikumar Prekki**
Director

Mumbai
April 15, 2022

**Kavina Vora**
Company Secretary

**Milind Narkhede**
Chief Financial Officer

**Reliance Gas Pipelines Limited**
**Statement of Profit and Loss for the year ended 31st March, 2022**

| | Notes | 2021-22 | (₹ in Lakhs) 2020-21 |
|---|---|---|---|
| **INCOME** | | | |
| Value of Sales | | **-** | 105.67 |
| Income from Services | | **10,251.87** | 11,150.81 |
| **Value of Sales & Services (Revenue)** | | **10,251.87** | 11,256.48 |
| Less: GST Recovered | | **1,098.41** | 1,210.85 |
| **Revenue from Operations** | **17** | **9,153.46** | 10,045.63 |
| Other Income | **18** | **223.79** | 1,235.48 |
| **Total Income** | | **9,377.25** | 11,281.11 |
| **EXPENDITURE** | | | |
| Purchase of Traded Goods | | **-** | 90.44 |
| Employee Benefits Expense | **19** | **289.40** | 223.32 |
| Finance Costs | **20** | **3,040.73** | 3,780.02 |
| Depreciation / Amortisation Expense | **1** | **5,048.60** | 5,052.28 |
| Other Expenses | **21** | **3,464.38** | 3,322.63 |
| **Total Expenses** | | **11,843.11** | 12,468.69 |
| **Profit/(Loss) Before Tax** | | **(2,465.86)** | (1,187.58) |
| Tax Expenses: | | | |
| Current Tax | **3.1** | **-** | - |
| Deferred Tax | **2** | **(954.02)** | (406.93) |
| | | **(954.02)** | (406.93) |
| **Profit/(Loss) for the Year** | | **(1,511.84)** | (780.65) |
| **Other Comprehensive Income/(Loss)** | | | |
| **a) Items that will be reclassified to Profit or Loss** | | **-** | - |
| **b) Other item not to be reclassified in Profit or Loss** | | | |
| Remeasurement of Defined Benefit Plan | **19.1** | **15.51** | (18.39) |
| Income tax on above | | **(5.18)** | 6.43 |
| **Total other comprehensive income/(loss) for the year (Net of tax)** | | **10.33** | (11.97) |
| **Total comprehensive income/(Loss) for the year** | | **(1,501.51)** | (792.61) |
| **Earnings per equity share of face value of Rs 7 each** | | | |
| Basic | **22** | **(0.41)** | (0.21) |
| Diluted | | **(0.41)** | (0.21) |

Significant Accounting Policies
See accompanying notes to Financial Statements **1 to 33**

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W/ W100355

**Vitesh D. Gandhi**
Partner
Mem. No. - 110248

**Sudhakar Saraswatula**
Chairman

**Amit Mehta**
Whole Time Director & CEO

**Jayashri Rajesh**
Director

**Venkata Ravikumar Prekki**
Director

Mumbai
April 15, 2022

**Kavina Vora**
Company Secretary

**Milind Narkhede**
Chief Financial Officer

**Reliance Gas Pipelines Limited**
**Statement of Change in Equity for the period ended 31st March, 2022**

(₹ in Lakhs)

| A. EQUITY SHARE CAPITAL | Balance as at 1st April, 2020 | Changes during the year 2020-21 (Refer Note 30) | Balance as at 31st March, 2021 | Changes during the year 2021-22 | Balance as at 31st March, 2022 |
|---|---|---|---|---|---|
| | 37,300.00 | (11,190) | 26,110.00 | - | **26,110.00** |

**B. OTHER EQUITY**

(₹ in Lakhs)

| As at 31st March, 2022 | Balance as at 1st April, 2021 | Total Comprehensive Income for the Year | Effect on account of demerger (Refer Note 30) | Balance as at 31st March, 2022 |
|---|---|---|---|---|
| **INSTRUMENT CLASSIFED AS EQUITY** | 25,735.50 | - | - | 25,735.50 |
| **RESERVES & SURPLUS** | | | | |
| Retained Earnings | 340.09 | (1,511.84) | - | (1,171.75) |
| Capital Reserve on Demerger | (0.00) | - | 0.00 | - |
| **OTHER COMPREHENSIVE INCOME** | 141.31 | 10.33 | - | 151.64 |
| **TOTAL** | **26,216.90** | **(1,501.51)** | **0.00** | **24,715.39** |

| As at 31st March, 2021 | Balance as at 1st April, 2020 | Total Comprehensive Income for the Year | Effect on account of demerger (Refer Note 30) | Balance as at 31st March, 2021 |
|---|---|---|---|---|
| **INSTRUMENT CLASSIFED AS EQUITY** | 36,765.00 | - | (11,029.50) | 25,735.50 |
| **RESERVES & SURPLUS** | | | | |
| Retained Earnings | 2,451.22 | (780.65) | (1,330.48) | 340.09 |
| Capital Reserve on Demerger | (23,550.00) | - | 23,550.00 | (0.00) |
| **OTHER COMPREHENSIVE INCOME** | 153.28 | (11.97) | - | 141.31 |
| **TOTAL** | **15,819.50** | **(792.61)** | **11,190.02** | **26,216.90** |

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W/ W100355

**Vitesh D. Gandhi**
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Mem. No. - 110248

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Director

Mumbai
April 15, 2022

**Kavina Vora**
Company Secretary

**Milind Narkhede**
Chief Financial Officer

**Reliance Gas Pipelines Limited**
**Statement of Cash Flow for the year ended 31st March, 2022**

| | | (₹ in Lakhs) |
|---|---|---|
| | **2021-22** | 2020-21 |
| **A: CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit before tax as per Statement of Profit and Loss** | **(2,465.86)** | (1,187.58) |
| **Adjusted for:** | | |
| Depreciation / Amortisation Expense | **5,048.60** | 5,052.28 |
| (Profit)/ Loss on Sale of Investments (Net) | **(182.72)** | (227.44) |
| Finance Costs | **3,040.73** | 3,780.02 |
| **Operating Profit before Working Capital Changes** | **5,440.75** | 7,417.28 |
| **Adjusted for:** | | |
| Trade and Other Receivables | **(280.24)** | (303.45) |
| Inventories | **108.19** | (578.85) |
| Trade and Other Payables | **(126.17)** | 198.12 |
| **Cash Generated from Operations** | **5,142.53** | 6,733.10 |
| Taxes Paid (Net) | **(100.36)** | 161.11 |
| **Net Cash Flow from / (used in) Operating Activities** | **5,042.17** | 6,894.21 |
| **B: CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Property, Plant and Equipment and Capital Work-In-Progress | **(328.88)** | (481.26) |
| Purchase of Other Investments | **(9,880.51)** | (21,340.42) |
| Sale of Other Investments/ Proceeds from sale of financial assets | **10,726.00** | 18,522.00 |
| Maturity of / (Investment in) Fixed Deposits | **-** | 1.19 |
| **Net Cash Flow from / (used in) Investing Activities** | **516.61** | (3,298.48) |
| **C: CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Repayment of Borrowing - Non-Current | **(2,500.00)** | - |
| Interest Paid | **(3,040.73)** | (3,780.02) |
| **Net Cash Flow from / (used) in Financing Activities** | **(5,540.73)** | (3,780.02) |
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | **18.05** | (184.28) |
| **Opening Balance of Cash and Cash Equivalents** | **13.53** | 197.81 |
| **Closing Balance of Cash and Cash Equivalents (Refer Note "7")** | **31.58** | 13.53 |

As per our Report of even date

**For and on behalf of the Board**

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W/ W100355

**Vitesh D. Gandhi**
Partner
Mem. No. - 110248

**Sudhakar Saraswatula**
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Whole Time Director & CEO

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Director

**Venkata Ravikumar Prekki**
Director

Mumbai
April 15, 2022

**Kavina Vora**
Company Secretary

**Milind Narkhede**
Chief Financial Officer

**Reliance Gas Pipelines Limited**

**Notes to the Financial Statements for the year ended 31st March, 2022**

## A. CORPORATE INFORMATION

Reliance Gas Pipelines Limited ("the Company") is a limited company incorporated in India.
The registered office of the Company is located at 13th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai - 400 021. The Company is mainly engaged in the business of providing Pipeline Infrastructure services.

## B. SIGNIFICANT ACCOUNTING POLICIES

### B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for the 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 Company's financial statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs (` 00,000), except when otherwise indicated.

### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.
An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle ;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### (b) Property, Plant and Equipment:

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

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

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

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

Depreciation on Property, plant and equipment is provided using Straight Line Method of depreciation. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(c ) Intangible Assets :**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

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

Other Indirect 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 Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

The company's intangible assets comprises software with finite useful life which are amortised on a straight-line basis over the period of their expected useful life.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(e ) Finance 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 Statement for the period for which they are incurred.

**(f) 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 manufacturing overheads net of recoverable taxes, if any incurred in bringing them to their respective present location and condition. Cost of stores and spares, trading and other products are determined on weighted average basis.

**(g) 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 assets, 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 risks 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.

**(h) Provisions**

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

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

**(i) Contingent Liabilities**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**(j) 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**

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined Benefit Plans**

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

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

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

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

**(k) Tax Expenses**

The tax expense for the period comprises of Current Tax and Deferred Income Tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

**(i) Current tax**

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

**(ii) 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 assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized

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.

**(l) Foreign Currencies transactions and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

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 which are capitalised as cost of assets.

**(m) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when the it becomes unconditional. Generally, the credit period is between 0-4 days from the date of receipt of invoice raised by the company.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period

**Interest income**

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

**Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

**(n) Financial instruments**

**(i) Financial Assets**

**A. Initial recognition and measurement**

All Financial Assets are initially recognised 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 measured at Amortised Cost (AC)**

A financial asset is 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 measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

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

**c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

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

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing financial assets.

**(ii) Financial Liabilities**

**A. Initial Recognition and Measurement:**

All financial liabilities are recognized at fair value and in case of loans and borrowings and payables, 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 carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(iii) 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.

**(o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**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 next financial years.

**a) Property Plant and Equipment / Intangible Assets**

Property, plant and equipment / Intangible Assets are depreciated / amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life 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 life and residual values are based on the Company’s historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is adjusted if there are significant changes from previous estimates.

**b) Recoverability of Trade Receivable**

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

**c) Provisions**

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

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating 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 transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of Financial Assets**

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

**f) Recognition of Deferred Tax Assets and liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**g) Fair Value Measurement**

For estimates relating to fair value of financial, instruments refer note 25.2 of financial statements.

**h) Global Health Pandemic on Covid-19**

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessmentof recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

**D. Standard Issued but not effective**

On March 23, 2022, the Ministry of Corporate Affairs (MCA), has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following exisiting accounting standards which are applicable to company from April, 1, 2022.

i) IND-AS 101 - First Time Adoption of IND AS

ii) IND-AS 103 - Business Combination

iii) IND-AS 109 - Financial Instrument

iv) IND-AS 16 - Property, Plant and Equipment

v) IND-AS 37 - Provisions, Contingent Liabilities and Contingent Assets

vi) IND-AS 41 - Agriculture

Application of above standards are not expected to have any signficant impact on the company's financial statements.

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

**1. Property, Plant & Equipment, Capital Work-in-Progress And Intangible Assets**

(₹ in Lakhs)

| Description | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2021 | Additions / Adjustment | Deductions / Adjustment | As at 31st March, 2022 | As at 1st April, 2021 | For the year | Deductions / Adjustment | As at 31st March, 2022 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Property, Plant and Equipment** | | | | | | | | | | |
| **Own Assets:** | | | | | | | | | | |
| Freehold Land | 370.34 | - | - | 370.34 | - | - | - | - | **370.34** | 370.34 |
| Buildings | 9,549.51 | - | - | 9,549.51 | 1,156.28 | 298.79 | - | 1,455.07 | **8,094.44** | 8,393.23 |
| Plant & Machinery | 83,462.08 | - | - | 83,462.08 | 11,076.67 | 3,197.50 | - | 14,274.17 | **69,187.91** | 72,385.41 |
| Electrical Installations | 2,595.59 | - | - | 2,595.59 | 873.20 | 246.58 | - | 1,119.78 | **1,475.81** | 1,722.39 |
| Equipments $ | 8,084.98 | 11.85 | - | 8,096.83 | 4,522.58 | 1,287.17 | - | 5,809.75 | **2,287.07** | 3,562.39 |
| Furniture & Fixtures | 152.20 | - | - | 152.20 | 70.12 | 15.15 | - | 85.26 | **66.94** | 82.08 |
| Vehicles | 6.71 | - | - | 6.71 | 6.71 | - | - | 6.71 | **-** | - |
| Sub-total | **1,04,221.41** | **11.85** | **-** | **1,04,233.26** | **17,705.56** | **5,045.19** | **-** | **22,750.75** | **81,482.51** | **86,515.85** |
| **Right-of-Use Assets:** | | | | | | | | | | |
| Land | 99.39 | - | - | 99.39 | 21.44 | 3.41 | - | 24.85 | 74.54 | 77.96 |
| Sub-total | **99.39** | **-** | **-** | **99.39** | **21.44** | **3.41** | **-** | **24.85** | **74.54** | **77.96** |
| **Total (A)** | **1,04,320.80** | **11.85** | **-** | **1,04,332.65** | **17,726.99** | **5,048.60** | **-** | **22,775.60** | **81,557.05** | **86,593.81** |
| **Intangible Assets** | | | | | | | | | | |
| Software | **6.29** | - | - | **6.29** | **6.29** | - | - | **6.29** | **-** | - |
| **Total (B)** | **6.29** | **-** | **-** | **6.29** | **6.29** | **-** | **-** | **6.29** | **-** | **-** |
| **Total (A+B)** | **1,04,327.09** | **11.85** | **-** | **1,04,338.94** | **17,733.28** | **5,048.60** | **-** | **22,781.89** | **81,557.05** | **86,593.81** |
| **Previous year** | 1,04,041.58 | 285.51 | - | 1,04,327.09 | 12,681.00 | 5,052.29 | - | 17,733.28 | 86,593.81 | 91,360.58 |
| **Capital Work-in-Progress** | | | | | | | | | **713.21** | 403.70 |

$ Includes Office Equipments

**1.1 Capital-Work-in Progress (CWIP) Ageing as at 31st March, 2022:**

(₹ in Lakhs)

| CWIP | Amount in CWIP for period of | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1-2 year | 2-3 year | > 3 year | |
| **A. Projects in Progress** | | | | | |
| i) Hookup at CS-01 | 285.16 | 56.00 | - | - | 341.16 |
| ii) Hookup at MLV-01 | 24.35 | 347.70 | - | - | 372.05 |
| **B. Projects temporarily suspended** | - | - | - | - | - |
| **Total** | 309.51 | 403.70 | - | - | 713.21 |

**1.1 Capital-Work-in Progress (CWIP) Ageing as at 31st March, 2021:**

(₹ in Lakhs)

| CWIP | Amount in CWIP for period of | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1-2 year | 2-3 year | > 3 year | |
| **A. Projects in Progress** | | | | | |
| i) Hookup at CS-01 | 56.00 | - | - | - | 56.00 |
| ii) Hookup at MLV-01 | 347.70 | - | - | - | 347.70 |
| **B. Projects temporarily suspended** | - | - | - | - | - |
| **Total** | 403.70 | - | - | - | 403.70 |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| **2. Deferred Tax Assets (Net)** | **As at 31st March, 2022** | As at 31st March, 2021 |
|---|---|---|
| At the start of the year | **1,842.05** | 1,435.12 |
| (Charge)/Credit to Statement of Profit and Loss | **954.02** | 406.93 |
| At the end of the year | **2,796.07** | 1,842.05 |

**<u>Component of Deferred Tax Assets:</u>**

(₹ in Lakhs)

| **Deferred Tax Liability / (Assets) in relation to:** | **As at 31st March, 2021** | **Charge/(Credit) to Statement of Profit and Loss** | **Others (Including Exchange Difference)** | **As at 31st March, 2022** |
|---|---|---|---|---|
| Property, Plant and Equipment | 30,099.24 | (3,020.75) | - | 27,078.49 |
| Provisions | (5.53) | (0.58) | - | (6.11) |
| Income Tax deduction u/s 35AD & MAT Credit* | (33,286.09) | 2,555.43 | - | (30,730.66) |
| Others | 1,350.33 | (488.12) | - | 862.22 |
| **Total** | **(1,842.05)** | **(954.02)** | **-** | **(2,796.07)** |

* Includes MAT Credit Entitlement ₹146.39 lakhs

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

| 3. Other Non Current Assets *(Unsecured and Considered Good)* | As at 31st March, 2022 | (₹ in Lakhs) As at 31st March, 2021 |
|---|---|---|
| Capital Advances | **27.57** | 27.57 |
| Advance Income Tax (Net of Provision) | **438.05** | 337.69 |
| **Total** | **465.62** | 365.26 |

| 3.1. Taxation | As at 31st March, 2022 | (₹ in Lakhs) As at 31st March, 2021 |
|---|---|---|
| **Tax Expenses recognised in Statement of Profit and Loss** | | |
| Current Tax | **-** | - |
| Deferred Tax | **(954.02)** | (406.93) |
| **Tax Expenses recognised for the period** | **(954.02)** | (406.93) |

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

| | | |
|---|---|---|
| Profit Before Tax | **(2,465.86)** | (1,187.58) |
| Applicable Tax Rate | **33.38%** | 34.94% |
| Computed Tax Expense | **(823.20)** | (414.94) |
| Tax effect of : | | |
| Exempt Income | **-** | - |
| Carried Forward Losses | **823.20** | 414.94 |
| Others | **-** | - |
| **Current Tax Provision (A)** | **-** | - |
| Incremental Deferred Tax (Liability) / Asset on account of Property, Plant and Equipment | **(3,020.75)** | (1,667.96) |
| Incremental Deferred Tax (Liability) / Asset on account of Financial Assets and Other Items* | **2,066.73** | 1,261.03 |
| Deferred Tax Provision (B) | **(954.02)** | (406.93) |
| Tax Expenses recognised in Statement of Profit and Loss (A+B) | **(954.02)** | (406.93) |
| Effective Tax Rate | 0% | 0% |
| **Advance Income Tax (Net of Provision)** | | |
| At start of year | **337.69** | 498.80 |
| Charge for the year | **-** | - |
| Tax paid during the year | **100.36** | (161.11) |
| **At the end of the year** | **438.05** | 337.69 |

* Includes MAT Credit Entitlement ₹ 146.39 lakhs

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 4. Inventory | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Stores and Spares & Consumables | **2,425.08** | 2,533.27 |
| **Total** | **2,425.08** | 2,533.27 |

| 5. Investments - Current | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| **Investments measured at Fair Value through Profit and Loss** | **Units** | **Amount** | Units | Amount |
| **In Mutual Funds - Unquoted** | | | | |
| ABSL Low Duration Fund - Growth - Direct (Face Value ₹ 100) | **52,543.94** | **303.89** | 5,51,897 | 3,046.86 |
| Nippon India Low Duration Fund Direct - Growth (Face Value ₹ 1000) | **65,646.41** | **2,080.20** | - | - |
| **Total** | | **2,384.09** | | 3,046.86 |

| | | |
|---|---|---|
| **Aggregate Amount of unquoted investments** | **2,384.09** | 3,046.86 |

| Category-wise current investment | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| measured at FVTPL (Mutual Funds) | **2,384.09** | 3,046.86 |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| **6. Trade Receivables (unsecured and considered good)** | **As at 31st March, 2022** | As at 31st March, 2021 |
|---|---|---|
| Trade Receivables | **409.49** | 473.13 |
| **Total** | **409.49** | **473.13** |

**6.1 Trade Receivables Ageing as at 31st March 2022:**

(₹ in Lakhs)

| | **Outstanding for following periods from due date of payment** | | | | | |
|---|---|---|---|---|---|---|
| Particulars | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| Undisputed Trade receivables – considered good | 10.05 | - | - | - | - | 10.05 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total | 10.05 | - | - | - | - | 10.05 |

**6.1 Trade Receivables Ageing as at 31st March 2021:**

(₹ in Lakhs)

| | **Outstanding for following periods from due date of payment** | | | | | |
|---|---|---|---|---|---|---|
| Particulars | < 6 months | 6 months - 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| Undisputed Trade receivables – considered good | 3.28 | 0.51 | 0.86 | - | - | 4.65 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total | 3.28 | 0.51 | 0.86 | - | - | 4.65 |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 7. Cash and Cash Equivalents | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Bank Balances | | |
| In Current Accounts | **31.58** | 13.53 |
| **Total** | **31.58** | 13.53 |
| **Cash and Cash equivalent as per Balance Sheet** | **31.58** | 13.53 |
| **Cash and Cash Equivalents as per Statement of Cash Flow** | **31.58** | 13.53 |

| 8. Other Financial Assets - Current | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Security Deposits | **29.51** | 29.51 |
| **Total** | **29.51** | 29.51 |

| 9. Other Current Assets (Unsecured and Considered Good) | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Balance with Customs, Central Excise, GST & State Authorities | 147.97 | 88.01 |
| Others * | 736.97 | 453.05 |
| **Total** | **884.94** | 541.06 |

* includes Advance to employees and vendors.
* includes Amount paid to Income Tax authorities ₹ 53.02 Lakhs (Refer Note 24)

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

**10. Share Capital**

| | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| **Authorised Share Capital:** | **No. of Shares** | **Amount** | No. of Shares | Amount |
| Equity Shares of ₹ 7 each | **50,00,00,000** | **35,000.00** | 50,00,00,000 | 35,000.00 |
| Preference Shares of ₹ 7 each | **1,00,00,00,000** | **70,000.00** | 1,00,00,00,000 | 70,000.00 |
| **Total** | | **1,05,000.00** | | 1,05,000.00 |
| **Issued, Subscribed and Paid-Up:** | | | | |
| Equity Shares of ₹ 7 each fully paid up | **37,30,00,000** | **26,110.00** | 37,30,00,000 | 26,110.00 |
| **Total** | | **26,110.00** | | 26,110.00 |

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

| Name of the Shareholders | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | **No. of Shares** | **% held** | No. of Shares | % held |
| Reliance Industries Limited (Shares held by Holding Company) | 37,30,00,000 | 100 | 37,30,00,000 | 100 |

(ii) **Shareholding of Promoters:**

**As at 31st March, 2022**

| Sr. No. | Class of equity Share | Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|---|
| 1 | Equity Shares | Reliance Industries Limited (Holding Company) | 37,30,00,000 | - | 37,30,00,000 | 100 | - |

**As at 31st March, 2021**

| Sr. No. | Class of equity Share | Promoter's Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % change during the year |
|---|---|---|---|---|---|---|---|
| 1 | Equity Shares | Reliance Industries Limited (Holding Company) | 37,30,00,000 | - | 37,30,00,000 | 100 | - |

(iii) **Reconciliation of opening and closing number of shares**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| | **No. of shares** | No. of shares |
| Equity Shares outstanding at the beginning of the year | **37,30,00,000** | 37,30,00,000 |
| Add: Equity Shares issued during the year | - | - |
| Equity Shares outstanding at the end of the year | **37,30,00,000** | 37,30,00,000 |

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

(v) The Company has one class of ordinary shares which carry equal voting rights on income and distribution of assets on liquidation or otherwise.

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 11. Other Equity | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Capital Reserve on Demerger** | | |
| As per last Balance Sheet | **(0.00)** | (23,550.00) |
| During the Year | **0.00** | - |
| Reduction in Issued & Paid up Share Capital (Refer Note 30) | **-** | 22,219.50 |
| Adjustment in Profit & Loss Account ( Refer Note 30) | **-** | 1,330.50 |
| **Total** | **-** | (0.00) |
| **Retained Earnings** | | |
| As per last Balance Sheet | **340.09** | 2,451.21 |
| Effect on account of demerger (Refer Note 30) | **-** | (1,330.48) |
| Add: Profit or (Loss) for the year | **(1,511.84)** | (780.65) |
| **Total** | **(1,171.75)** | 340.09 |
| **Instrument classified as Equity** | | |
| **a) 6% Non Cumulative Optionally Convertible Preference Shares of ₹ 7 each, Issued and Fully Subscribed (Refer Note 11.1)** | | |
| As per Last Balance Sheet | **25,735.50** | 36,765.00 |
| Issued during the year | **-** | - |
| Reduction during the year on account of demerger | **-** | (11,029.50) |
| **Sub Total** | **25,735.50** | 25,735.50 |
| **Total** | **24,563.75** | 26,075.59 |
| **Other Comprehensive Income(OCI)** | | |
| As per last Balance Sheet | **141.31** | 153.28 |
| Add : Movement in OCI (Net) during the year | **10.33** | (11.97) |
| | **151.64** | 141.31 |
| **Total** | **24,715.39** | 26,216.90 |

**11.1 6% Non Cumulative Optionally Convertible Preference Shares of ₹ 7 each**

(i) All the above 36,76,50,000 (Previous Year 36,76,50,000) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 7 each, fully paid up are held by Reliance Industries Limited, the holding company.

(ii) **Terms of 6% Non Cumulative Optionally Convertible Preference Shares**
Each Preference share shall be redeemable at ₹ 7 each, at any time at the option of the Company but not later than 15 years from the date of allotment. Such early redemption shall also be subject to approval of Company's Lenders, if required. The Preference shares may be converted into 1(One) Equity Share of ₹ 7 each at par at any time at the option of the Company, but not later than 15 years from the date of allotment of the Preference Shares.

(iii) **Reconciliation of opening and closing number of shares**

| **Particulars** | **As at March 31, 2022** | As at March 31, 2021 |
|---|---|---|
| | **No. of shares** | No. of shares |
| Preference Shares outstanding at the beginning of the year | **36,76,50,000** | 36,76,50,000 |
| Add: Preference Shares issued during the year | - | - |
| Preference Shares outstanding at the end of the year | **36,76,50,000** | 36,76,50,000 |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 12. Borrowings | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current |
| **Unsecured - at Amortised Cost** | | | | |
| Loans from Related Parties | **39,500.00** | **-** | 42,000.00 | - |
| **Total** | **39,500.00** | **-** | 42,000.00 | - |

(₹ in Lakhs)

| | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| Maturity Profile of Unsecured Loan is set out below: | Non Current | Current | Non Current | Current |
| | 1-5 year | < 1 year | 1-5 year | < 1 year |
| Loans from Related Parties | 39,500.00 | - | 42,000.00 | - |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 13. Trade Payables Due to | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Micro and Small Enterprises | **105.30** | 65.84 |
| Other than Micro and Small | **372.69** | 464.62 |
| | **477.99** | 530.45 |

13.1 There are no overdue amounts to Micro and Small Enterprises as at 31st March, 2022.

13.2 **Trade Payables Ageing as at 31st March 2022:**

(₹ in Lakhs)

| | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| Particulars | < 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| MSME | - | - | - | - | - |
| Others | 39.02 | - | - | - | 39.02 |
| Disputed-MSME | - | - | - | - | - |
| Disputed-Others | - | - | - | - | - |
| Total | **39.02** | **-** | **-** | **-** | **39.02** |

13.2 **Trade Payables Ageing as at 31st March 2021:**

(₹ in Lakhs)

| | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| Particulars | < 1 year | 1-2 year | 2-3 year | > 3 year | Total |
| MSME | - | - | - | - | - |
| Others | - | - | - | - | - |
| Disputed-MSME | - | - | - | - | - |
| Disputed-Others | - | - | - | - | - |
| Total | **-** | **-** | **-** | **-** | **-** |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

(₹ in Lakhs)

| 14. Other Financial Liabilities - Current | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Creditors for Capital Expenditure | **251.07** | 258.59 |
| **Total** | **251.07** | 258.59 |

| 15. Other Current Liabilities | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Others* | **623.88** | 710.42 |
| **Total** | **623.88** | 710.42 |

* Includes statutory dues, payables to employees & vendors

| 16. Provisions - Current | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Provision for Employee Benefits* | **18.31** | 15.82 |
| **Total** | **18.31** | 15.82 |

* Provision for employee benefit includes annual leave and vested long service leave entitlement accrued.

| 17. Revenue from Operations | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Traded Goods | - | 89.55 |
| **Value of Sales ^** | **-** | 89.55 |
| Transportation Charges | **9,153.46** | 9,956.08 |
| **Value of Services ^** | **9,153.46** | 9,956.08 |
| **Total** | **9,153.46** | 10,045.63 |

**^ Net of GST**

| 18. Other Income | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Other Miscellaneous Income** | **41.07** | 1,008.04 |
| **Gain on Financial Assets (at Fair Value through Profit & Loss)** | | |
| Realised Gain | **218.40** | 165.93 |
| Unrealised Gain / (Loss) | **(35.68)** | 61.51 |
| **Total** | **223.79** | 1,235.48 |

| 19. Employee Benefits Expense | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Salaries and Wages | **270.50** | 225.06 |
| Contribution to Provident and Other Funds | **6.17** | (2.62) |
| Staff Welfare Expenses | **12.73** | 0.88 |
| **Total** | **289.40** | 223.32 |

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

**19.1** Employee Benefits

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

**Defined Contribution Plan**

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

(₹ in Lakhs)

| | **2021-22** | 2020-21 |
|---|---|---|
| Employers Contribution to Provident Fund | **8.17** | 6.91 |
| Employers Contribution to Pension Fund | **3.82** | 3.04 |
| **Total** | **11.99** | 9.95 |

**Defined Benefit Plan**

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan.

**I Reconciliation of Opening and closing balances of Defined Benefit obligation**

(₹ in Lakhs)

| | **Gratuity (Funded)** | |
|---|---|---|
| | **2021-22** | 2020-21 |
| Defined Benefit obligation at beginning of the year | **30.07** | 275.26 |
| Current Service Cost | **3.23** | 3.43 |
| Interest cost | **2.09** | 6.13 |
| Actuarial (gain) / loss on obligations | **(1.87)** | 14.46 |
| Benefits paid | **(3.54)** | (21.78) |
| Transfer In/(Out) | **-** | (247.44) |
| Defined Benefit obligation at end of the year | **29.98** | 30.07 |

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

(₹ in Lakhs)

| | **Gratuity (Funded)** | |
|---|---|---|
| | **2021-22** | 2020-21 |
| Fair value of plan assets at the beginning of the year | **215.12** | 516.63 |
| Expected return on plan assets | **13.64** | (3.93) |
| Actuarial Gain / (Loss) | **-** | - |
| Interest Income | **14.95** | 22.63 |
| Employer Contribution | **-** | - |
| Benefits Paid | **-** | - |
| Transfer In/(Out) | **-** | (320.21) |
| Fair value of plan assets at the end of the year | **243.71** | 215.12 |

**III Reconciliation of fair value of assets and obligations**

(₹ in Lakhs)

| | **Gratuity (Funded)** | |
|---|---|---|
| | **2021-22** | 2020-21 |
| Fair value of plan assets at end of year | **243.71** | 215.12 |
| Present Value of obligation | **29.98** | 30.07 |
| Less: Transferred on account of demerger | - | - |
| Amount recognised in Balance Sheet | **(213.73)** | (185.05) |

**IV Expenses recognised during the year**

(₹ in Lakhs)

| | **Gratuity (Funded)** | |
|---|---|---|
| | **2021-22** | 2020-21 |
| Current Service Cost | 3.23 | 3.43 |
| Interest Cost | (12.86) | (16.50) |
| **Expense recognised in Income Statement** | **(9.63)** | (13.06) |
| Expected return on plan assets | (13.64) | 3.93 |
| **Expense recognised in OCI** | **(13.64)** | 3.93 |
| Actuarial (gain) / loss | (1.87) | 14.46 |
| **Expense recognised in OCI** | **(1.87)** | 14.46 |
| Net Income Recognised in Income Statement | (9.63) | (13.06) |
| Net Income Recognised in Other comprehensive Income | (15.50) | 18.39 |

**V Investment details**

(₹ in Lakhs)

| | **As at 31st March, 2022** | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | **(₹ in Lakhs)** | **% invested** | (₹ in Lakhs) | % invested |
| State Government Securities<br>Insurance Policies | 243.71 | 100% | 215.12 | 100% |
| | **243.71** | **100%** | 215.12 | 100% |

**VI Actuarial Assumptions**

(₹ in Lakhs)

| | Gratuity (Funded) | |
|---|---|---|
| | **2021-22** | 2020-21 |
| Mortality Table(LIC) | **(Ultimate)** | (Ultimate) |
| Discount rate (per annum) | 7.09% | 6.95% |
| Expected rate of return on plan assets (per annum) | 7.09% | 6.95% |
| Rate of escalation in salary (per annum) | 6.00% | 6.00% |

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

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

**VII** The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2021-22.

**VIII Sensitivity Analysis**

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

(₹ in Lakhs)

| | **As at 31st March, 2022** | | **As at 31st March, 2021** | |
|---|---|---|---|---|
| **Particulars** | Decrease | Increase | Decrease | Increase |
| **Projected Benefit Obligation on Current Assumptions** | | | | |
| Change in rate of discounting (delta effect of +/- 0.5%) | 31.85 | 28.26 | 32.21 | 28.11 |
| Change in rate of salary increase (delta effect of +/- 0.5%) | 28.23 | 31.87 | 28.09 | 32.22 |
| Change in rate of employee turnover ( delta effect of +/- 0.5%) | 29.81 | 30.15 | 30.01 | 30.14 |

These plans typically expose the Group 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.

For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest Risk**

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

**Longevity Risk**

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

**Salary Risk**

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

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

## 20. Finance Cost

(at amortised cost)

| | 2021-22 | (₹ in Lakhs) 2020-21 |
|---|---|---|
| Interest Expenses | **3,040.73** | 3,780.02 |
| **TOTAL** | **3,040.73** | **3,780.02** |

## 21. Other Expenses

| | 2021-22 | (₹ in Lakhs) 2020-21 |
|---|---|---|
| Payment to Auditors | **1.73** | 1.91 |
| Other Repairs | **28.91** | 60.38 |
| Repairs to Machinery | **409.04** | 821.77 |
| Store, chemicals and fuel consumption | **1,947.39** | 1,134.48 |
| Electricity & Water | **87.83** | 87.73 |
| Exchange Difference | **0.63** | 1.89 |
| Telephone Expenses | **(0.66)** | 9.42 |
| CSR (Refer Note 21.2) | **52.53** | 62.10 |
| Travelling and Conveyance Expenses | **132.37** | 161.34 |
| Labour processing, production royalty and machinery hire charges | **0.33** | 0.37 |
| Professional Fees Paid to Others | **218.09** | 231.49 |
| General Expenses | **586.19** | 749.75 |
| **TOTAL** | **3,464.38** | **3,322.63** |

### 21.1 Payment to Auditors

| | 2021-22 | (₹ in Lakhs) 2020-21 |
|---|---|---|
| Statutory Audit Fees | **1.10** | 1.10 |
| Tax Audit Fees | **0.13** | 0.13 |
| Certification and Filing Fees | **0.28** | 0.28 |
| Cost Audit Fees | **0.22** | 0.40 |
| **TOTAL** | **1.73** | 1.91 |

### 21.2 Corporate Social Responsibility (CSR)

a) CSR amount required to be spent, as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, by the Company during the year is ₹ 52.51 lakhs (Previous Year ₹ 62.08 Lakhs)

b) Expenditure related to CSR is ₹ 52.53 Lakhs (Previous Year ₹ 62.10 Lakhs).

**Details of amount spent as CSR given below:**

| **Particulars** | 2021-22 | (₹ in Lakhs) 2020-21 |
|---|---|---|
| COVID 19 - Mission Covid Suraksha | **52.53** | 62.10 |
| **Total** | **52.53** | 62.10 |

c) Total ₹ 52.53 Lakhs (Previous Year ₹ 62.10 Lakhs) is spent through Reliance Foundation.

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

| **22. Earning Per Share** | **2021-22** | (₹ in Lakhs)<br>2020-21 |
|---|---|---|
| **Face value per Equity share** | **7** | 7 |
| **Basic Earnings per share (In ₹)** | **(0.41)** | (0.21) |
| Net Profit/(Loss) attributable to Equity Shareholders | **(1,511.84)** | (780.65) |
| Weighted Average number of equity shares used as denominator for calculating Basic EPS | **3,730.00** | 3,730.00 |
| **Diluted Earnings per share (In ₹)*** | **(0.41)** | (0.21) |
| Net Profit/(Loss) attributable to Equity Shareholders | **(1,511.84)** | (780.65) |
| Weighted Average number of equity shares used as denominator for calculating Diluted EPS: | **7,406.50** | 7,406.50 |
| **Reconciliation of Weighted Average Number of Shares Outstanding** | | |
| Weighted Average number of equity shares used as denominator for calculating Basic EPS | **3,730.00** | 3,730.00 |
| Total Weighted Average Potencial Equity Shares^ | **3,676.50** | 3,676.50 |
| Weighted Average number of equity shares used as denominator for calculating Diluted EPS | **7,406.50** | 7,406.50 |

*The effects of anti-dilutive potencial equity shares are ignored in calculating Diluted earnings per share.

^Number of 6% Non Cumulative Optionally Convertible Preference Shares of ₹ 7 each.

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

## 23. Related Party Disclosures

As per IND AS - 24, the disclosure with related parties as designed in IND AS are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and the relationship:

| SNo. | Name of the Related Party | Relationship |
|---|---|---|
| 1 | Reliance Industries Limited | Holding Company |
| 2 | Reliance Corporate IT Park Limited | Fellow Subsidiary |
| 3 | Reliance Retail Limited | Fellow Subsidiary |
| 4 | Reliance Jio Infocomm Limited | Fellow Subsidiary |
| 5 | Reliance Projects & Property Management Services Limited | Fellow Subsidiary |
| 6 | Reliance 4IR Realty Development Limited | Fellow Subsidiary |
| 7 | Reliance Ethane Pipeline Limited | Subsidiary upto 27-07-2020 and Fellow Subsidiary w.e.f. 27-07-2020 |
| 8 | India Gas Solutions Private Limited | JV of Holding Company |
| 9 | Shri Amit Mehta (Chief Executive Officer, Whole-time Director) | Key Managerial Personnel |
| 10 | Shri Milind Narkhede (Chief Financial Officer) w.e.f. 21-04-2020 | Key Managerial Personnel |
| 11 | Ms.Kavina Vora (Company Secretary) | Key Managerial Personnel |

(ii) Transactions during the year with related parties:

(₹ in Lakhs)

| SNo. | Nature of Transactions (Excluding reimburse | Holding Company | Fellow Subsidiaries & JV of Holding company | Key Managerial Personnel | Total |
|---|---|---|---|---|---|
| 1) | **Purchase of Fuel** | **1,295.01** | - | | **1,295.01** |
| | | *792.37* | - | | *792.37* |
| 2) | **Sale of Services** | **218.03** | **7,461.49** | | **7,679.52** |
| | | *11,149.97* | - | | *11,149.97* |
| 3) | **Sale of Traded Goods** | - | - | | - |
| | | - | *105.67* | | *105.67* |
| 4) | **Repayment of Borrowings** | **2,500.00** | - | | **2,500.00** |
| | | - | - | | - |
| 5) | **Miscellaneous Income** | - | - | | - |
| | | - | *551.91* | | *551.91* |
| 6) | **Interest Paid** | ***3,040.68*** | - | | **3,040.68** |
| | | *3,780.00* | - | | *3,780.00* |
| 7) | **Professional Fees Paid** | **0.18** | - | | **0.18** |
| | | *0.58* | *114.11* | | *114.68* |
| 8) | **Telephone Expenses** | - | **(1.64)** | | **(1.64)** |
| | | - | *10.90* | | *10.90* |
| 9) | **Rent Paid** | **1.63** | ***11.33*** | | **12.95** |
| | | - | - | | - |
| 10) | **Other Expenses** | **22.43** | **11.90** | | **34.33** |
| | | *57.51* | *17.83* | | **75.33** |
| 11) | **Remuneration to Key Managerial Personnel** | - | - | **247.41** | **247.41** |
| | | - | - | *209.66* | *209.66* |
| | **Balance as on 31st March, 2022 (Excluding reimbursements)** | | | | |
| 12) | **Equity Shares** | **26,110.00** | - | - | **26,110.00** |
| | | *26,110.00* | - | - | *26,110.00* |
| 13) | **Preference Share Capital** | **25,735.50** | - | - | **25,735.50** |
| | | *25,735.50* | - | - | *25,735.50* |
| 14) | **Borrowings** | **39,500.00** | - | - | **39,500.00** |
| | | 42,000.00 | - | - | *42,000.00* |
| 15) | **Trade Receivables** | - | **313.82** | - | **313.82** |
| | | *453.50* | - | - | *453.50* |
| 16) | **Trade Payables** | **63.98** | **(2.54)** | - | **61.43** |
| | | *6.41* | **9.76** | - | *16.17* |
| 17) | **Advance to Vendors** | **394.32** | - | - | **394.32** |
| | | - | - | - | - |

**Note :**
Figures in Italic represents Previous Year's amount

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

| | Particulars | Relationship | 2021-22 | 2020-21 |
|---|---|---|---|---|
| 1 | Purchase of Fuel | | | |
| | Reliance Industries Limited | Holding Company | **1,295.01** | 792.37 |
| 2 | Sales of Services | | | |
| | Reliance Industries Limited | Holding Company | **218.03** | 11,149.97 |
| | India Gas Solutions Private Limited | JV of Holding Company | **7,461.49** | - |
| 3 | Sale of Traded Goods | | | |
| | Reliance Ethane Pipeline Limited | Fellow Subsidiary | **-** | 105.67 |
| 4 | Repayment of Borrowings | | | |
| | Reliance Industries Limited | Holding Company | **2,500.00** | - |
| 5 | Miscellaneous Income | | | |
| | Reliance Ethane Pipeline Limited | Fellow Subsidiary | **-** | 551.91 |
| 6 | Interest Paid | | | |
| | Reliance Industries Limited | Holding Company | **3,040.68** | 3,780.00 |
| 7 | Professional Fees Paid | | | |
| | Reliance Industries Limited | Holding Company | **0.18** | 0.58 |
| | Reliance Projects & Property Management Services Limited | Fellow Subsidiary | **-** | 103.72 |
| | Reliance 4IR Realty Development Limited | Fellow Subsidiary | **-** | 10.38 |
| 8 | Telephone Expenses | | | |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary | **(1.64)** | 10.90 |
| 9 | Rent Paid | | | |
| | Reliance Corporate IT Park Limited | Fellow Subsidiary | **11.33** | - |
| | Reliance Industries Limited | Holding Company | **1.63** | - |
| 10 | Other Expenses | | | |
| | Reliance Industries Limited | Holding Company | **22.43** | 57.51 |
| | Reliance Retail Limited | Fellow Subsidiary | **11.90** | 17.83 |
| 11 | Remuneration to key Managerial Personnel | | | |
| | Shri Amit Mehta (Chief Executive Officer & Whole-time Director) | Key Managerial Personnel | **169.21** | 141.80 |
| | Shri Milind Narkhede (Chief Financial Officer) | Key Managerial Personnel | **59.96** | 55.86 |
| | Ms Kavina Vora (Company Secretary) | Key Managerial Personnel | **18.24** | 12.00 |
| | **Balance as on 31st March, 2022 (Excluding reimbursements)** | | | |
| 12 | Equity Share Capital | | | |
| | Reliance Industries Limited | Holding Company | **26,110.00** | 26,110.00 |
| 13 | Preference Share Capital | | | |
| | Reliance Industries Limited | Holding Company | **25,735.50** | 25,735.50 |
| 14 | Borrowings | | | |
| | Reliance Industries Limited | Holding Company | **39,500.00** | 42,000.00 |
| 15 | Trade Receivables | | | |
| | Reliance Industries Limited | Holding Company | **-** | 453.50 |
| | India Gas Solutions Private Limited | JV of Holding Company | **313.82** | **-** |
| 16 | Trade Payables | | | |
| | Reliance Industries Limited | Holding Company | **63.98** | 6.41 |
| | Reliance Corporate IT Park Limited | Fellow Subsidiary | **-** | **-** |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary | **(2.54)** | 9.76 |
| | Reliance Retail Limited | Fellow Subsidiary | **-** | - |
| 17 | Advance to Vendors | | | |
| | Reliance Industries Limited | Holding Company | **394.32** | - |

Note : Professional Fees towards Key Managerial Personnel payment is reimbursed to Reliance Industries Limited

**24. Contingent Liabilities and Commitments**

(₹ in Lakhs)

| | | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **(A)** | **Commitments** | | |
| | Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) | **33.78** | 396.10 |
| **(B)** | **Contingent Liabilities** | | |
| | Bank Gurantees | **1,921.19** | 1,452.00 |
| | Claims against the company / disputed liabilities not acknowledged as debts* | **265.12** | - |

*The Income -Tax Assessments of the Company have been completed up to Assessment Year 2018-19. The total outstanding demand upto AY 2018-19 was ₹ 265.12 lakhs. Out of the said outstanding demand, 20% amounting to ₹ 53.02 lakhs was paid during FY 2021-22, Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions of the Income tax Act, 1961, the company has been legally advised that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**Reliance Gas Pipelines Limited**

**Notes to the Financial Statements for the year ended 31st March, 2022**

### 25. Capital management and financial instruments

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and makes adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

The capital structure of the company consists of net debt (borrowings as detailed in note 12) and total equity of the company.

#### 25.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows: (₹ in Lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Gross Debt | 39,500.00 | 42,000.00 |
| Cash and bank balance (including liquid investments) | 2,415.67 | 13.53 |
| Net Debt (A) | 37,084.33 | 41,986.47 |
| Total Equity (as per Balance Sheet) (B) | 50,825.39 | 52,326.90 |
| **Net debt to equity ratio (A / B)** | **0.73** | **0.80** |

Debt is defined as long-term and short-term borrowings (excluding derivative contracts and contingent consideration) as described in note 12.

#### 25.2 Financial Instruments

**(A) Fair Value Measurement Hierarchy:** (₹ in Lakhs)

| Particulars | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | 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** | | | | | | |
| Trade Receivables | 409.49 | - | - | 473.13 | | |
| Cash and Bank Balances | 31.58 | - | - | 13.53 | - | - |
| Other Financial Assets | 29.51 | - | - | 29.51 | - | - |
| **At FVTPL** | | | | | | |
| Investments | 2,384.09 | 2,384.09 | - | 3,046.86 | 3,046.86 | - |
| **Financial Liabilities** | | | | | | |
| **At Amortised Cost** | | | | | | |
| Borrowings | 39,500.00 | - | - | 42,000.00 | - | - |
| Trade Payables | 478.00 | - | - | 530.45 | - | - |
| Other Financial Liabilities | 251.07 | - | - | 258.59 | - | - |

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, wither directly or indirectly.

**Level 3** : Inputs are based on unobservable market data

**Valuation Methodology**

All financial instruments are initially recognised 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) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

**(B) Financial Risk Management**

The Different types of risks the company is exposed to are Liquidity Risk, Credit Risk and Market Risk.

**(i) Liquidity Risk**

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

**(ii) Credit Risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company.

It arises from cash and cash equivalents, deposits from financial institutions and principally from credit exposures relating to outstanding receivables.

**(iii) Market Risk**

**(a) Foreign Currency Risk**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency translations, primarily with respect to USD, EUR and GBP.

Foreign currency risk arises from recognised assets and liabilities and future commercial transactions that are in foreign currency.

Foreign currency exposure profile is given below:

(₹ in Lakhs)

| | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | USD | EUR | GBP | USD | EUR | GBP |
| Trade and Other Payables | 64.61 | - | - | 0.67 | - | - |
| | | | | | | |
| Net Exposure | 64.61 | - | - | 0.67 | - | - |

Foreign currency sensitivity analysis (assuming a currency movement of 1%) is appended in table below:

(₹ in Lakhs)

| | As at 31st March, 2022 | | | As at 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | USD | EUR | GBP | USD | EUR | GBP |
| 1% Depreciation in INR | | | | | | |
| Impact on Equity | 0.65 | - | - | 0.01 | - | - |
| **Total** | **0.65** | **-** | **-** | **0.01** | **-** | **-** |
| | | | | | | |
| 1% Appreciation in INR | | | | | | |
| Impact on Equity | (0.65) | - | - | (0.01) | - | - |
| **Total** | **(0.65)** | **-** | **-** | **(0.01)** | **-** | **-** |

**(b) Interest Rate Risk**

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107.

Please refer to interest rate exposure profile appended in table below:

(₹ in Lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Loans** | | |
| Long Term Fixed Rate | 39,500.00 | 42,000.00 |
| | | |
| **Total** | **39,500.00** | 42,000.00 |

**26. Details of loans given, investments made and guarantee given and securities provided during the year covered u/s 186 (4) of the Companies Act, 2013.**

i) Loans given ₹ NIL (Previous year ₹ NIL)

ii) Investments made: Refer Note no. 5

iii) Guarantees given and Securities provided by the Company in respect of loan ₹ NIL (Previous year ₹ NIL)

**Reliance Gas Pipelines Limited**
**Notes to the Financial Statements for the year ended 31st March, 2022**

**27. Ratio Analysis**

| Sr. No. | Particulars | 2021-22 | 2020-21 | % Changes |
|---|---|---|---|---|
| 1 | Current Ratio | 4.50 | 4.38 | 2.63% |
| 2 | Debt-Equity Ratio | 0.78 | 0.80 | -3.17% |
| 3 | Debt Service Coverage Ratio* | 0.10 | 0.69 | -84.87% |
| 4 | Return on Equity Ratio# | -2.94% | -1.48% | -97.98% |
| 5 | Inventory Turnover Ratio | 0.96 | 0.90 | 7.05% |
| 6 | Trade Receivables Turnover Ratio | 23.23 | 22.77 | 2.02% |
| 7 | Trade Payables Turnover Ratio | 6.87 | 6.30 | 9.01% |
| 8 | Net Capital Turnover Ratio | 2.14 | 2.20 | -2.68% |
| 9 | Net Profit Ratio$ | -14.75% | -6.94% | -112.64% |
| 10 | Return on Capital Employed (Excluding Working Capital Financing)% | 0.45% | 2.59% | -82.57% |
| 11 | Return on Investment | 7.56% | 7.43% | 1.78% |

* Debt Service Coverage Ratio decreased due to reduction in earnings before interest and tax & principal repayments of loans.

\# Return on Equity Ratio decreased due to reduction in profit after tax attributable to owners on account of lower revenue.

$ Net Profit Ratio decreased due to reduction in total income.

% Return on Capital Employed decreased due to reduction in total income.

**Formulae for computation of ratios are as follows:**

| Sr. No. | Particulars | Formula |
|---|---|---|
| 1 | Current Ratio | Current Assets / Current Liabilities |
| 2 | Debt-Equity Ratio | Total Debt / Total Equity |
| 3 | Debt Service Coverage Ratio | Earnings before Interest and Tax / Interest Expense + Principal Repayments made during the period for long term loans |
| 4 | Return on Equity Ratio | Profit After Tax (Attributable to Owners) / Average Net Worth |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold (Cost of Material Consumed + Other Expenses) / Average Inventories of Stores and Spares & Consumables |
| 6 | Trade Receivables Turnover Ratio | Value of Sales & Services / Average Trade Receivables |
| 7 | Trade Payables Turnover Ratio | Cost of Materials Consumed + Other Expenses / Average Trade Payables |
| 8 | Net Capital Turnover Ratio | Value of Sales & Services / Working Capital (Current Assets - Current Liabilities) |
| 9 | Net Profit Ratio | Profit After Tax / Value of Sales & Services |
| 10 | Return on Capital Employed (Excluding Working Capital financing) | Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income / Average Capital Employed** |
| 11 | Return on Investment | Other Income / Average Cash, Cash Equivalents & Other Marketable Securities |

** Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditor for Capital Expenditure and reduced by Investments, Cash and Cash Equivalents, Capital Work-in-Progress and Intangible Assets under Development.

**28. Other Statutory Information**

i) As per Section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.

ii) The company do not have any Capital Work in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

iii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

**29. Segment Information**

The Company is primarily engaged in the business of providing Pipeline Infrastructure services in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS-108 “Operating Reporting”. The Board (the ‘Chief Operating Decision Maker’ as defined in Ind AS 108 ‘Operating Segments’), who is responsible for allocating resources and assessing performance obtains financial information.

Revenue from two customer and one customer contributed 10% or more to the Company's revenue for FY 2021-22

**30.** - Pursuant to the Scheme of Arrangement (“Scheme”) between Reliance Gas Pipelines Limited (“Demerged Company” or “RGPL”) and Reliance Ethane Pipeline Limited (“Resulting Company” or “REPL”), the Downstream Business Undertaking (“Demerged Undertaking”) has been demerged from the Demerged Company to the Resulting Company with effect from opening of business hours of October 1, 2019 (“Appointed Date”).

- National Company Law Tribunal, Mumbai Bench (“NCLT Mumbai”) had sanctioned the above Scheme on June 10, 2020. National Company Law Tribunal, Ahmedabad Bench (“NCLT Ahmedabad”) had sanctioned the above Scheme on July 1, 2020.

- As per the scheme of arrangement, the assets and liabilities of the Demerged Company in relation to Downstream Business Undertaking stands vested in and is transferred to Resulting Company from Appointed Date i.e. 1st October, 2019. All income and expenses incurred by Demerged Company from Appointed Date are deemed to be that of the Resulting Company.

- As an integral part of the Scheme, from the effective date, the equity share capital and the preference share capital of the Company stand reduced from ₹ 10 to ₹ 7 per share. The reduction of ₹ 22219.50 lakhs in the issued and paid up capital has been recorded by debiting share capital account and crediting capital reserve on demerger account. The debit balance of ₹ 1330.50 lakhs remaining in capital reserve on demerger account is adjusted in Balance in Profit and Loss.

**31. Events after the reporting period**

There is no major subsequent event after the reporting period for Financial Year 2021-22.

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

**33. Approval of financial statements**

The financial statements were approved for issue by the board of directors on April 15, 2022

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Regn No. - 101720W/ W100355

**Vitesh D. Gandhi**
Partner
Mem. No. - 110248

**Sudhakar Saraswatula**
Chairman

**Amit Mehta**
Whole Time Director & CEO

**Jayashri Rajesh**
Director

**Venkata Ravikumar Prekki**
Director

Mumbai
April 15, 2022

**Kavina Vora**
Company Secretary

**Milind Narkhede**
Chief Financial Officer