

**RELIANCE ETHANE PIPELINE LIMITED**  
**FINANCIAL STATEMENTS**  
**2022-23**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS of RELIANCE ETHANE PIPELINE LIMITED**

#### **Report on the Audit of Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of **RELIANCE ETHANE PIPELINE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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, as amended (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit including other Comprehensive income, its cash flows and the Statement of Changes in Equity 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.

##### **Emphasis of Matter**

We draw attention to note 32 of the accompanying Statement relating to the approval of the Scheme of Amalgamation of Reliance O2C Limited with the company by the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") vide order dated 6<sup>th</sup> October, 2022. The Appointed date as per the scheme is 1<sup>st</sup> April, 2021. Certified copy of the Order has been filed by both the said companies with the Registrar of Companies, Ahmedabad, Gujarat on 20<sup>th</sup> October, 2022 and in terms of paragraph 14(vii) of the Order the Scheme became effective from the aforesaid date. Accordingly, the figures for the year ended 31<sup>st</sup> March, 2022 are restated.

Our opinion is not modified in respect of these matter.

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the 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, cash flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 with reference to financial statement 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023, 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**".

- g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2023 has been paid by the Company to its directors in accordance with the provision of section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with 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 does not have any pending litigations which would impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts 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) The management has represented that to us that, to the best of its knowledge and belief, no funds 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) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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; and
  - (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 representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above given by the management contain any material misstatement.

- v. The Company has not declared or paid any dividend during the current year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

**Amit Chaturvedi**

**Partner**

Membership No.: 103141

UDIN: 23103141BGXQUQ2900

Place: Mumbai

Date: 13<sup>th</sup> April, 2023

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE ETHANE PIPELINE LIMITED**

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

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
  
(B) The Company does not have Intangible Assets, therefore reporting requirement under this clause is not applicable.
- (b) Property, Plant and Equipment of the Company have been physically verified by the Management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, title 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, except for immovable properties of freehold land aggregating to Rs. 1,432.28 Lakhs are in the process of being transferred in the name of the company, pursuant to the Scheme of Arrangement between Reliance Gas Pipelines Limited and Reliance Ethane Pipeline Limited(Refer note 1.1 and 32 to the financial statements).
- (d) Based on the records examined by us and information and explanation given to us by the Company, Company has not revalued its Property, Plant and Equipment during the year. The Company does not have Intangible Assets during the year. Accordingly, reporting requirements of clause i(d) of paragraph 3 of the Order is not applicable to the Company.
- (e) Based on the records examined by us and information and explanation given to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. (a) According to the information and explanation given to us and records examined by us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies



of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

- (b) Based on the records examined by us and information and explanations given to us, the Company has not availed any facility from banks on the basis of security of current assets. Accordingly reporting requirement of clause ii(b) of paragraph 3 of the order is not applicable to the Company.
- iii. (a) On the basis of examination of records of the Company and information and explanation given to us, during the year the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The Company has made Investments during the year.  
  
(b) In our opinion and according to the information and explanation given to us, the investments made during the year are not prejudicial to the interest of the Company.  
  
(c)Based on the records examined by us and the information and explanations given to us, the Company has not given any loans secured or unsecured, to any companies, firms, limited liability partnerships or other parties. Accordingly, reporting requirement of clause iii (c), (d), (e),(f) of paragraph 3 of the Order is not applicable to the Company.
- iv. The company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under sections 185 and 186. Accordingly, reporting requirement of clause (iv) of paragraph 3 of the order is not applicable to the company.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent applicable. Accordingly reporting requirement of clause (v) of paragraph 3 of the order is not applicable to the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under subsection (1) of Section 148 of the Act applicable in respect of certain activities undertaken by the Company and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

vii. In respect of Statutory dues:

- (a) Based on the examination of records and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, Duty of customs, Cess and any other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by 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.

viii. According to information and explanations given to us and the examination of records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly reporting requirement of clause (viii) of paragraph 3 of the order is not applicable to the company.

- ix. (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 other borrowings or in the payment of interest thereon to any 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 government authority.

- (c) In our opinion and according to the information and explanations given and records examined by us, the company has not obtained any term loan during the year.

- (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, we report that the Company does not have any subsidiaries, associates or joint ventures.

Accordingly, the reporting requirement of clause ix(e) of paragraph 3 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 does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting requirement of clause ix(f) of paragraph 3 the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement of clause x(a) of paragraph 3 the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the reporting requirement under clause x(b) of paragraph 3 of the Order is not applicable to the Company
- xi. (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 no material fraud 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.
- (c) As represented to us by the management, no whistle-blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the reporting requirement under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards

- xiv. (a) In our opinion and based on our examination, 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.
- xv. According to the information and explanations given to us during the year, the Company has not entered into any non-cash transactions with its directors or persons connected its directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause xvi(a) of paragraph 3 the Order is not applicable to the Company.  
  
(b) On the basis of examination of records and according to the information and explanation given to us by the Company,, the Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting requirement under clause xvi(b) of paragraph 3 of the Order is not applicable to the Company.  
  
(c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting requirement under clause xvi(c) of paragraph 3 of the Order is not applicable to the Company.  
  
(d) As represented by the Management, 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. Accordingly, the reporting requirement under clause xvi(d) of paragraph 3 of the Order is not applicable to the Company.
- xvii. Based on the examination of the records, the Company has not any incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Therefore, reporting under requirement of clause 3(xviii) of the Order are not applicable to the Company.
- xix. 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.

- xx. With respect to CSR contribution under section 135 of the Act:
- (a) Based on the examination of records of the Company and according to the information and explanation given to us by the Company, 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) Based on the examination of records of the Company, and according to the information and explanations given to us, 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

**Amit Chaturvedi**  
**Partner**  
Membership No.: 103141  
UDIN: 23103141BGXQUQ2900

Place: Mumbai  
Date: 13<sup>th</sup> April, 2023

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE ETHANE PIPELINE 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 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 financial statements of **Reliance Ethane Pipeline Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“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 these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial controls 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 controls 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 controls with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

**Amit Chaturvedi**

**Partner**

Membership No.: 103141

UDIN: 23103141BGXQUQ2900

Place: Mumbai

Date: 13<sup>th</sup> April, 2023



## Reliance Ethane Pipeline Limited

### Balance Sheet as at 31st March, 2023

	Notes	As at 31st March, 2023	(₹ in Lakhs) As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	2,11,691.79	2,20,732.57
Capital Work-in-Progress	1	208.90	100.72
Other Non- Current Assets	2	3,764.07	2,821.37
<b>Total Non-Current Assets</b>		<b>2,15,664.76</b>	<b>2,23,654.66</b>
<b>Current Assets</b>			
Inventories	3	4,757.05	3,867.57
Financial Assets			
Investments	4	7,564.99	8,692.44
Trade Receivables	5	54,205.89	29,618.41
Cash and Cash Equivalent	6	206.30	40.41
Other Financial Assets	7	129.20	128.75
Other Current Assets	8	2,323.65	938.24
<b>Total current Assets</b>		<b>69,187.08</b>	<b>43,285.82</b>
<b>Total Assets</b>		<b>2,84,851.84</b>	<b>2,66,940.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	9	5,005.00	5,000.00
Other Equity	10	63,456.37	49,075.46
<b>Total Equity</b>		<b>68,461.37</b>	<b>54,075.46</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	11	15,988.21	10,148.87
Financial Liabilities			
Borrowings	12	40,300.00	62,300.00
Other Non-Current Liabilities	13	97,916.67	1,02,916.67
<b>Total Non-Current Liabilities</b>		<b>1,54,204.88</b>	<b>1,75,365.54</b>
<b>Current Liabilities</b>			
Trade Payables Due to :			
Micro and Small enterprises	14	36.97	33.77
Other than micro and small enterprises		51,352.18	27,082.63
Other Financial Liabilities	15	3,401.00	3,391.29
Other Current Liabilities	16	7,326.76	6,921.92
Provisions	17	68.68	69.87
<b>Total Current Liabilities</b>		<b>62,185.59</b>	<b>37,499.48</b>
<b>Total Liabilities</b>		<b>2,16,390.47</b>	<b>2,12,865.02</b>
<b>Total Equity and Liabilities</b>		<b>2,84,851.84</b>	<b>2,66,940.48</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

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**Reliance Ethane Pipeline Limited**

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**

**Amit Chaturvedi**  
Partner  
Membership No. - 103141

**Alok Gurtu**  
Whole-time Director  
DIN: 09088804

**Amit Mehta**  
Director  
DIN: 05112454

**Sudhakar Saraswatula**  
Director  
DIN: 00001330

**Rajesh Rawat**  
Director  
DIN: 09088590

**Chandrakant Gokhale**  
Director  
DIN: 00012666

**Siddharth Achuthan**  
Director  
DIN:00016278

**Vidya Dharra**  
Director  
DIN: 09440362

Date:13th April, 2023

**Shweta Shah**  
Company Secretary

**Vikas Rathi**  
Chief Financial Officer

**Reliance Ethane Pipeline Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2023**

(₹ in Lakhs)  
2021-22

	Notes	2022-23	2021-22
<b>INCOME</b>			
Value of Sales		10,77,603.15	5,27,363.23
Income from Services		36,719.97	36,128.57
<b>Value of Sales &amp; Services (Revenue)</b>		<b>11,14,323.12</b>	<b>5,63,491.80</b>
Less: GST Recovered		14,466.85	10,804.04
<b>Revenue from Operations</b>	<b>18</b>	<b>10,99,856.27</b>	<b>5,52,687.76</b>
Other Income	<b>19</b>	1,219.79	1,101.88
<b>Total Income</b>		<b>11,01,076.06</b>	<b>5,53,789.64</b>
<b>EXPENSES</b>			
Purchase of Traded Goods		9,65,243.10	4,16,326.01
Changes in Inventories of Stock-In-Trade	<b>20</b>	(897.45)	(965.90)
Employee Benefits Expense	<b>21</b>	1,619.38	1,509.67
Finance Costs	<b>22</b>	3,852.43	5,322.64
Depreciation / Amortisation Expense	<b>1</b>	9,365.51	9,086.69
Other Expenses	<b>23</b>	1,01,675.24	1,03,122.29
<b>Total Expenses</b>		<b>10,80,858.21</b>	<b>5,34,401.40</b>
<b>Profit Before Tax</b>		<b>20,217.85</b>	<b>19,388.24</b>
Tax Expenses:			
Current Tax		-	-
Deferred Tax	<b>11</b>	5,839.34	4,155.58
<b>Profit for the Year</b>		<b>14,378.51</b>	<b>15,232.66</b>
<b>Other Comprehensive Income</b>			
<b>a) Items that will be reclassified to profit or loss</b>			
<b>b) Other item not to be reclassified</b>			
<b>in Profit or Loss account</b>			
Remeasurement of Defined Benefit Plan	<b>21.1</b>	9.89	(2.39)
Income tax on above		(2.49)	0.60
<b>Total other comprehensive income/(loss) for the year (Net of tax)</b>		<b>7.40</b>	<b>(1.79)</b>
<b>Total comprehensive income for the year</b>		<b>14,385.91</b>	<b>15,230.87</b>
<b>Earnings per equity share of face value of Rs. 10 each</b>			
Basic	<b>24</b>	28.73	30.43
Diluted	<b>24</b>	6.10	6.47

Significant Accounting Policies

See accompanying notes to Financial Statements 1 to 36

**Reliance Ethane Pipeline Limited**

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**

**Amit Chaturvedi**  
Partner  
Membership No. - 103141

**Alok Gurtu**  
Whole-time Director  
DIN: 09088804

**Amit Mehta**  
Director  
DIN: 05112454

**Sudhakar Saraswatula**  
Director  
DIN: 00001330

**Rajesh Rawat**  
Director  
DIN: 09088590

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Director  
DIN: 09440362

Date:13th April, 2023

**Shweta Shah**  
Company Secretary

**Vikas Rathi**  
Chief Financial Officer

**Reliance Ethane Pipeline Limited**  
**Statement of Changes in Equity for the year ended 31st March, 2023**

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL	Balance as at 1st April, 2021	Changes during FY 2021-22	Balance as at 31st March, 2022	Changes during FY 2022-23*	Balance as at 31st March, 2023
	5,000.00	-	5,000.00	5.00	<b>5,005.00</b>

(₹ in Lakhs)

B. OTHER EQUITY	Balance as at 1st April, 2022	Total Comprehensive Income for the Year	Issue of Equity Shares *	Balance as at 31st March, 2023
<b>AS ON 31st March, 2023</b>				
Issue of Non Cumulative optionally Convertible Preference shares	18,550.00	-	-	18,550.00
Share Suspense Account (Refer Note 32)	5.00	-	(5.00)	-
<b>RESERVES AND SURPLUS</b>				
Retained Earnings	30,442.66	14,378.51	-	44,821.17
Other Comprehensive Income	77.80	7.40	-	85.20
<b>Total</b>	<b>49,075.46</b>	<b>14,385.91</b>	<b>(5.00)</b>	<b>63,456.37</b>

	Balance as at 1st April, 2021	Total Comprehensive Income for the Year	Amalgamation Adjustment	Balance as at 31st March, 2022
<b>AS ON 31st MARCH, 2022</b>				
Issue of Non Cumulative optionally Convertible Preference shares	18,550.00	-	-	18,550.00
Share Suspense Account (Refer Note 32)	-	-	5.00	5.00
<b>RESERVES AND SURPLUS</b>				-
Retained Earnings	15,210.00	15,232.66	-	30,442.66
Other Comprehensive Income	79.59	(1.79)	-	77.80
<b>Total</b>	<b>33,839.59</b>	<b>15,230.87</b>	<b>5.00</b>	<b>49,075.46</b>

\*Refer note no 9.1

**Reliance Ethane Pipeline Limited**

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**

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Partner  
Membership No. - 103141

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Whole-time Director  
DIN: 09088804

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Director  
DIN: 09440362

Date:13th April, 2023

**Shweta Shah**  
Company Secretary

**Vikas Rathi**  
Chief Financial Officer

**Reliance Ethane Pipeline Limited**  
**Statement of Cash Flow for the year ended 31st March, 2023**

	2022-23	(₹ in Lakhs) 2021-22
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax as per Statement of Profit and Loss</b>	<b>20,217.85</b>	19,388.24
<b>Adjusted for:</b>		
Depreciation / Amortisation Expense	<b>9,365.51</b>	9,086.69
(Profit)/ Loss on Sale/ Discarding of Property, Plant and Equipment (Net)	-	(0.16)
Net(Gain)/Loss on Financial Assets	<b>(540.68)</b>	(431.51)
Finance Costs	<b>3,852.43</b>	5,322.64
<b>Operating Profit before Working Capital Changes</b>		
<b>Adjusted for:</b>		
Trade and Other Receivables	<b>(25,973.52)</b>	(17,775.71)
Inventories	<b>(889.48)</b>	(1,275.89)
Trade and Other Payables	<b>19,683.94</b>	15,753.32
<b>Cash Generated from Operations</b>	<b>25,716.05</b>	30,067.62
Taxes Paid (Net)	<b>(900.76)</b>	(987.82)
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>24,815.29</b>	29,079.80
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	<b>(465.09)</b>	(649.75)
Proceeds from disposal of Property, Plant and Equipment and Other Intangible Assets	-	43.44
Purchase of Other Investments	<b>(68,251.99)</b>	(42,131.84)
Sale of Other Investments/		
Proceeds from sale of financial assets	<b>69,920.12</b>	40,464.98
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>1,203.04</b>	(2,273.17)
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowing	<b>(22,000.00)</b>	(21,500.00)
Interest Paid	<b>(3,852.43)</b>	(5,322.64)
<b>Net Cash Flow from/(used) in Financing Activities</b>	<b>(25,852.43)</b>	(26,822.64)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>165.90</b>	(16.01)
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>38.22</b>	54.23
<b>Closing Balance of Cash and Cash Equivalents (Refer Note "6")</b>	<b>204.12</b>	38.22

**Reliance Ethane Pipeline Limited**

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**

**Amit Chaturvedi**  
Partner  
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**Alok Gurtu**  
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DIN: 09440362

Date:13th April, 2023

**Shweta Shah**  
Company Secretary

**Vikas Rathi**  
Chief Financial Officer



## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### A. CORPORATE INFORMATION

Reliance Ethane Pipeline Limited ("the Company") is a limited company incorporated in India on 18th June, 2019.

The registered office of the Company is located at Office-101, Saffron, Near Centre Point, Panchwati 5 rasta, Ambawadi, Ahmedabad, Gujarat, 380006.

The Company is mainly engaged in the business of providing pipeline infrastructure services for transportation of ethane and buying and selling of ethane, acquiring and dealing in all types of hydrocarbons including natural gas and other related activities.

#### 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, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest Lakh ( ` 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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (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) 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.

#### (d) 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 for the period for which they are incurred.

#### (e) 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 overheads net of recoverable taxes 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.

#### (f) Impairment of Non-Financial Assets- Property, Plant and Equipment

The company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment 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.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (g) Provisions

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

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

#### (h) 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.

#### (i) Employee Benefits Expense

##### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

##### Post-Employment Benefits

##### Defined Contribution Plans

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 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.

#### (j) 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. In which case, the tax is also recognised in Other Comprehensive Income.

##### (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.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (k) Foreign Currencies transactions and translation

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

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

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

#### (l) 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 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.

#### Contract Balances

##### Trade Receivables

A receivable represents the company's right to an amount of consideration that is unconditional.

##### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

#### 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.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (m) 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 those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

##### C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

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

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (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.

#### IV. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (n) 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

Property, plant and equipment are depreciated 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 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 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.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### d) Impairment of financial assets and non-financial assets

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

In case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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

#### e) 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.

#### f) Fair Value Measurement

For estimates relating to fair value of financial, instruments refer note 28 of financial statements.

#### D STANDARDS ISSUED BUT NOT EFFECTIVE

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- i Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii Ind AS 102 – Share-based Payment
- iii Ind AS 103 – Business Combinations
- iv Ind AS 107 – Financial Instruments Disclosures
- v Ind AS 109 – Financial Instruments
- vi Ind AS 115 – Revenue from Contracts with Customers
- vii Ind AS 1 – Presentation of Financial Statements
- viii Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix Ind AS 12 – Income Taxes
- x Ind AS 34 - Interim Financial Reporting

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

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

**1. Property, Plant & Equipment and Capital Work-in-Progress**

(₹ in Lakhs)

Description	Gross Block				Depreciation/Amortisation				Net block	
	As at 1st April, 2022	Additions / Adjustments	Deductions / Adjustment	As at 31st March, 2023	As at 1st April, 2022	For the year	Deductions / Adjustment	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
<b>(i) Property, Plant &amp; Equipments</b>										
<b>Own Assets:</b>										
Freehold Land	1,432.28	-	-	1,432.28	-	-	-	-	<b>1,432.28</b>	1,432.28
Buildings	12,899.73	-	-	12,899.73	3,810.45	1,033.93	-	4,844.38	<b>8,055.35</b>	9,089.28
Plant & Machinery	2,29,022.21	291.05	-	2,29,313.26	23,643.92	7,262.40	-	30,906.32	<b>1,98,406.94</b>	2,05,378.29
Electrical Installations	4,363.57	-	-	4,363.57	1,388.18	402.57	-	1,790.75	<b>2,572.82</b>	2,975.39
Equipments \$	4,143.64	33.67	-	4,177.31	2,345.97	658.66	-	3,004.63	<b>1,172.68</b>	1,797.67
Furniture & Fixtures	86.14	-	-	86.14	26.48	7.95	-	34.42	<b>51.72</b>	59.66
<b>Total</b>	<b>2,51,947.57</b>	<b>324.72</b>	<b>-</b>	<b>2,52,272.29</b>	<b>31,215.00</b>	<b>9,365.51</b>	<b>-</b>	<b>40,580.50</b>	<b>2,11,691.79</b>	2,20,732.57
<b>Previous year</b>	2,41,632.60	10,395.73	80.76	2,51,947.57	22,165.78	9,086.68	37.46	31,215.00	2,20,732.57	2,19,466.82
<b>Capital Work-in-Progress</b>									208.90	100.72

\$ Includes Office Equipments

**1.1 Details of title deeds of Immovable properties not held in the name of Company**

Relevant line item in the Balance Sheet	Description of item of Property	Gross Carrying Value (In Lakhs)	Title Deed held in the name of	Whether title deed holder is a promoter, director, or relative of director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold Land	Land	28.17	Reliance Gas Pipelines Limited	No	05 May 2015	Name changes under process pursuant to Demerger of Reliance Ethane Pipeline Limited.
Freehold Land	Land	77.43	Reliance Gas Pipelines Limited	No	20 May 2015	
Freehold Land	Land	112.13	Reliance Gas Pipelines Limited	No	08 June 2015	
Freehold Land	Land	224.24	Reliance Gas Pipelines Limited	No	12 June 2015	
Freehold Land	Land	56.92	Reliance Gas Pipelines Limited	No	02 July 2015	
Freehold Land	Land	86.74	Reliance Gas Pipelines Limited	No	26 October 2015	
Freehold Land	Land	160.14	Reliance Gas Pipelines Limited	No	08 November 2015	
Freehold Land	Land	88.85	Reliance Gas Pipelines Limited	No	24 November 2015	
Freehold Land	Land	74.43	Reliance Gas Pipelines Limited	No	27 November 2015	
Freehold Land	Land	18.14	Reliance Gas Pipelines Limited	No	25 January 2016	
Freehold Land	Land	20.23	Reliance Gas Pipelines Limited	No	26 February 2016	
Freehold Land	Land	199.08	Reliance Gas Pipelines Limited	No	31 March 2017	
Freehold Land	Land	58.05	Reliance Gas Pipelines Limited	No	19 June 2018	
Freehold Land	Land	148.71	Reliance Gas Pipelines Limited	No	30 September 2019	
Freehold Land	Land	79.03	Reliance Gas Pipelines Limited	No	06 December 2019	
<b>Total</b>		<b>1432.28</b>				



**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

**1.2 Aging of Capital Work in Progress**

**Ageing Capital Work-in-Progress as at 31st March 2023**

**(₹ in Lakhs)**

CWIP	Amount in CWIP for period of				Total
	< 1 year	1-2 year	2-3 year	> 3 year	
Projects in Progress	135.93	2.08	11.90	58.99	208.90
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>135.93</b>	<b>2.08</b>	<b>11.90</b>	<b>58.99</b>	<b>208.90</b>

**Ageing Capital Work-in-Progress as at 31st March 2022**

CWIP	Amount in CWIP for period of				Total
	< 1 year	1-2 year	2-3 year	> 3 year	
Projects in Progress	2.08	11.90	10.00	76.74	100.72
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.08</b>	<b>11.90</b>	<b>10.00</b>	<b>76.74</b>	<b>100.72</b>

The Company does not have any Capital-work-in progress,whose completion is overdue or has exceeded its cost compared to its original plan.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

2 Other Non Current Assets	As at 31st March, 2023	As at 31st March, 2022
Capital Advances	714.88	672.99
Advance Income Tax (Net of Provision)	3,048.35	2,147.59
Deposit		0.45
Other Loans and Advances <sup>(i)</sup>	0.84	0.34
<b>Total</b>	<b>3,764.07</b>	<b>2,821.37</b>

<sup>(i)</sup> Includes Loans related to employees.

2.1 Taxation	As at 31st March, 2023	As at 31st March, 2022
<b>Tax Expenses recognised in Statement of Profit and Loss</b>		
Current Tax	-	-
Deferred Tax	5,839.34	4,155.58
<b>Tax Expenses recognised for the year</b>	<b>5,839.34</b>	<b>4,155.58</b>

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

Profit Before Tax	20,217.85	19,388.24
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	5,088.83	4,880.02
Tax effect of :		
Exempt Income	-	-
Expenses Disallowed	2,357.11	2,287.12
Expenses Allowed	(5,449.40)	(6,159.81)
Unabsorbed depreciation carry forward	1,996.54	1,007.33
<b>Current Tax Provision (A)</b>	<b>-</b>	<b>-</b>
Incremental Deferred Tax (Liability) / Asset on account of Property, Plant and Equipment	3,088.05	3,877.14
Incremental Deferred Tax (Liability) / Asset on account of Financial Assets and Unabsorbed depreciation	2,751.29	278.44
<b>Deferred Tax Provision (B)</b>	<b>5,839.34</b>	<b>4,155.58</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>		
	5,839.34	4,155.58
Effective Tax Rate	28.88%	21.43%

2.2 Advance Income Tax (Net of Provision)		
At start of year	2,147.59	1,159.77
Charge for the year	-	-
Tax paid during the year	900.76	987.82
<b>At the end of the year</b>	<b>3,048.35</b>	<b>2,147.59</b>

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

3 Inventory	As at		(₹ in Lakhs)	
	31st March, 2023		31st March, 2022	
Stock-In-Trade		2,406.60		1,509.15
Stores and Spares & Consumables		2,350.45		2,358.42
<b>Total</b>		<b>4,757.05</b>		<b>3,867.57</b>

4 Investments - Current	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
<b>Investments measured at Fair Value through Profit and Loss</b>				
<b>In Mutual Funds - Unquoted</b>				
Nippon India Low Duration Fund- Direct Plan- Growth Option	2,22,004.253	7,415.62	2,45,281.576	7,772.45
Nippon India Floating Rate Fund - Direct Growth Plan	3,78,011.162	149.37	18,85,280.346	711.59
Nippon India Overnight Fund - Direct Growth Plan	-	-	1,82,619.209	208.40
<b>Total</b>		<b>7,564.99</b>		<b>8,692.44</b>
<b>Aggregate Amount of unquoted investments</b>		<b>7,564.99</b>		<b>8,692.44</b>
<b>Category-wise current investment</b>				
Financial Assets measured at Fair value through Profit and Loss		<b>7,564.99</b>		<b>8,692.44</b>

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

	(₹ in Lakhs)
<b>5 Trade Receivables</b>	<b>As at</b>
<b>(Unsecured and Considered Good)</b>	<b>31st March, 2023</b>
	As at 31st March, 2022
Trade Receivables	54,205.89
	29,618.41
<b>Total</b>	<b>54,205.89</b>
	<b>29,618.41</b>

**5.1 Trade Receivables Ageing** (₹ in Lakhs)  
**As at 31st March, 2023**

Particulars	Not Due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	54,177.72	28.17	-	-	-	-	54,205.89
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	-	-	-	-	-	-	-
<b>Total</b>	<b>54,177.72</b>	<b>28.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,205.89</b>

**As at 31.03.2022**

Particulars	Not Due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 year	
Undisputed Trade receivables – considered good	29,611.40	7.01	-	-	-	-	29,618.41
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	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>29,611.40</b>	<b>7.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,618.41</b>

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

**6 Cash and Cash Equivalents**

	As at 31st March, 2023	(₹ in Lakhs) As at 31st March, 2022
Bank Balances		
In Current Accounts	204.11	38.22
In Deposits *	2.19	2.19
<b>Total</b>	<u>206.30</u>	<u>40.41</u>
<b>Cash and Cash equivalent as per Balance Sheet</b>	<u>206.30</u>	<u>40.41</u>
<b>Cash and Cash Equivalents as per Statement of Cash Flow</b>	<u>204.11</u>	<u>38.22</u>

\* Deposits of ₹ 2.19 Lakhs (Previous Year ₹ 2.19 Lakhs) held with government authorities.

**7 Other Financial Assets - Current**

	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	129.20	128.75
<b>Total</b>	<u>129.20</u>	<u>128.75</u>

**8 Other Current Assets  
(Unsecured and Considered Good)**

	As at 31st March, 2023	As at 31st March, 2022
Balance with Customs, Central Excise, GST & State Authorities	1,819.69	297.36
Others #	503.96	640.88
<b>Total</b>	<u>2,323.65</u>	<u>938.24</u>

# includes Advance to employees, vendors and Prepaid Expenses.

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

9 Share Capital	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised Share Capital:</b>	<b>Amount</b>	<b>Amount</b>
7,50,00,000 Equity Shares of ₹ 10 each (7,50,00,000)	<b>7,500.00</b>	7,500.00
20,00,00,000 Preference Shares of ₹ 10 each (20,00,00,000)	<b>20,000.00</b>	20,000.00
<b>Total</b>	<b><u>27,500.00</u></b>	<b><u>27,500.00</u></b>
<b>Issued, Subscribed and Paid-Up:</b>		
5,00,50,000 Equity Shares of ₹ 10 each fully paid up (5,00,00,000)	<b>5,005.00</b>	5,000.00
<b>Total</b>	<b><u>5,005.00</u></b>	<b><u>5,000.00</u></b>

Figures in bracket represent previous years' figure.

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

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (Holding Company)	5,00,50,000	100	5,00,00,000	100.00

(ii) **Shareholding of Promoters**

**As at 31st March, 2023**

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)	5,00,00,000	50,000.00	5,00,50,000	100	0.10

**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)	5,00,00,000	-	5,00,00,000	100	-

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

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

<b>Particulars</b>	<b>As at 31st March, 2023 No. of shares</b>	<b>As at 31st March, 2022 No. of shares</b>
Equity Shares outstanding at the beginning of the year	<b>5,00,00,000</b>	5,00,00,000
Less: Shares relinquished during the year under scheme of arrangement	-	-
Add: Equity Shares issued to the Subscribers of Memorandum	-	-
Add: Equity Shares issued during the year pursuant to scheme of arrangement (Refer note no 9.1)	<b>50,000</b>	-
Equity Shares outstanding at the end of the year	<u><b>5,00,50,000</b></u>	<u>5,00,00,000</u>

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

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

**9.1** Pursuant to the Scheme, the Company has issued 1 equity share of Rs. 10 each, fully paid up, of the Company for every 1 equity share of Rs. 10 each, to the holders of the equity shares of the Amalgamating Company whose name is recorded in the register of members on the Effective Date. Pending issuance of equity shares to the shareholders of the Amalgamating Company, the face value of shares to be issued has been shown as Share Suspense Account in previous year grouped under other equity. The said shares have now been allotted during the year ended 31st March, 2023.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

10 Other Equity	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Share Suspense Account (Refer Note 32)	-	5.00
	-	5.00
<b>Retained Earnings</b>		
As per last Balance Sheet	30,442.66	15,210.00
Add: Profit for the year	14,378.51	15,232.66
	<u>44,821.17</u>	<u>30,442.66</u>
<b>Instrument classified as Equity</b>		
<b>a) 6% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, Issued and Fully Subscribed (Refer Note 10.1)</b>		
As per Last Balance Sheet	18,550.00	18,550.00
Issued during the year	-	-
<b>Sub Total</b>	<u>18,550.00</u>	<u>18,550.00</u>
<b>Other Comprehensive Income(OCI)</b>		
As per last Balance Sheet	77.80	79.59
Add : Movement in OCI (Net) during the year	7.40	(1.79)
	<u>85.20</u>	<u>77.80</u>
<b>Total</b>	<u>63,456.37</u>	<u>49,075.46</u>

#### 10.1 6% Non Cumulative Optionally Convertible Preference Shares of ₹10 each.

(i) All the above 18,55,00,000 (Previous Year 18,55,00,000) 6% Non-cumulative Optionally Convertible Preference Shares of ₹ 10 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 ₹10, at any time at the option of the Company but not later than 15 years from the date of allotment. The Preference shares may be converted into 1(One) Equity Share of Rs.10 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	31st March, 2023 No. of shares	31st March, 2022 No. of shares
Preference Shares outstanding at the beginning of the year	18,55,00,000	18 55 00 000
Add: Preference Shares issued during the year pursuant to scheme of arrangement	-	-
Preference Shares outstanding at the end of the year	<u>18,55,00,000</u>	<u>18,55,00,000</u>



## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

11 Deferred Tax Liabilities (Net)	As at 31st March, 2023	(₹ in Lakhs) As at 31st March, 2022
At the start of the year	10,148.87	5,993.29
(Charge)/Credit to Statement of Profit and Loss	5,839.34	4,155.58
At the end of the year	<u>15,988.21</u>	<u>10,148.87</u>

#### Component of Deferred Tax Assets :

Deferred Tax Liability / (Assets) in relation to:	As at 31st March, 2022	Charge/(Credit) to Statement of Profit and Loss	Other Comprehensive Income	(₹ in Lakhs) As at 31st March, 2023
Property, Plant and Equipment	17,904.91	3,088.05	-	20,992.96
Provisions	(17.59)	0.30	-	(17.29)
Unaborsorbed depreciation	(7,738.45)	2,750.99	-	(4,987.46)
<b>Total</b>	<u>10,148.87</u>	<u>5,839.34</u>	-	<u>15,988.21</u>

12 Borrowings	As at 31st March, 2023		(₹ in Lakhs) As at 31st March, 2022	
	Non-Current	Current	Non-Current	Current
<b>Unsecured - at Amortised Cost</b>				
Loans from Related Parties	40,300.00	-	62,300.00	-
<b>Total</b>	<u>40,300.00</u>	-	<u>62,300.00</u>	-

#### (i) Maturity Profile of Unsecured Loan is as set out

As on 31st March, 2023

	Non Current		Current	
	Above 5 years	1- 5years	Total	1 Year
Loans from Related Parties	-	40,300.00	40,300.00	-
<b>Total</b>	-	<b>40,300.00</b>	<b>40,300.00</b>	-

As on 31st March, 2022

	Non Current		Current	
	Above 5 years	1- 5years	Total	1 Year
Loans from Related Parties	-	62,300.00	62,300.00	-
<b>Total</b>	-	62,300.00	62,300.00	-

(ii) Loan from Related parties (i.e RIL loan) will be repaid by 31st May,2025

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023**

13 Other Non-Current Liabilities	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Others*	97,916.67	1,02,916.67
<b>Total</b>	<b>97,916.67</b>	<b>1,02,916.67</b>

\* Deferred Income received from Reliance Industries Limited.

14 Trade Payables Due to	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Micro and Small Enterprises	36.97	33.77
Other than Micro and Small Enterprises	51,352.18	27,082.64
<b>Total</b>	<b>51,389.15</b>	<b>27,116.41</b>

14.1 There are no overdue amounts to Micro and Small Enterprises as at 31st March, 2023

**Trade Payables Ageing**  
**As on 31st March, 2023**

(₹ in Lakhs)

Particulars	Not Due	Outstanding from due date of payment				Total
		< 1 year	1-2 year	2-3 year	> 3 year	
MSME	36.97	-	-	-	-	36.97
Others	51,352.18	-	-	-	-	51,352.18
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>51,389.15</b>	-	-	-	-	<b>51,389.15</b>

**As on 31.03.2022**

Particulars	Not Due	Outstanding from due date of payment				Total
		< 1 year	1-2 year	2-3 year	> 3 year	
MSME	33.77	-	-	-	-	33.77
Others	27,082.64	-	-	-	-	27,082.64
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>27,116.41</b>	-	-	-	-	<b>27,116.41</b>

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023**

<b>15 Other Financial Liabilities</b>	<b>As at</b>	(₹ in Lakhs)
	<b>31st March, 2023</b>	As at 31st March, 2022
Creditors for Capital Expenditure	<b>401.00</b>	391.29
Deposits from Related Party (Refer note 25)	<b>3,000.00</b>	3,000.00
<b>Total</b>	<b><u>3,401.00</u></b>	<b><u>3,391.29</u></b>

<b>16 Other Current Liabilities</b>	<b>As at</b>	(₹ in Lakhs)
	<b>31st March, 2023</b>	As at 31st March, 2022
Others #	<b>7,326.76</b>	6,921.92
<b>Total</b>	<b><u>7,326.76</u></b>	<b><u>6,921.92</u></b>

# Includes deferred Income received from Reliance Industries Limited and statutory dues.

<b>17 Provisions</b>	<b>As at</b>	(₹ in Lakhs)
	<b>31st March, 2023</b>	As at 31st March, 2022
Provision for Employee Benefits (Refer Note no. 21.1)**	<b>68.68</b>	69.87
<b>Total</b>	<b><u>68.68</u></b>	<b><u>69.87</u></b>

\*\* The provision for employee benefits includes leave and vested long service leave entitlement accrued.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

18 Revenue from Operations DISAGGREGATED REVENUE	2022-23	2021-22
Traded Goods	<u>10,67,974.94</u>	<u>5,21,307.62</u>
<b>Value of Sales ^</b>	<u>10,67,974.94</u>	<u>5,21,307.62</u>
Transportation Charges	<u>31,881.33</u>	<u>31,380.14</u>
<b>Value of Services ^</b>	<u>31,881.33</u>	<u>31,380.14</u>
<b>Total</b>	<u><u>10,99,856.27</u></u>	<u><u>5,52,687.76</u></u>

^ Net of GST

#### 18.1 Break up of Traded Goods

	2022-23	2021-22
Ambient Ethane	<u>61,228.19</u>	<u>33,642.28</u>
Natural Gas	<u>10,06,746.75</u>	<u>4,87,665.34</u>
	<u><u>10,67,974.94</u></u>	<u><u>5,21,307.62</u></u>

(₹ in Lakhs)

19 Other Income	2022-23	2021-22
<b>Interest</b>		
Others	<u>27.89</u>	-
<b>Other Miscellaneous Income</b>	<u>651.22</u>	<u>669.96</u>
<b>Profit on Sale of PPE</b>	<u>-</u>	<u>0.41</u>
<b>Gain on Financial Assets</b>		
Realised Gain	<u>472.46</u>	<u>282.03</u>
Unrealised Gain	<u>68.22</u>	<u>149.48</u>
<b>Total</b>	<u><u>1,219.79</u></u>	<u><u>1,101.88</u></u>

(₹ in Lakhs)

#### 20 Changes in Inventories of Stock-In-Trade

	2022-23	2021-22
<b>Inventories (at close)</b>		
Stock-In-Trade	<u>2,406.60</u>	<u>1,509.15</u>
<b>Inventories (at commencement)</b>		
Stock-In-Trade	<u>1,509.15</u>	<u>543.25</u>
<b>Total</b>	<u><u>(897.45)</u></u>	<u><u>(965.90)</u></u>

**21 Employee Benefits Expense**

(₹ in Lakhs)

	<b>2022-23</b>	2021-22
Salaries and Wages	<b>1,496.77</b>	1,397.51
Contribution to Provident and Other Funds	<b>89.37</b>	87.46
Staff Welfare Expenses	<b>33.24</b>	24.70
<b>Total</b>	<b><u>1,619.38</u></b>	<u>1,509.67</u>

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### 21.1 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)

	2022-23	2021-22
Employers Contribution to Provident Fund	46.00	42.69
Employers Contribution to Pension Fund	25.55	24.34
<b>Total</b>	<b>71.55</b>	<b>67.03</b>

##### 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)	
	2022-23	2021-22
Defined Benefit obligation at beginning of the year	270.13	261.95
Current Service Cost	16.09	18.02
Interest cost	19.15	18.21
Actuarial (gain) / loss on obligations	(9.44)	3.73
Benefits paid	(5.42)	(31.78)
Transfer in/ (out)	-	-
Defined Benefit obligation at end of the year	290.50	270.13

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

(₹ in Lakhs)

	Gratuity (Funded)	
	2022-23	2021-22
Fair value of plan assets at the beginning of the year	279.15	259.76
Expected return on plan assets	0.45	1.34
Actuarial Gain / (Loss)	-	-
Interest Income	19.79	18.05
Employer Contribution	-	-
Benefits Paid	-	-
Transfer in/ (out)	-	-
Fair value of plan assets at the end of the year	299.39	279.15

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

(₹ in Lakhs)

	Gratuity (Funded)	
	2022-23	2021-22
Fair value of plan assets at end of year	299.39	279.15
Present Value of obligation	290.50	270.13
Amount recognised in Balance Sheet- (Surplus)	8.89	9.02

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### IV Expenses recognised during the year

	Gratuity (Funded)	
	2022-23	2021-22
Current Service Cost	15.45	18.18
<b>Expense recognised in Income Statement</b>	<b>15.45</b>	<b>18.18</b>
Actuarial (gain) / loss	(9.44)	3.73
Expected return on plan assets	(0.45)	(1.34)
<b>Expense recognised in OCI</b>	<b>(9.89)</b>	<b>2.39</b>
Net Income Recognised in Income Statement	15.45	18.18
Net Income Recognised in Other comprehensive Income	(9.89)	2.39

#### V Investment details

	As at 31st March, 2023		As at 31st March, 2022	
	(Rs in Lakhs)	% invested	(Rs in Lakhs)	% invested
Insurance Policies	299.39	100%	279.15	100%
Others (including bank balances)				
	<b>299.39</b>	<b>100%</b>	<b>279.15</b>	<b>100%</b>

#### VI Actuarial Assumptions

#### Gratuity (Funded)

	2022-23		2021-22	
		(Ultimate)		
Mortality Table(LIC)				
Discount rate (per annum)	7.60%		7.09%	
Expected rate of return on plan assets (per annum)	7.60%		7.09%	
Rate of escalation in salary (per annum)	6.00%		6.00%	
Rate of Employee Turnover	3.00%		2.00%	

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

The expected rate of return on plan assets is determined considering several 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 2022-23

#### IX Sensitivity Analysis

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

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

Particulars	As at 31st March, 2023		2021-22 31st March, 2022	
	Decrease	Increase	Decrease	Increase
<b>Projected Benefit Obligation on Current Assumptions</b>				
Change in rate of discounting ( delta effect of +/- 0.5%)	<b>298.84</b>	<b>282.64</b>	279.37	261.43
Change in rate of salary increase (delta effect of +/- 0.5%)	<b>282.49</b>	<b>298.93</b>	261.31	279.43
Change in rate of employee turnover ( delta effect of +/- 0.5%)	<b>289.57</b>	<b>291.38</b>	269.41	270.79

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

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 Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023**

		(₹ in Lakhs)	
22 Finance Cost (At Amortised cost)	2022-23	2021-22	
Interest Expenses	3,852.43	5,322.64	
<b>Total</b>	<b>3,852.43</b>	<b>5,322.64</b>	
		(₹ in Lakhs)	
23 Other Expenses	2022-23	2021-22	
Freight	96,816.88	99,754.64	
CSR (Refer Note 23.2)	200.00	138.10	
Payment to Auditors	2.92	3.87	
Other Repairs	56.18	10.68	
Repairs to Machinery	436.82	405.95	
Store, chemicals and fuel consumption	164.35	271.33	
Electricity & Water	27.27	25.83	
Exchange Difference	0.18	-	
Bank Charges	1,044.81	467.56	
Telephone Expenses	10.01	3.41	
Travelling and Conveyance Expenses	252.57	242.73	
Professional Fees	203.02	168.95	
Insurance	345.97	342.88	
Hire Charges	79.15	180.28	
Rent	592.13	588.31	
Loss on sale of PPE	-	0.25	
General Expenses	1,442.98	517.52	
<b>Total</b>	<b>1,01,675.24</b>	<b>1,03,122.29</b>	

**23.1 Payment to Auditors**

		(₹ in Lakhs)	
		2022-23	2021-22
Fees as Auditors	2.20	2.30	
Tax Audit Fees	0.50	0.72	
Fees for Other Services	0.16	0.25	
Cost Audit Fees	0.06	0.60	
<b>TOTAL</b>	<b>2.92</b>	<b>3.87</b>	

**23.2 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 ₹ 200.00 Lakh (Previous Year ₹ 138.10 Lakh)
- (b) Expenditure related to Corporate Social Responsibility is ₹ 200.00 Lakh (Previous Year ₹ 138.10 Lakh).

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

	2022-23	2021-22
Preventive and Public Healthcare	200.00	138.10
<b>Total</b>	<b>200.00</b>	<b>138.10</b>

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

<b>24 Earning Per Share</b>	<b>2022-23</b>	<b>2021-22</b>
Face Value Per Equity Share (₹)	<b>10.00</b>	10.00
Basic Earnings Per Share (₹)	<b>28.73</b>	30.43
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakhs)	<b>14,378.51</b>	15,232.66
Weighted Average number of equity shares used as denominator for calculating Basic EPS	<b>5,00,50,000</b>	5,00,50,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	<b>28.73</b>	30.43
 <b><u>Diluted Earning Per Share</u></b>		
Diluted Earnings Per Share (₹)	<b>6.10</b>	6.47
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakhs)	<b>14,378.51</b>	15,232.66
Weighted Average number of equity shares used as denominator for calculating EPS	<b>23,55,50,000</b>	23,55,00,000
 <b><u>Reconciliation Of Weighted Average Number Of Shares Outstanding</u></b>		
Weighted Average number of equity shares used as denominator for calculating EPS	<b>5,00,50,000</b>	5,00,50,000
Add: Number of 6% Non Cumulative Optionally Convertible Preference Shares of ₹10 each	<b>18,55,00,000</b>	18,55,00,000
Total weighted average number of Equity Shares	<b>23,55,50,000</b>	23,55,50,000
Diluted Earnings per share of face value of ₹10 each (In ₹.)	<b>6.10</b>	6.47

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023****25 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 Projects and Property Management Services Limited	Fellow Subsidiary
4	Reliance Retail Limited	Fellow Subsidiary
5	Reliance Jio Infocomm Limited	Fellow Subsidiary
6	Asteria Aerospace Limited	Fellow Subsidiary
7	Shri Vikas Rathi	Key Managerial Personnel
8	Shri Alok Gurtu	Key Managerial Personnel
9	Ms Shweta Shah	Key Managerial Personnel
10	Pipeline Management Services Private Limited	Joint Venture of Holding Company

(ii) Transactions during the year with related parties:

SNo.	Nature of Transactions					(₹ in Lakhs)
		Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Joint Venture of Holding Company	Total
1	Purchase of Traded Goods & Other Material/Services	<b>6,51,001.47</b>	<b>3.93</b>	-	-	<b>6,51,005.40</b>
		2,93,456.12	34.13	-	-	2,93,490.25
2	Sale of Services	<b>31,881.33</b>	-	-	-	<b>31,881.33</b>
		36,128.57	-	-	-	36,128.57
3	Sale of Traded Goods & Other Material	<b>10,39,809.33</b>	-	-	-	<b>10,39,809.33</b>
		5,27,356.22	7.02	-	-	5,27,363.24
4	Loan Repaid	<b>22,000.00</b>	-	-	-	<b>22,000.00</b>
		21,500.00	-	-	-	21,500.00
5	Miscellaneous Income	-	-	-	<b>626.07</b>	<b>626.07</b>
		-	-	-	599.11	599.11
6	Deposit taken	-	-	-	-	-
		1,000.00	-	-	-	1,000.00
7	Interest Paid	<b>3,852.43</b>	-	-	-	<b>3,852.43</b>
		5,322.64	-	-	-	5,322.64
8	Professional Fees Paid	<b>48.17</b>	-	-	-	<b>48.17</b>
		55.06	-	-	-	55.06
9	Telephone Expenses	-	<b>5.23</b>	-	-	<b>5.23</b>
		-	4.96	-	-	4.96
10	Rent Paid	<b>202.20</b>	-	-	-	<b>202.20</b>
		238.75	-	-	-	238.75
11	Other Expenses (LC charges billing, Drone Survey)	<b>252.77</b>	<b>4.47</b>	-	-	<b>257.24</b>
		-	-	-	-	-
12	Remuneration to Key Managerial Personnel	-	-	<b>141.74</b>	-	<b>141.74</b>
		-	-	149.62	-	149.62

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023**

(₹ in Lakhs)

SNo. Nature of Transactions (Excluding reimbursements)	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Joint Venture of Holding Company	Total
<b>Balance as on 31st March, 2023 (Excluding reimbursements)</b>					
13 Equity Shares	<b>5,005.00</b> <i>5,000.00</i>	- -	- -	- -	<b>5,005.00</b> <i>5,000.00</i>
14 Preference Share Capital	<b>18,550.00</b> <i>18,550.00</i>	- -	- -	- -	<b>18,550.00</b> <i>18,550.00</i>
15 Borrowings	<b>40,300.00</b> <i>62,300.00</i>	- -	- -	- -	<b>40,300.00</b> <i>62,300.00</i>
16 Trade Receivables	<b>42,463.98</b> <i>29,583.35</i>	- <i>7.01</i>	- -	<b>28.17</b> <i>26.96</i>	<b>42,492.15</b> <i>29,617.32</i>
17 Deposits	<b>3,000.00</b> <i>3,000.00</i>	- -	- -	- -	<b>3,000.00</b> <i>3,000.00</i>
18 Trade Payables	<b>32,162.92</b> <i>14,796.07</i>	<b>2.81</b> <i>8.40</i>	- -	- -	<b>32,165.73</b> <i>14,804.47</i>
19 Deferred Revenue	<b>1,02,916.67</b> <i>1,07,916.67</i>	- -	- -	- -	<b>1,02,916.67</b> <i>1,07,916.67</i>

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

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

(₹ in Lakhs)

Particulars	Relationship	2022-23	2021-22
1 Purchase of Traded Goods			
Reliance Industries Limited	Holding Company	<b>6,51,001.47</b>	2,93,456.12
Reliance Retail Limited	Fellow Subsidiary	<b>3.93</b>	34.13
2 Sales of Services			
Reliance Industries Limited	Holding Company	<b>31,881.33</b>	36,128.57
3 Sale of Traded Goods & Other Material			
Reliance Industries Limited	Holding Company	<b>10,39,809.33</b>	5,27,356.22
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	7.02
4 Loan repaid			
Reliance Industries Limited	Holding Company	<b>22,000.00</b>	21,500.00
5 Deposit taken			
Reliance Industries Limited	Holding Company	-	1,000.00
6 Interest Paid			
Reliance Industries Limited	Holding Company	<b>3,852.43</b>	5,322.64

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023**

		(₹ in Lakhs)	
Particulars	Relationship	2022-23	2021-22
7	Professional Fees Paid Reliance Industries Limited	48.17	55.06
8	Telephone Expenses Reliance Jio Infocomm Limited	5.23	4.96
9	Rent Paid Reliance Industries Limited	202.20	238.75
10	Other Expenses (LC charges billing, Drone Survey) Reliance Industries Limited Asteria Aerospace Limited	252.77 4.47	- -
11	Remuneration to key Managerial Personnel  (Chief Financial Officer, Company Secretary & Whole Time Director)	141.74	149.62
12	Miscellaneous Income Pipeline Management Services Private Limited	626.07	599.11
<b>Balance as on 31st March, 2023</b>			
13	Equity Share Capital Reliance Industries Limited	5,005.00	5,000.00
14	Preference Share Capital Reliance Industries Limited	18,550.00	18,550.00
15	Borrowings Reliance Industries Limited	40,300.00	62,300.00
16	Trade Receivables Reliance Industries Limited Reliance Corporate IT Park Limited Pipeline Management Services Pvt. Ltd.	42,463.98 - 28.17	29,583.35 7.01 26.96
17	Deposits Reliance Industries Limited	3,000.00	3,000.00
18	Trade Payables Reliance Industries Limited Reliance Jio Infocomm Limited Reliance Retail Limited Asteria Aerospace Limited	32,162.92 1.19 - 1.62	14,796.07 4.55 3.86 -
19	Deferred Revenue Reliance Industries Limited	1,02,916.67	1,07,916.67

**25.1 Compensation of Key Managerial Personnel**

The compensation of directors and other member of Key Managerial Personnel during the year was as follows:

	2022-23	2021-22
i.Short-term benefits	69.45	72.09
ii.Post employment benefits	4.59	3.00
	<u>74.04</u>	<u>75.09</u>

Note:-Professional Fees towards Key Managerial Personnel payment reimbursed to Reliance Industries Limited and Reliance Projects & Property Management Services Limited.

**Reliance Ethane Pipeline Limited****Notes to the Financial Statements for the year ended 31st March, 2023****26 Contingent Liabilities and Commitments**

	<b>As at</b>	(₹ in Lakhs)
	<b>31st March, 2023</b>	As at 31st March, 2022
<b>(A) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	<b>107.45</b>	153.46
<b>(B) Contingent Liabilities</b>		
Bank Guarantees	<b>2,93,205.00</b>	1,28,799.79
Claim against company not acknowledged as debt	-	736.31

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### 27 Capital Management

The Entity adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.
- Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet.

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

#### Gearing ratio

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

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Gross Debt	40,300	62,300
Cash and bank balance (including liquid investments)	7,771	8,733
Net Debt (A)	32,529	53,567
Total Equity (as per Balance Sheet) (B)	68,461	54,075
<b>Net debt to equity ratio (A / B)</b>	<b>0.48</b>	0.99

#### 28 Financial Instruments

##### (A) Fair Value Measurement Hierarchy :

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022			
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	54,205.89	-	-	29,618.41	-	-
Cash and Bank Balances	206.30	-	-	40.41	-	-
Other Financial Assets	129.20	-	-	128.75	-	-
<b>At FVTPL</b>						
Investments	7,564.99	7,564.99	-	8,692.44	8,692.44	-
<b>At Amortised Cost</b>						
Borrowings	40,300.00	-	-	62,300.00	-	-
Trade Payables	51,389.15	-	-	27,116.41	-	-
Other Financial Liabilities	3,401.00	-	-	3,391.27	-	-

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

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

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

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.
- Fair value of Financial Assets & Financial Liability(except long term borrowings) are carried at amortised cost is not materially different from it's carrying cost.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (B) Financial Risk Management

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

##### (i) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and receivables from customers. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company restricts its fixed income investments to liquid securities carrying high credit rating.

##### (ii) Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient stock of cash, marketable securities and committed credit facilities. The company accesses global and local financial markets to meet its liquidity requirements. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies. The company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in a range of short-dated, secure and liquid instruments including short-term bank deposits, money market funds, reverse repos and similar instruments. The portfolio of these investments is diversified to avoid concentration risk in any one instrument or counterparty.

(₹ in Lakhs)

Maturity Profile of Borrowings as at 31st March, 2023 is as set out below :

	1-3 Years	3-5 Years	Above 5 Years	Total
<b>Borrowings</b>	40,300.00	-	-	40,300.00

Maturity Profile of Borrowings as at 31st March, 2022 is as set out below :

	1-3 Years	3-5 Years	Above 5 Years	Total
Borrowings	-	62,300.00	-	62,300.00



## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### (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, 2023			As at 31st March, 2022		
	USD	EUR	GBP	USD	EUR	GBP
Trade and Other Payables	0.88	18.55	2.91	4.16	18.55	2.91
Net Exposure	0.88	18.55	2.91	4.16	18.55	2.91

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

	As at 31st March, 2023			As at 31st March, 2022		
	USD	EUR	GBP	USD	EUR	GBP
1% Depreciation in INR						
Impact on Equity	0.01	0.19	0.03	0.04	0.19	0.03
<b>Total</b>	<b>0.01</b>	<b>0.19</b>	<b>0.03</b>	<b>0.04</b>	<b>0.19</b>	<b>0.03</b>
1% Appreciation in INR						
Impact on Equity	(0.01)	(0.19)	(0.03)	(0.04)	(0.19)	(0.03)
<b>Total</b>	<b>(0.01)</b>	<b>(0.19)</b>	<b>(0.03)</b>	<b>(0.04)</b>	<b>(0.19)</b>	<b>(0.03)</b>

##### (b) Interest Rate Risk

Fluctuation in future cash flows of a financial instrument because of changes in market interest rates gives rise to 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.

Interest rate exposure profile appended in table below

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Loans</b>		
Floating Rate	-	-
Long Term Fixed Rate	40,300.00	62,300.00
<b>Total</b>	<b>40,300.00</b>	<b>62,300.00</b>

The Rate of interest is linked to bank MCLR and remains fixed till next date

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### 29 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) Investments made: Refer Note no 4

#### 30 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 of Rs 10,71,690.65 lakhs (Previous Year Rs 5,63,484.79 lakhs) arose from Sale of Services to Reliance Industries Limited (Holding Company, the largest customer). No other single customer contributed 10% or more to the Company's revenue for both FY 2022-23 and FY 2021-22.

#### 31 Ratio Analysis

Sr. No.	Particulars	2022-23	2021-22	% Changes
1	Current Ratio	1.11	1.15	-3.61%
2	Debt-Equity Ratio\$	0.59	1.15	-48.91%
3	Debt Service Coverage Ratio	0.93	0.92	1.06%
4	Return on Equity Ratio*	23.47%	32.79%	-28.42%
5	Inventory Turnover Ratio	492.55	404.75	21.69%
6	Trade Receivables Turnover Ratio	26.24	27.39	-4.19%
7	Trade Payables Turnover Ratio	27.18	29.36	-7.42%
8	Net Capital Turnover Ratio#	172.02	102.01	68.63%
9	Net Profit Ratio^	1.31%	2.76%	-52.57%
10	Return on Capital Employed	19.43%	20.10%	-3.38%
11	Return on Investment	14.78%	14.00%	5.58%

\$ Debt-Equity Ratio decreased due to repayment of debt

\* Return on Equity Ratio reduced on account of lower PAT due to lower trading volume and higher expenses.

# Net Capital Turnover Ratio increased on account increase in Gas price

^ Net Profit Ratio decreased on account of lower PAT due to lower trading volume and higher expenses.

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

Formulae for computation of ratios are as follows:

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

\*\* 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.

## Reliance Ethane Pipeline Limited

### Notes to the Financial Statements for the year ended 31st March, 2023

#### 32 Note on Merger

The Board of Directors of the Company at its meeting held on 29th March, 2022 approved the Scheme of Amalgamation of Reliance O2C Limited ("Amalgamating Company") with the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad vide order dated 6th October, 2022 ("Order"). Certified copy of the Order has been filed by the Amalgamating Company and the Company with the Registrar of Companies, Ahmedabad, Gujarat on 20th October, 2022, and in terms of paragraph 14(vii) of the Order the Scheme became effective from the aforesaid date. The Appointed Date as per the Scheme is opening business hours of 1st April, 2021

In accordance with the said Scheme, from the appointed date:

- All the assets and liabilities of the Amalgamating Company have been recorded by the Company at the respective book values as appearing in the books of Amalgamating Company.
- Inter-company balances, if any, have been cancelled.
- All the reserves of Amalgamating Company under different heads have been accounted as corresponding reserves of the Company.
- Accordingly, the figures for the year ended 31st March, 2022 are restated.

#### 33 (i) Balances outstanding with nature of transactions with Struck off Companies as per section 248 of the Companies

Sr.No.	Name of Struck off Company	Nature of transactions with Struck off Company	Balance outstanding (Rs. in lakhs)	Relationship with the Struck off Company
1	Acro Fire Solutions Private Limited	Trade Payables*	1.44	Fire Safety Audit Vendor

\*Outstanding balance is on account of non-compliance of GST by vendor.

(ii) 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.

(iii) 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.

(iv) 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.

#### 34 Events After The Reporting Period :

There is no major subsequent event after the reporting period for Financial Year 22-23.

#### 35 Trade payable and trade receivable are subject to confirmation, if any. The same is not expected to have any material impact on the Financial Statements

#### 36 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on April 13, 2023.

**Reliance Ethane Pipeline Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2023**

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**

**Amit Chaturvedi**  
Partner  
Membership No. - 103141

**Alok Gurtu**  
Whole-time Director  
DIN: 09088804

**Amit Mehta**  
Director  
DIN: 05112454

**Sudhakar Saraswatula**  
Director  
DIN: 00001330

**Rajesh Rawat**  
Director  
DIN: 09088590

**Chandrakant Gokhale**  
Director  
DIN: 00012666

**Siddharth Achuthan**  
Director  
DIN:00016278

**Vidya Dharra**  
Director  
DIN: 09440362

Date:13th April, 2023

**Shweta Shah**  
Company Secretary

**Vikas Rathi**  
Chief Financial Officer