R. B. TEWARI & CO.
CHARTERED ACCOUNTANTS

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U-203, 2nd Floor, Main Vikas Marg,
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Ref. No. .... Date ....

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S KONKAN LNG LTD (FORMERLY KNOWN AS KONKAN LNG PVT.LTD.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of M/s Konkan LNG Limited. (Formerly known as Konkan LNG Pvt. Ltd.) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 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 ofthe Company as at March 31, 2020, its profit including other comprehensive income, changes in equity, and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified undersection 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Ind AS 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 standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Financial statements have been prepared keeping in mind impact of pandemic Covid-19 on Company's business. Based on the assessment of management, there is no material impact of Covid-19 on carrying value of assets and liabilities, operating results or on going concern assumption of the Company. Company is engaged in regasification of Liquified Natural Gas and its entire revenue is earned from providing service to its Holding company. Company's operations continued during the lockdown and management do not foresee any long term impact on the revenue due to Covid-19. However, the Company will continue to closely monitor any material changes to future economic conditions and its possible impact to the company.

EMPHASIS OF MATTERS

"Without qualifying our opinion we draw attention to the following matters in the notes to the financial statements of the company (Refer Note No.37 of financial statement):

(a) During the previous year, Canara Bank classified the company's loan as Non-performing asset (NPA). In current year, SBI & IDBI had also classified KLL loan account as NPA .However, there was no default by the company.

(b) During the year, company has entered into a Tripartite agreement with GAIL and its lenders for debt restructuring. One time settlement amount of INR 2,700 crore was agreed by GAIL, KLL & lenders against the total amount (loan, interest and any other amount payable by KLL to the lenders as on 30th September 2019) of INR 3,813.07 crores which has been paid on 24th March 2020. Further, no interest is payable after 30th September 2019 to the previous lenders.

(c) Pursuant to this debt resolution plan:

i. GAIL lend inter-corporate loan of INR 2,700 crores to the company which has been used by the company to repay the existing lenders towards settlement of their dues.
ii. GAIL also received novated residual debt to the company aggregating to INR 1,113.07 crores (i.e., INR 3,813.07 crore less INR 2,700 crore) together with entire security/ charge on the assets of the company in favour of GAIL.
iii. Lenders have transferred their equity of INR 194.41 crore (face value) to GAIL, at a nominal value.

INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Board's Report including Annexures to Board's 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 formof assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other informationand, in doing so, consider whether the other information is materially inconsistent with the financialstatements 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.

R.B. TEWARI & CO. DELHI Chartered Accountants

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 charged with governance are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Ind AS financial statements.

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

1. 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.

2. 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 Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls System in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

R.B. TEWARI & CO. DELHI Chartered Accountants

4. 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 existsrelated to events or conditions that may cast significant doubt on the Company's ability tocontinue as a going concern. If we conclude that a material uncertainty exists, we arerequired to draw attention in our auditors' report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify ouropinion. Our conclusions are based on the audit evidences obtained up to the date of ourauditors' report. However, future events or conditions may cause the Company to cease tocontinue as a going concern.

5. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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, theplanned scope and timing of the audit and significant audit findings, including any significantdeficiencies 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.

From the matters communicated with those charged with governance, we determine thosematters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters inour auditors' report unless law or regulation precludes public disclosure about the matter orwhen, in extremely rare circumstances, we determine that a matter should not becommunicated in our report because the adverse consequences of doing so would reasonablybe expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of subsection (11) of section 143 of the companies Act, 2013 we give in **"Annexure –A"** a statement on the matters specified in Paragraphs 3 and 4 of the said Order, to the extent applicable.

2 As required by Comptroller and Auditor General of India through directions/ sub-directions issued under Section 143 (5) of the Companies Act, 2013, on the basis of written representation received from the management, we give our report on the matter specified in the "Annexure-B" (Part 1 and Part 2) attached.

3 As required by Section 143(3) of the Companies Act, 2013 we report that;

I. 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;

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

III. The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

IV. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

V. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company, being a Government Company.;

VI. We are enclosing herewith a report in "**Annexure – C**" for our opinion on adequacy of Internal Financial Controls System in place in the Company and the operating effectiveness of such controls;

VII. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34(a) to the financial statements;
ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any and to the extent ascertainable, on long-term contracts including derivative contracts.
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

FOR: R. B. TEWARI & CO.
CHARTERED ACCOUNTANTS
FRN 008570N

R. B. TEWARI & CO. DELHI Chartered Accountants

CA R. B. TEWARI
PARTNER
M. No. 087345

PLACE: NEW DELHI
DATE: 09/06/2020

UDIN: 20087345AAAAAV5453

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date on account of Konkan LNG Ltd. (formerly known as Konkan LNG Private Limited) (" the Company") for the year ended March 31, 2020)

(i) (a) As informed to us the Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) According to information and explanation given to us, there is a regular programme of physical verification of these fixed assets by the management which in ouropinion is reasonable having regard to the size of the Company and nature of itsassets. As informed to us no material discrepancies were noticed on suchverification.

(c)As informed to us and as verified by us during the course of our audit the title deedsof immovable properties are held in name of the Company except for the cases as follows.

Description of Asset	No. of Case	Area in Acres	Gross Block as on 31.03.2020 (Rs. In Crore)	Net Block as on 31.03.2020 (Rs. In Crore)
Leasehold Land (Right Of Use asset)	1	451.065	1.70	1.67

(ii) (a) As informed to us physical verification of inventory has been conducted at reasonable intervals by the management.

(b) The procedure of physical verification followed by the management are reasonable and adequate in relation to the size of the company.

(c) the company is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under paragraph (iii) of the Order is not applicable.

(iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms ofprovisions of section 185 and 186 of the Companies Act, 2013. Hence reporting under paragraph 3 (iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable.

(vi) We have reviewed the accounts and records maintained by the Companypursuant to the Rules made by the Central Government for the maintenance of costrecords under sub-section (1) of Section 148 of the Companies Act, 2013 read withCompanies (Cost Records & Audit) Rules,

P.B. TEWARI & CO. Chartered Accountants DELHI

2014. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There were no material dues of Income Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of Excise, Value Added tax except pending ascertainment of custom duty as per Note-24 of the financial statement.

(viii)Based on our audit procedures and in accordance with the information and explanations given to us by the management the Company has not defaulted in repayment of dues to a bank or government.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument). As informed to us, the company obtained Inter-Corporate loan from GAIL India Limited during the year as referred in note 17.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) As per notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The Company is not a Nidhi Company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.

(xiii)In our opinion, the Company has complied with provisions of sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.(Refer Note No. 35)

(xiv)The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As informed to us, during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with the Directors.

(xvi) The Company is not required to get registered under section 45-IA of Reserve Bank of India Act'1934.

FOR: R. B. T E W A R I & CO.
CHARTERED ACCOUNTANTS
FRN 008570N

PLACE: NEW DELHI
DATE: 09/06/2020

CA R. B. TEWARI
PARTNER
M. No. 087345

UDIN: 20087345AAAAAV5453

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT(PART-I)

Referred to in paragraph 2 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of KONKAN LNG LIMITED (Formerly known as Konkan LNG Pvt. Ltd.) on the financial statements for the year ended March 31, 2020.

Sl. No.	Direction	Action Taken
1.	Whether the Company has system in place to process all theaccounting transactions through IT system? If yes the implicationsof processing of accounting transactions outside IT system onthe integrity of the accounts along with the financial implications, if any, may be stated?	According to information and explanation given to us, the Company has maintained its books of account on IT system, SAP has been implemented during the year under audit, which is an ERP system. All accounting transactions are processed in accounts maintained after implementation of SAP under ERP System. We did not notice any transaction which was processed outside of IT system
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest made by a lender due to Company inability to repay the loan? If yes, the financial impact may be stated?	According to information and explanation given to us, the company has entered into a Tripartite agreement with GAIL and its lenders for debt restructuring during the year. One time settlement amount of INR 2,700 crore was agreed by GAIL, KLL & lenders against the total amount (loan, interest and any other amount payable by KLL to the lenders as on 30th September 2019) of INR 3,813.07 crores which has been paid on 24th March 2020. Further, no interest is payable after 30th September 2019 to the previous lenders. Pursuant to this debt resolution plan: i. GAIL lend inter-corporate loan of INR 2,700 crores to the company which has been used by the company to repay the existing lenders towards settlement of their dues. ii. GAIL also received novated residual debt to the company aggregating to INR 1,113.07 crores (i.e., INR 3,813.07 crore less INR 2,700 crore) together with entire security/ charge on the assets of the company in favour of GAIL. iii. Lenders have transferred their equity of INR 194.41 crore (face value) to GAIL, at a nominal value.

3.	Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	According to information and explanation given to us, there are no funds received/ receivable for specific schemes from central/ state agencies during the year.

FOR R. B. T E W A R I & CO.
CHARTERED ACCOUNTANTS
FRN 008570N

PLACE: NEW DELHI
DATE: 09/06/2020

CA R. B. TEWARI
PARTNER
M. No. 087345
UDIN: 20087345AAAAAV5453

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT (PART-II)

Compliance Certificate

We have conducted the audit of annual accounts of **M/s Konkan LNG Limited (Formerly known as Konkan LNG Pvt. Ltd.)** for the year ended 31st March, 2020 in accordance with the directions/sub-directions issued by the CAG of India under section 143(5) of the companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

FOR: R. B. T E W A R I & CO.
CHARTERED ACCOUNTANTS
FRN 008570N

CA R. B. TEWARI
PARTNER
M. No. 087345
UDIN: 20087345AAAAAV5453

PLACE: NEW DELHI
DATE: 09/06/2020

ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3(VI) to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of KONKAN LNG LIMITED (Formerly known as Konkan LNG Pvt. Ltd.)on the standalone Ind AS financial statements for the year ended March 31, 2020.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

We have audited the Internal Financial Controls over financial reporting of M/s KONKAN LNG LIMITED (Formerly known as Konkan LNG Pvt. Ltd.) ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

R.B. TEWARI & CO. NEW DELHI Chartered Accountants

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR: R. B. T E W A R I & CO.
CHARTERED ACCOUNTANTS
FRN 008570N

R. B. TEWARI & CO. Chartered Accountants DELHI

CA R. B. TEWARI
PARTNER
M. No. 087345

PLACE: NEW DELHI
DATE: 09/06/2020

UDIN: 20087345AAAAAV5453

KONKAN LNG LIMITED

ANNUAL ACCOUNTS
FOR THE YEAR 2019-20

Konkan LNG Limited
(formerly known as Konkan LNG Private Limited)
CIN: U11100DL2015PLC288147

Registered Office:
GAIL Bhawan
16, Bhikaji Cama Place, R K Puram
NEW DELHI - 110 066

Konkan LNG Limited (formerly known as Konkan LNG Private Limited)
CIN: U11100DL2015PLC288147

Balance Sheet as at 31st March 2020

(₹ Crore)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	2,714.95	1,981.86
Capital work-in-progress	3	381.40	874.94
Intangible assets	4	0.28	0.02
Intangible assets under development		-	0.23
Right of Use Asset	5	10.14	-
Financial Assets			
-Loans	6A	0.06	0.08
-Others	6B	21.03	-
Deferred tax assets (Net)	13	551.40	574.43
Subtotal (A)		**3,679.26**	**3,431.56**
Current Assets			
Inventories	7	154.28	112.00
Financial Assets			
-Loans	8	0.04	0.04
-Trade Receivables	9	77.40	-
-Cash and cash equivalents	10A	18.10	7.45
-Other bank balances	10B	176.44	276.64
-Other financial assets	11	72.87	85.20
Other Current Assets	12	33.14	47.02
Subtotal (B)		**532.27**	**528.36**
Total Assets (A+B)		**4,211.53**	**3,959.92**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14	690.99	690.99
Instruments entirely equity in nature	15	252.00	252.00
Other Equity	16	(711.00)	(981.26)
Total equity (C)		**231.99**	**(38.27)**
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
-Borrowings	17	3,813.07	3,705.18
-Other Financial Liabilities	18	8.33	0.05
Provisions	19	0.18	0.12
Subtotal (D)		**3,821.58**	**3,705.34**
Current Liabilities/Provisions			
Contract Liabilities	20	15.80	-
Financial Liabilities			
-Trade Payable	21	35.01	67.25
-Other Financial Liabilities	22	12.10	142.17
Other Current Liabilities	23	14.98	3.37
Provisions	24	80.07	80.06
Subtotal (E)		**157.96**	**292.85**
Total Equity and Liabilities (C+D+E)		**4,211.53**	**3,959.92**
Significant accounting policies	2		

The accompanying Notes No.1 to 47 form an integral part of these Ind AS financial statements.

In terms of our report of even date attached:

For RB Tewari & Co.
Chartered Accountants
FRN. 008570N

R.B. TEWARI & CO. Chartered Accountants DELHI

CA. R.B. Tewari
Partner
Membership No - 087345

Place: New Delhi
Date: 09/06/2020

For and on behalf of the Board of Directors:

Vikas Agarwal
(Company Secretary)

Alok Jain
(Chief Finance Officer)

Nalini Malhotra
(Director)
(DIN - 08734265)

Pankaj Patel
(Managing Director)
(DIN - 07178888)

KONKAN LNG LIMITED DELHI

Konkan LNG Limited (formerly known as Konkan LNG Private Limited)
CIN: U11100DL2015PLC288147

Statement of Profit And Loss For The Year Ended 31st March 2020

(₹ Crore)

Particulars	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
I. Revenue from contract with customers	25	484.86	328.49
II. Other Income	26	12.61	6.20
III Reversal Of Impairment Loss	3	280.70	0.35
III Total Revenue (I+II)		**778.17**	**335.04**
Employee benefits expenses	27	24.53	22.75
Depreciation and amortization expenses	28	102.41	93.58
Finance Cost	29	182.06	312.71
Other expenses	30	175.87	177.17
IV. Total Expenses		**484.87**	**606.21**
V. Profit/(Loss) before Tax (III - IV)		**293.30**	**(271.17)**
VI. Tax Expenses			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax charge/ (credit)	13	23.03	81.32
		23.03	**81.32**
VII. Profit/(Loss) for the Period (V-VI)		**270.27**	**(352.49)**
VIII. Other Comprehensive income		-	-
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gain/ (losses) of defined benefit obligations (CY: 136710, PY: 16398)	32	(0.01)	0.00
Income tax effect relating to these items (CY: ₹ 39,810, PY: ₹ 5675)		0.00	(0.00)
IX. Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		**(0.01)**	**0.00**
Total comprehensive income (VII+ IX)		**270.26**	**(352.49)**
Earning per equity share (in ₹)	31		
(1) Basic		3.91	(5.57)
(2) Diluted		2.87	(4.87)

The accompanying Notes No.1 to 47 form an integral part of these Ind AS financial statements.

In terms of our report of even date attached:

For RB Tewari & Co.
Chartered Accountants
FRN. 008570N

R.B. TEWARI & CO. Chartered Accountants DELHI

KONKAN LNG LIMITED DELHI

CA. R.B. Tewari
Partner
Membership No - 087345

Place: New Delhi
Date: 09/06/2020

For and on behalf of the Board of Directors:

Vikas Agarwal
(Company Secretary)

Alok Jain
(Chief Finance Officer)

Nalini Malhotra
(Director)
(DIN - 08734265)

Pankaj Patel
(Managing Director)
(DIN - 07178888)

Konkan LNG Limited (formerly known as Konkan LNG Private Limited)
CIN: U11100DL2015PLC288147

Statement of Cash Flows for the year ended 31st March 2020

(₹ Crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating activities		
Profit before tax	293.30	(271.17)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortization of property, plant and equipment and intangible assets	102.41	93.58
Finance income (including fair value change in financial instruments)	(12.27)	(5.85)
Rental income(CY- ₹40,746, PY- ₹ 24846)	(0.00)	(0.00)
Finance costs (including fair value change in financial instruments)	182.06	312.71
Impairment of assets/(Reversal)	(280.70)	(0.35)
Cash flow from operating activities before working capital changes	**284.80**	**128.92**
Working capital adjustments		
Increase / (Decrease) in Current Liabilities:		
Trade Payables	(32.25)	(8.62)
Other Payables		
Other Financial Liabilities	(16.90)	(115.89)
Other non Financial Liabilities		-
Provisions	0.06	0.04
Other current liabilities	11.61	(13.18)
Contract liabilities	15.80	43.31
(Increase)/ Decrease in Current Assets:		
Inventories	(42.28)	(34.91)
Trade Receivables	(77.40)	24.64
Other non current financial assets	0.02	(0.02)
Other current financial assets	38.06	105.66
Other current and non current assets	9.07	(22.44)
Cash flow from operating activities after working capital changes	**190.59**	**107.50**
Income tax (paid)/ Refund	-	-
Net cash flows from operating activities (A)	**190.59**	**107.50**
Investing activites		
Sale/ (Purchase) of property, plant and equipment, intangible assets(including capital	(56.36)	(16.97)
Rental income(CY- ₹40,746, PY- ₹ 24846)	0.00	0.00
Sale/(Purchase) of investments (FDR)	53.95	(276.64)
Interest received (finance income)	11.76	5.85
Net cash flows used in investing activities (B)	**9.35**	**(287.75)**
Financing activities		
Interest paid	(187.08)	(312.71)
Proceeds from long term borrowings	2,700.00	5.31
Repayment of long term borrowings	(2,700.00)	(0.02)
Payment of lease liability	(2.21)	-
Proceeds from issue of equity shares	-	143.01
Proceeds from issue of compulsarily convertible preference shares	-	252.00
Net cash flows from/(used in) financing activities (C)	**(189.29)**	**87.60**
Net increase in cash and cash equivalents (A+B+C)	**10.65**	**(92.66)**
Cash and cash equivalents at the beginning of the year	7.45	100.10
Cash and cash equivalents at year end	**18.10**	**7.45**

Reconciliation of cash and cash equivalents as per the statement of cash flows:
Cash and cash equivalents as per the above comprise of the following

(₹ Crore)

Particulars	March 31, 2020	March 31, 2019
Balances with banks		
- Current accounts	18.10	7.45
Cash in hand	-	-
Balances as per statement of cash flows	**18.10**	**7.45**

Cash Flow Statement has been prepared using Indirect Method as per Ind AS 7-Statement of Cash Flows.
The accompanying Notes No.1 to 47 form an integral part of these Ind AS financial statements.

In terms of our report of even date attached:

For RB Tewari & Co.
Chartered Accountants
FRN: 008570N

CA. R.B. Tewari
Partner
Membership No - 087345

For and on behalf of the Board of Directors:

Vikas Agarwal
(Company Secretary)

Alok Jain
(Chief Finance Officer)

Nalini Malhotra
(Director)
(DIN - 08734265)

Pankaj Patel
(Managing Director)
(DIN - 07178888)

Place: New Delhi
Date: 09/06/2020

R.B. TEWARI & CO. Chartered Accountants DELHI

KONKAN LNG LIMITED DELHI

Konkan LNG Limited (formerly known as Konkan LNG Private Limited)
CIN: U11100DL2015PLC288147

Statement of Changes in Equity for the year ended 31st March 2020

(a) Equity Share Capital

(₹ Crore)

Particulars	Number (in crores)	Amount
Equity shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31 March 2018	54.80	547.98
Issue of share capital	-	
As at 31 March 2019	**54.80**	**547.98**
Issue of share capital	-	-
As at 31 March 2020	**54.80**	**547.98**
Equity shares of Rs. 10/- each issued, subscribed and Rs. 5.5 paid up		
As at 31 March 2018		
Issue of share capital	26.00	143.01
As at 31 March 2019	**26.00**	**143.01**
Issue of share capital	-	-
As at 31 March 2020	**26.00**	**143.01**
Total Equity as at 31 March 2020	**80.80**	**690.99**

(b) Instruments entirely equity in nature

(₹ Crore)

Particulars	Number (in crores)	Amount
10% 'Compulsorily Cumulative Convertible Preference Shares		
As at 31 March 2018	-	-
Issue of share capital	25.20	252.00
As at 31 March 2019	**25.20**	**252.00**
Issue of 10% Compulsorily Cumulative Convertible Preference Shares (CCCPS)	-	-
As at 31 March 2020	**25.20**	**252.00**

(c) Other Equity

(₹ Crore)

Particulars	Retained earnings	Total
As at 31 March 2018	**(628.77)**	**(628.77)**
Profit for the period	(352.49)	(352.49)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.00	**0.00**
Total Comprehensive Income	**(352.49)**	**(352.49)**
As at 31 March 2019	**(981.26)**	**(981.26)**
Profit for the period	270.27	270.27
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	(0.01)	(0.01)
Total Comprehensive Income	**270.26**	**270.26**
As at 31 March 2020	**(711.00)**	**(711.00)**

The accompanying Notes No.1 to 47 form an integral part of these Ind AS financial statements.

In terms of our report of even date attached:

For RB Tewari & Co.
Chartered Accountants
FRN. 008570N

CA. R.B. Tewari
Partner
Membership No - 087345

For and on behalf of the Board of Directors:

Vikas Agarwal
(Company Secretary)

Alok Jain
(Chief Finance Officer)

Nalini Malhotra
(Director)
(DIN - 08734265)

Pankaj Patel
(Managing Director)
(DIN - 07178888)

Place: New Delhi
Date: 09/06/2020

KONKAN LNG LIMITED

(Formerly Known as Konkan LNG Private Ltd.)

Notes Forming part of Financial Statements

Note 1. Company Information

Reporting entity

Konkan LNG Limited ("the Company", previously known as Konkan LNG Private Limited), having CIN number **U11100DL2015PLC288147**, was incorporated on 4th December 2015 for taking over the R-LNG business under the demerger scheme of Ratnagiri Gas and Power Private Ltd u/s 230 - 232 of the Companies Act, 2013 with appointed date of 1st January, 2016. The scheme of demerger was approved by NCLAT on 28 February 2018 and became effective on 26 March 2018 i.e. the date on which the same was filed with Ministry of Corporate Affairs. The address of the Company's registered office is 16, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

The Company has been formed to carry on the business of acquiring, storing, processing, regasification, transportation of natural gas (NG), liquefied natural gas (LNG) and other incidental business detailed given in the Memorandum of Association of the Company

Pursuant to shareholders' approval for conversion of the company from Private Limited company to Public Limited company, Registrar of Companies issued fresh certificate of incorporation on **February 18, 2020** whereby the name of the Company has been changed to **"Konkan LNG Limited**

Consequent upon transfer of equity shares by KLL Lenders to GAIL (India) Limited, GAIL's equity stake (voting power) in Konkan LNG Limited (KLL) has increased to **69.06%** of the total paid-up equity share capital. As per provision of the Companies Act, 2013, KLL has become the Subsidiary Company of GAIL in FY 2019-20.

Note 2. Basis of preparation and Significant Accounting Policies

1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. These Financial Statements for the year ended 31st March 2020, were authorized for issue by Board of Directors on 09 th June, 2020.

2. Basis of measurement

The financial statement has been prepared as going concern on accrual basis of accounting. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments). The methods used to measure fair values are discussed further in notes to financial statements.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest crore (up to two decimals), except as stated otherwise.

R.B. TEWARI & CO. DELHI Chartered Accountants

KONKAN LNG LIMITED DELHI

4. Current and non-current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as Non-Current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

A. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

1. Property, plant and equipment

a. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land and other assets.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Expenditure on major inspection and overhauls of generating unit is capitalized separately on initial recognition, when it meets the asset recognition criteria.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment (PPE) are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

b. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

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KONKAN LNG LIMITED DELHI

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

c. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

d. De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

e. Depreciation/amortization

Depreciation is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets), except for the assets as mentioned below where different useful life has been taken on the basis of external / internal technical evaluation:

a) Kutcha roads	2 years
b) Enabling works	
- Residential buildings	15 years
- Internal electrification of residential buildings	10 years
- Non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment	6 years
h) Regasification Unit (based on Management Decision)	25 Years
i)Employee Assets – Laptop	03 Years
j)Employees Assets – Household Goods	05 Years

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

R.B. TEWARI & CO. DELHI Chartered Accountants

KONKAN LNG LIMITED DELHI

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

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.

2. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

a. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

b. Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

c. Amortization

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line basis over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period

4. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs

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KONKAN LNG LIMITED DELHI

eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

5. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for accordingly.

6. Cash and cash equivalents

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

7. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

8. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

R.B. TEWARI & CO. * CA * DELHI * Chartered Accountants

KONKAN LNG LIMITED * DELHI

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

9. Revenue

a. Revenue from Regasification

Company's revenues arise from charges collected from customers for regasification of LNG and other income. Taxes imposed by government, collected by the Company from customer, are excluded from revenue.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaced Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the modified retrospective method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018).

Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes goods or services contributed by the customer, as non cash consideration, over which Company has control.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.

b. Other income

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are accounted for on receipt/acceptance.

10. Employee benefits

All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.

Company's contributions paid/ payable during the year towards provident fund for own cadre employees is recognized in the statement of profit and loss and the same is paid to employees' Provident Funds Organization.

Employee Benefits under Defined Benefit Plans in respect of gratuity are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method.

Obligations on other long-term employee benefits, viz., and leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

Re-measurement including actuarial gains and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through Statement of Profit and Loss or Other Comprehensive Income in the year of occurrence, as the case may be. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The liability for employees' benefit of employees seconded by the promoter's organization in respect of provident fund, pension, gratuity, post- retirement medical facilities, compensated absences, long service

R.B. TEWARI & CO. DELHI Chartered Accountants

KONKAN LNG LIMITED DELHI

award, economic rehabilitation schemes and other terminal benefits is retained by the respective organization.

In respect of employees seconded from GAIL India Ltd., the proportionate charge for the period of service of such employees in the company is accounted as an expense, on the basis of debits raised by such organization.

11. Other expenses

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to Statement of Profit and Loss. Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Voluntary community development expenditure is charged to Statement of Profit & Loss in the year incurred.

12. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

13. Leases

Ind AS 116 Leases, mandatory for reporting periods beginning on or after April 1, 2019, replaces existing lease requirements under Ind AS 17. This standard is applicable to all contracts existing as on, or entered into, on or after 1 April 2019.

a. As lessee

Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company assesses whether:

- The contract involves the use of an identified asset, specified explicitly or implicitly.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

R.B. TEWARI & CO. Chartered Accountants DELHI

KONKAN LNG LIMITED DELHI

Initial recognition of Right of use asset (ROU)

The Company recognises a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

Subsequent measurement of Right of use asset (ROU)

ROU assets are subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability. (Refer to the accounting policy regarding Impairment of non-financial assets).

Initial recognition of lease liability

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term. Lease payments included in the measurement of the lease liabilities comprise of the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option, extension option and penalties for early termination only if the Company is reasonably certain to exercise those options.

Subsequent measurement of lease liability

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. . In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases if low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and photocopy machines that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b. As lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables and finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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14. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

15. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

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16. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

Prior period expenses/income of items of ₹ 1 crore and below are charged to natural heads of accounts.

17. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

18. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

19. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

a) Financial assets carried at amortized cost

Financial assets other than derivatives and specific investments, is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

Financial assets other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable selection for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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c) Financial assets at fair value through Statement of Profit and Loss

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Lease receivables under Ind AS 116.

(c) Trade receivables under Ind AS 115.

(d) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

b. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts,

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

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20. Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

B. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Determining the lease term of contracts with renewal and termination options

Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Company has several lease contracts that include extension and termination options. Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

2. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets is determined in accordance with Schedule II of the Companies Act, 2013 and technical evaluation, wherever considered appropriate by management.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment and are adjusted prospectively, if appropriate.

3. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

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4. Defined Benefit Plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenues

Revenue from regasification services is recognized when services are rendered. Revenue from regasification services is net of Goods and Service tax.

The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the company to recognize revenue based on performance completion till date e.g. units delivered. The estimates are assessed continually during the term of the contract and the company measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

Company updates its estimated transaction price to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, damages etc.

6. Determination of discount rate as a lessee

Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Company estimates its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment using observable available inputs (such as market interest rates).

7. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

8. Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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3 Property, plant and equipment

(₹ Crore)

	Gross carrying value						Accumulated Depreciation						Impairment				Net carrying value	
Particulars	At 31 March 2019	Additions	Transferred to ROU Asset	Disposals/ Capitalisation	Adjustments	At 31 March 2020	At 31 March 2019	Depreciation charge for the year	Transferred to ROU Asset	Disposals	Adjusment	At 31 March 2020	At 31 March 2019	Adjustment	Reversal	At 31 March 2020	At 31 March 2020	At 31 March 2019
Leasehold land inc. developments	1.75	-	(1.75)	-	-	-	0.05		(0.05)			-	-			-	-	1.70
Roads, bridges, culverts & helipads	0.07	-	-	-		0.07	0.06					0.06	-			-	0.01	0.01
Furniture & Fixture	0.30	0.13	-	-	0.22	0.65	0.01	0.04			0.06	0.11	-			-	0.54	0.29
Plant and machinery (including associated civil works)	3,200.45	717.88	-	-	11.91	3,930.24	699.81	100.03		-	0.03	799.87	522.17	147.86	252.75	417.28	2,713.09	1,978.47
Office equipment	0.41	0.10	-	(0.00)		0.51	0.17	0.08		(0.00)		0.25	0.03	0.00	0.02	0.01	0.25	0.21
EDP, WP machines and satcom equipment	1.60	0.30	-	0.00	(0.35)	1.55	0.41	0.31		0.00	(0.09)	0.64	0.04	-	0.02	0.02	0.88	1.15
Communication Equipments	0.07	0.18	-			0.25	0.03	0.03				0.06	0.01	-		0.01	0.18	0.03
Total	3,204.65	718.58	(1.75)	(0.00)	11.77	3,933.27	700.54	100.49	(0.05)	(0.00)	-	800.99	522.25	147.86	252.79	417.32	2,714.95	1,981.86
Capital work in progress	1,105.99	70.30		(733.39)	(6.22)	436.68	-	-		-		-	231.05	(147.86)	27.91	55.28	381.40	874.94

Carrying amount of property, plant and equipment are hypothecated as security for borrowings. (Refer Note 17)

4 Intangible assets

(₹ Crore)

	Gross carrying value				Amortisation and impairment				Net Carrying value	
Particulars	At 31 March 2019	Additions	Disposals/ Capitalisation	At 31 March 2020	At 31 March 2019	Depreciation charge for the year	Disposals/ Capitalisation	At 31 March 2020	At 31 March 2020	At 31 March 2019
Software	0.04	0.33		0.37	0.02	0.07		0.09	0.28	0.02
Total	0.04	0.33	-	0.37	0.02	0.07	-	0.09	0.28	0.02
Intangible asset under development	0.23		(0.23)	-					-	0.23

Carrying amount of intangible assets are hypothecated as security for borrowings. (Refer Note 17)

5 Right of Use Asset

(₹ Crore)

	Gross carrying value				Accumulated depreciation				Net Carrying value
Particulars	Balance at April 1, 2019	Additions	Disposals/ Derecognised	Balance at March 31, 2020	Balance at April 1, 2019	Depreciation expense	Disposals/ Derecognised	Balance at March 31, 2020	At 31 March 2020
Lease 1(Refer note 33)	1.70			1.70	-	0.02		0.02	1.67
Lease 2(Refer note 33)	10.29			10.29	-	1.82		1.82	8.46
Total	11.98	-	-	11.98	-	1.84	-	1.84	10.14

a) During FY 2017-18, Leasehold land value of ₹ 1.75 crores had been transferred to Konkan LNG Limited (formerly known as Konkan LNG Private Limited) from Ratnagiri Gas and Power Pvt. Ltd. (RGPPL). However, transfer of land in the name of comapny from RGPPL is pending in the records of Maharshtra Industrial Development Corporation.

b) Carrying amount of Right of use Asset are hypothecated as security for borrowings. (Refer Note 17)

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Notes to Financial Statements as at March 31, 2020

6 Financial Assets- Non-current (₹ Crore)

		As at March 31, 2020	As at March 31, 2019
6A	**Loans**		
	Loan to employees#		
	- Secured	0.02	0.03
	- Unsecured, Considered good	0.01	0.04
	Interest Accrued on Loan to Employees	0.02	0.02
	(A)	**0.06**	**0.08**
6B	**Others**		
	Balance with Term deposits with remaining maturity exceeding 12 months	21.03	-
	(B)	**21.03**	**-**
	Total (A+B)	**21.09**	**0.08**

\# Loans given to employees have been recognised at book value in view of insignificant amount.

7 Inventories (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Stores and spares	18.64	14.58
LNG Stock	135.65	97.42
Total	**154.28**	**112.00**

Carrying amount of inventories are hypothecated as security for borrowings. (Refer Note 17)

8 Fnancial Assets-Current- Loans (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Security deposits		
- Unsecured, Considered Good	0.01	0.02
Loan to employees		
- Secured (PY:' 49992)	0.01	0.00
- Unsecured, Considered good	0.02	0.02
Total	**0.04**	**0.04**

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9 Trade receivables (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
(Considered good. unless otherwise stated)		
Trade Receivables		
Others	-	-
From related parties	77.40	-
Less: Provision for doubtful debts	-	-
Total	**77.40**	-

* a) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is
b)"For terms and conditions relating to related party receivables. refer note 35"
c)"Carrying amount of trade receivables are hypothecated as security for borrowings. (Refer Note 17)"
d)Trade receivables are non-interest bearing.

10 Cash and Bank balances (₹ Crore)

		As at March 31, 2020	As at March 31, 2019
10A Cash & cash equivalents:			
Balances with banks:			
- Current accounts		18.10	7.45
Cash in hand		-	-
	(A)	**18.10**	**7.45**

10B Other bank balances

		As at March 31, 2020	As at March 31, 2019
Term deposits:			
Deposits with original maturity of more than 3 months but less than 12 months *		176.44	276.64
	(B)	**176.44**	**276.64**
Total (A+B)		**194.54**	**284.09**

* Includes deposits of Rs. 1.50 cr (PY- Rs. 1.76 Cr.) having lien against Letter of credit and Bank Guarantee

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11 Current Financial Asset- Others

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Interest accrued on term deposits	1.75	1.24
Balance with Term deposits with original maturity exceeding 12 months but remaining maturity less than 12 months	71.12	45.90
Other Advances CY- Nil (PY ₹ 20,000)	-	0.00
Receivable from RGPPL*	-	38.05
Total	**72.87**	**85.20**

12 Other Current assets

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Advances to contractors and suppliers (Unsecured)	0.04	0.16
Capital advances:		
Unsecured	-	4.81
Other advances		
Unsecured	0.65	10.83
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
GST Receivable	13.09	17.80
TDS Recoverable	14.60	8.47
Prepaid expenses and others	4.76	4.95
Total	**33.14**	**47.02**

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13 Income tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019:

Profit or loss section : (₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Expense:		
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**23.03**	81.32
Income tax expense reported in the statement of profit or loss	**23.03**	**81.32**

Other Comprehensive Income section
Deferred tax related to items recognised in OCI during the year:

(₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Net (loss) /gain on remeasurements of defined benefit plans (CY: ₹ 39,810, PY: ₹ 5675)	0.00	(0.00)
Deferred tax charged to OCI	**0.00**	**(0.00)**

(₹ Crore)

Deferred tax:

Particulars	As at March 31, 2019	Provided during the year	As at March 31, 2020
Deferred tax assets relates to the following			
Accumulated unabsorbed depreciation	651.07	(72.07)	579.00
Brought forward losses	152.07	84.26	236.33
MAT Credit Entitlement	3.06	-	3.06
Lease Liability	-	2.56	2.56
Disallowances of provision of employee benefits and provision for doubtful advances	28.96	(4.81)	24.15
Total deferred tax assets (A)	**835.15**	**9.95**	**845.10**
Deferred tax liabilities relates to the following			
Difference between written down value of property, plant and equipment as per the Income Tax Act 1961 and the companies Act, 2013	260.72	30.51	291.24
Right of use of asset		2.46	2.46
Total deferred tax liabilities (B)	**260.72**	**32.98**	**293.70**
Net Deferred Tax Assets (A-B)	**574.43**	**(23.03)**	**551.40**

A) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

B) The Company has till date recognised Rs. 3.06 crores (March 31, 2019 Rs. 3.06 crores) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above MAT credit entitlement.

Reconciliation of Deferred Tax Asset (Net): (₹ Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	**574.43**	**655.75**
Tax (expense)/income recognised in the statement of profit or loss	(23.03)	(81.32)
Tax (expense)/income recognised in Other Comprehensive Income	0.00	(0.00)
Balance at the end of the year	**551.40**	**574.43**

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14 Equity share capital

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Share capital		
Authorised		
350,00,00,000 equity shares of par value of ₹ 10 - each	3,500.00	3,500.00
150,00,00,000 Preference shares of par value of ₹ 10/- each	1,500.00	1,500.00
	5,000.00	**5,000.00**
Issued, subscribed and fully paid up		
54,79,80,000 equity shares of par value of ₹ 10/- each	547.98	547.98
Issued, subscribed and partly paid up		
26,00,16,509 equity shares of par value of ₹ 10 - each was issued and subscribed and ₹ 5.5 paid up on each equity share	143.01	143.01
Total	**690.99**	**690.99**

(a) Movements in equity share capital

(in Crores)

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	80.80	690.99	54.80	547.98
Add: Issued during the year	-	-	26.00	143.01
At the end of the year	**80.80**	**690.99**	**80.80**	**690.99**

(b) Terms and Rights attached to Equity Share;

The Company has only one class of Equity shares having a nominal value of Rs. 10 per share. Each holder of equity shares right to vote is in proportion to their share in the paid-up equity share capital of the company. In the event of Liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the paid-up equity share capital held by the equity shareholders

(c) Shares held by each shareholder holding more than 5% shares

Equity Shares*	As at March 31, 2020		As at March 31, 2019	
	No of Shares (In Cr)	Percentage	No of Shares (In Cr)	Percentage
GAIL (India) Limited (Refer Note 37)	59.42	73.54%	39.98	49.48%
NTPC Limited	13.98	17.30%	13.98	17.30%
MSEB Holding Company Limited	7.41	9.17%	7.41	9.17%
IDBI Bank Limited	-	-	6.91	8.55%
State Bank of India	-	-	5.50	6.81%
ICICI Bank Limited	-	-	4.88	6.04%

* As per paid-up equity share capital, GAIL is holding 69.06% (PY 40.92%), NTPC 20.22% (PY 20.23%), MSEB 10.72% (PY 10.72%), IDBI NIL (PY 10.00%), SBI NIL (PY 7.96%) and ICICI NIL (PY 7.06%).

15 Instruments entirely equity in nature

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Compularily Convertible Preference shares		
As per last Financial Statements	252.00	-
Add: Alloted during the year	-	252.00
Sub-total (b)	**252.00**	**252.00**

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(a) Movements in Preference share capital

(in Crores)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	25.20	252.00	-	-
Add: Issued during the year	-	-	25.20	252.00
At the end of the year	25.20	252.00	25.20	252.00

(b) Terms and Rights attached to Preference Share;

Cumulative Compulsorily Convertible Preference Shares(CCCPS) have been issued during the previous year. CCCPS will carry dividend @ 10% p.a. on the paid-up portion of face value on cumulative basis and One Fully Paid-up CCCPS is convertible into 1 (One) Equity Shares of Rs. 10 each at any time at the option of the Shareholders from the date of allotment but not later than 20 years.

(c) Preference Shares held by each shareholder holding more than 5% shares

Preference share	As at March 31, 2020		As at March 31, 2019	
	No of Shares(In Crores)	Percentage	No of Shares(In Crores)	Percentage
GAIL (India) Limited	25.20	100.00%	25.20	100.00%

16 Other equity

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance at the beginning of the year	(981.26)	(628.77)
Profit / (loss) for the year / period	270.27	(352.49)
Re-measurement (losses)/ gain on defined benefit plans (PY: Rs. 10723) (net of tax)	(0.01)	0.00
Total	(711.00)	(981.26)

17 Financial Liabilities- Non Current Borrowings

(₹ Crore)

		As at March 31, 2020	As at March 31, 2019
Non current borrowings*			
Term loans - Secured*			
From Banks (Rupee Term Loan):			
IDBI Bank Limited		-	1,028.13
ICICI Bank Limited		-	682.30
State Bank of India		-	794.34
Canara Bank		-	147.73
	(A)	-	2,652.50
From Related Party (Rupee Term Loan):			
GAIL (India) Ltd.**		3,813.07	-
	(B)	3,813.07	-
From Others (Rupee Term Loan):			
Power Finance Corporation Limited		-	76.00
IFCI Limited		-	206.70
Gas & Power Investment Company Limited (GPICL)		-	769.98
	(C)	-	1,052.69
Total (A+B+C)		3,813.07	3,705.18

* During the year, company obtained an inter-corporate loan from GAIL India Limited amounting to Rs. 2700 crores (ICL-I) and Rs. 1113.07 crores (ICL II) has been novated by previous lenders in favour of GAIL (India) Ltd. on settlement of their dues (Refer Note 37). Both the Loans i.e. ICL-I and ICL-II carries an interest rate of 1Year SBI MCLR + Spread of 20 BPS per annum to be reset on 01st April of Every Financial Year.

ICL-I is repayable from 31 March 2025 and will be repaid by 31 March 2031. Repayment of ICL-II shall start from FY 2030-31 but only after full repayment of ICL-I and will be repaid by 30 Sep 2032.

** The transaction cost paid for availing/extinguishing the loan has been wrtten off in current year in profit and loss account, consirdering as insignificant .Thus, the amount of borrowing has been shown at the carrying value.

** Carrying amount of all the assets of the company are hypothecated as security for borrowings as per the terms and conditions of loan agreement.(Refer Note No. 37)

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For the purpose of cash flow:

	Non Current Borrowings (₹ Crores)	
	As at March 31, 2020	As at March 31, 2019
Changes in liabilities arising from financing activities:		
Balance at the beginning of the year	3,705.18	3699.89
Proceeds	2,700.00	5.31
Repayment	(2,700.00)	(0.02)
Others(Interest payable to GPICL transfered to Loan Account)	107.89	-
Balance at the end of the year	3,813.07	3,705.18

18 Other Non Current Financial Liabilities (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Lease Liability	6.58	-
Payable for capital expenditure	-	0.05
Interest accrued on borrowings-Related Party	1.75	-
Total	**8.33**	**0.05**

19 Non Current- Provisions (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
As per Last Balance Sheet	0.12	0.06
Add: Additions/Adjustments during the year	0.06	0.06
Less: Amount paid during the year	-	-
Total	**0.18**	**0.12**

20 Contract Liabilities- Current (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
GAIL (India) Limited	15.80	-
Total	**15.80**	-

21 Trade Payables-Current (₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Trade payables#		
total outstanding dues of micro enterprises and small enterprise	1.51	1.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	12.73	16.80
-Trade payables to related parties	20.77	49.15
Total	**35.01**	**67.25**

Terms and conditions of the above financial liabilities:

-for terms and conditions relating to related party receivables, refer note 35

-For explanations on the Company's credit risk management processes, refer to Note 43

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22 Other financial liabilities- Curent

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Deposits/Retention Money from Customers/contractors/others	8.30	7.53
Lease Liability	2.21	-
Interest accrued and due on borrowings	-	115.38
Payable for capital expenditure		
-Payable to Related parties	0.60	10.76
-Payable to Others	0.67	6.18
Expenses payable and other liabilities	0.31	2.32
Total	**12.10**	**142.17**

23 Other current liabilities

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Statutory Dues Payable	14.98	3.37
Total	**14.98**	**3.37**

24 Current provisions

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Provision for custom duty*	80.00	80.00
Provision for audit fees	0.07	0.06
Total	**80.07**	**80.06**

* - Pending ascertainment of exact amount, provision of ₹ 80 crore was made as on 31st March 2014 by RGPPL before demerger. Permission by Department of Revenue, Government of India, for bringing commercial cargos at LNG Terminal have been perceived by Department of Revenue leading to cessation of exemption of custom duty on equipments imported for LNG Terminal completion. Pending CCEA approval for the continuance of exemption with commercial use of LNG Terminal, Bank guarantee of ₹ 80 crore has been furnished to Custom Department as security by RGPPL on behalf of company.

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25 Revenue from contract with customers

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Regasification charges*	484.86	328.49
Total	**484.86**	**328.49**

* Includes Rs 57.22 Cr (PY- Rs.32.84 cr) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

Contract Balances

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Trade Receivables(Refer Note No. 9)	77.40	-
Contract Liabilities(Refer Note No. 20)	15.80	-

26 Other Income

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Interest income from:		
- Loan to employees (CY - ₹ 26,649, PY-₹ 24660)	0.00	0.00
- Term deposit - Banks	12.26	5.85
- Contractors	-	0.04
Other non-operating income		
Sale of scrap	-	0.01
Rent (CY- ₹40,746, PY- ₹ 24846)	0.00	0.00
Recoveries from contractors & Others	0.34	0.30
Total	**12.61**	**6.20**

27 Employee Benefit expense

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Salaries, wages and bonus*	24.19	22.52
Contribution to provident and other funds	0.05	0.04
Gratuity	0.02	0.02
Staff welfare expenses	0.27	0.16
Total	**24.53**	**22.75**

* Includes expenditure on account of secondment of GAIL employees Rs 23.63 Cr. (PY- Rs. 21.93 Cr.) based on the invoices raised by M/s GAIL (INDIA) Ltd.

In respect to disclosure of employee benefits as per Ind AS-19, refer Note No.32.

28 Depreciation and Amortisation Expense

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Depreciation of tangible assets	100.49	93.57
Amortisation of Intangible assets	0.07	0.01
Depreciation of Right of use asset*	1.84	-
Total	**102.41**	**93.58**

* In respect to disclosure of Leases as per Ind AS-116, refer Note No 33.

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29 Finance Costs

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Interest on rupee term loans	180.94	312.10
Interest on lease liability	0.73	-
Others*	0.39	0.61
Total	**182.06**	**312.71**

* This includes the transaction cost and other bank charges paid for availing the loan during the year.

30 Other Expenses

(₹ Crore)

	As at March 31, 2020	As at March 31, 2019
Consumption of Stores	3.98	0.22
Power and fuel	38.13	32.18
Common Sharing Expenses (with RGPPL)	10.00	9.97
Rent, Rates and taxes	29.84	23.48
Insurance	10.12	12.05
Repairs & maintenance:		
-Plant & machinery	67.52	81.50
-Buildings	0.30	0.62
-Others	0.71	0.27
Water cess & environment protection cess	-	0.21
Communication expenses	0.03	0.11
Travelling expenses	0.61	0.60
Audit Expenses *	0.16	0.14
Advertisement and publicity	0.01	0.11
Security expenses	9.00	9.93
Entertainment expenses	0.17	0.19
Books and periodicals(CY - ₹ 13,486)	0.00	0.01
Professional charges and consultancy fees	1.76	0.87
Legal expenses	0.29	0.28
EDP hire and other charges	0.05	0.09
Printing and stationery	0.05	0.06
Hiring of vehicles	0.81	0.59
Bank charges	1.97	1.90
Net loss in foreign currency transactions & translations	0.17	0.14
Director's Sitting Fees (CY: ₹50000, PY: ₹ 30000)	0.01	0.00
Loss on written off of assets/CWIP (net)	-	1.59
Miscellaneous expenses	0.16	0.07
Total	**175.87**	**177.17**

*** Audit Expenses include following expenses:**

(₹ Crore)

Particulars	March 31, 2020	March 31, 2019
Statutory Audit Fee	0.05	0.04
Quarterly Review Fee	0.05	-
Tax Audit fee	0.01	0.01
Out of Pocket Expenses for Statutory Audit	0.03	0.02
Total	**0.14**	**0.08**

31 Earnings per share

Basic	31 March 2020	31 March 2019
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	270.26	(352.49)
Weighted average number of equity shares in calculating basic EPS (crore)	69.10	63.30
Basic earnings (loss) per equity share (₹)	3.91	(5.57)

Diluted	31 March 2020	31 March 2019
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	270.26	(352.49)
Weighted average number of equity shares in calculating diluted EPS (crores)	94.30	72.34
Total no. of shares outstanding (including dilution) (crores)	106.00	106.00
Diluted earnings (loss) per equity share (₹)	2.87	(4.87)

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32 Disclosure as per Ind AS 19 'Employee Benefits' - KLL own cadre employees

(i) Defined Contribution Plan

a) Provident Fund *

Since the Company has no independent trust, the contribution to Provident Fund / Pension Fund / Other Funds amounting to ₹. 0.05 Crores(PY- ₹ 0.04 crores) has been deposited directly with EPFO for Own Cadre employees.

b) Gratuity*

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death.

In respect to own cadre employees of KLL, the gratuity scheme is unfunded and is provided by the Company. Based on the actuarial valuation carried out by independent valuer, ₹ 0.03 crore (PY: ₹ 0.02 crore) has been charged to revenue for Gratuity expenses.

Upto 31.03.2018, the liability towards gratuity was provided by RGPPL and deposited with RGPPL Gratuity Trust. The gratuity amount upto 31.03.2018 is payable by RGPPL Gratuity Trust as per their terms and conditions based on valuation at the time of transfer to any Fund/Scheme formed by the company or to employees directly. Hence an amount as on 31.03.2018 of Rs. 0.08 cr. based on acturial valuation, has not been accounted for.

Employees' on secondment from GAIL(India) Limited

In respect of employees on secondment from GAIL (India) Limited, pay, allowances, perquisites and other benefits of the employees seconded from GAIL (India) Limited are governed by the rules and regulation of the GAIL (India) Limited. The liability for employees' benefits of employees in respect of provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme and other terminal benefits is retained by the GAIL (India) Limited. The proportionate charge for the period of service of such employees in the company is accounted on the basis of debits raised by such organization, and is recognized in the Statement of Profit and Loss.

(ii) Other Long Term Employee Benefit Plan

a) Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is en-cashable while in service. Half-pay leave (HPL) is en-cashable only on separation beyond the age of 50 years up to the maximum of 300 days. However, total number of leave (i.e. EL & HPL combine) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

The above mentioned scheme is unfunded and liability is recognised in the books of accounts of the company on the basis of actuarial valuation.

Company as on 31st March 2020 has 3 employees on its payroll. Liability of ₹ 0.08 Crores (Previous year ₹ 0.05 crores) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

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Notes to Financial Statements for the year ended March 31, 2020

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2020

Amounts in ₹

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	1,34,633.00	1,10,033.00	1,64,274.00	1,13,357.00
Net Interest Cost	72,351.00	57,009.00	74,951.00	45,940.00
Net actuarial (Gain) / Loss recognized in the year	1,36,710.00	16,398.00	5,50,484.00	3,03,776.00
Total expenses included in employee benefit expense	3,43,694.00	1,83,440.00	7,89,709.00	4,63,073.00
Actual return on plan assets	-	-	-	-

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2020

Amounts in ₹

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (gain)/ loss on obligations	(2,304.00)	-
Return on plan assets (excluding amounts included in net interest expense)	2,00,621.00	(25,446.00)
Experience adjustments	(61,607.00)	41,844.00
Recognised in other comprehensive income	1,36,710.00	16,398.00

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2020 and 31st March, 2019 are as follows:

Amounts in ₹

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Benefit obligation at the beginning of the year	9,33,563.00	7,50,123.00	9,67,110.00	5,92,774.00
Current service cost	1,34,633.00	1,10,033.00	1,64,274.00	1,13,357.00
Interest cost	72,351.00	57,009.00	74,951.00	45,940.00
Transfer In	-	-	-	-
Benefits paid	-	-	-	88,737.00
Actuarial (gain)/ loss on obligations	1,36,710.00	16,398.00	5,50,484.00	3,03,776.00
Defined benefit obligation at the end of year	12,77,257.00	9,33,563.00	17,56,819.00	9,67,110.00

The principal assumptions used in determining above-mentioned obligations for the Company's plans are shown below:

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Discount rate (in %)	6.76%	7.75%	6.76%	7.75%
Salary Escalation (in %)	6.50%	6.50%	6.50%	6.50%

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Gratuity Plan	31-Mar-20		31-Mar-20	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation (In ₹)	**1,19,873.00**	**(1,06,927.00)**	**(20,713.00)**	**19,123.00**

Leave encashment	31-Mar-20		31-Mar-20	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation (In ₹)	**1,59,822.00**	**(1,42,665.00)**	**(1,43,085.00)**	**1,59,241.00**

History of experience adjustment is as follows:

Amounts in ₹

Particulars	Gratuity	
	31-Mar-20	31-Mar-19
Present value of obligation	12,77,257.00	9,33,563.00
Experience adjustments [Gain/(Loss)]	1,36,710.00	16,398.00

Particulars	Leave encashment	
	31-Mar-20	31-Mar-19
Present value of obligation	17,56,819.00	9,67,110.00
Experience adjustments [Gain/(Loss)]	5,50,484.00	3,03,776.00

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33 Leases

The Company has lease contracts for Tug Boats, office space, port and leasehold land.
There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.
The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities (included under financial liability) and the movements during the period:

Particulars	Amounts in ₹ March 31,2020
As at 1st April 2019	1028,55,699
Additions	-
Accretion of Interest	73,05,626
Payments	(221,30,550.00)
As at March 31, 2020	**880,30,775**
Current	221,30,550.00
Non Current	659,00,225

The maturity analysis of the undiscounted cash flows of lease liability is included in the Note 43 -Financial risk management objectives and policies under maturities of Financial liabilities.

The effective interest rate for lease liabilities is 9.05% with maturity between 0 to 6 years.

The following are the amounts recognised in profit or loss:

Particulars	**Amounts in ₹ March 31,2020**
Depreciation expense of right-of-use assets	184,48,940
Interest expense on lease liabilities	73,05,626
Expense relating to short-term leases (included in other expenses)	55,26,366
Variable lease payments (included in other expenses)	3187,82,042
Total amount recognised in profit or loss	3500,62,974

The total cash outflow for leases during the year:

Principal Portion of lease liability	221,30,550
Interest portion of lease liability	-
	221,30,550

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised

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34 Commitment and Contingent Liabilities

(a) Contingent Liablilities

1 Maharashtra Maritime Board (MMB) raised the demand for lease rent for berthing and unloading of LNG Ships at company's LNG Terminal, at the rate of ₹ 2.21 crore per annum, payable with effect from October 06, 2005 to March 31, 2012. However, company has paid lease rent from April 01, 2012 to March 31, 2015 along with interest and requested MMB for waiver of lease rent from October 06, 2005 to March 31, 2012 amounting to ₹ 14.35 crore and interest thereon. Based on companys' request, MMB has declined the waiver of demand during the FY 2018-19. Thus, company has provided the lease rent payable of ₹ 14.35 crores during FY 2017-18 only and paid the same in 8 instalments during FY 2018-19 & FY 2019-20 and requested MMB for waiver of interest. It has been informed orally by MMB officials that the board has accepted company's request for waiver of interest and MMB has forwarded the same to the Maharashtra State Government for acceptance of Board's decision of waiver of interest. Since, MMB has not informed the amount of interest, it is not possible to quantify the same.

2 Irrigation Department, Ratnagiri, Maharashtra, has given notice to Maharashtra Industrial Development Corporation for payment of royalty of ₹ 98.60 Crore towards the sweet water supply from river for the period from April 1997 to December 2015. It is pertinent to mention that RGPPL had taken over the assets of the erstwhile Dabhol Power Company in October 2005 free from any past liabilities and encumbrances from the court receiver. Further, Maharashtra State Electricity Distribution Company Limited (MSEDCL) is suppose to supply 14 MLD of water to RGPPL free of cost. If RGPPL has to incur any expenditure to MIDC towards supply of water towards this claim, RGPPL may raise proportionate claim to KLL for the water supplied to LNG Terminal. The amount pertaining to KLL is not ascertainable at this stage.

3 DPC had left approximately 6,600 acropodes in the land of M/s Damaji Vaidya. The said acropodes (referred as cement block) were transferred to RGPPL vide the High Court order while transferring the total asset of RGPPL. M/s Damaji Vaidya had claimed the possession of acropodes as per the lease agreement signed between DPC and M/s Damaji Vaidya in the local court of Ratnagiri. However, in Aug-2014, the local court had rejected M/s Damaji Vaidya's appeal. Against the local court order, M/s Damaji had filed appeal at Mumbai High Court for possession of the said acropodes. The appeal was admitted in the court in august 2017 but no further hearing date is announced. RGPPL had filed rejoinder and reply to the high court to the appeal made by M/s Damaji Vaidya. The acropodes are part of CWIP for which valuation is not ascertainable. Later on M/s Bharti Shipyard had purchased the land from M/s Damaji Vaidya and now claimed rents from 2007-2017. The total claim by Bharti Shipyard (now Bharti Defence and Infrastructure Ltd) is Rs. 1.79 Cr for the period from 2007 to 2017 and the same has been contested by the company. M/s Damaji Vaidya had applied for "stay order" on 6.2.2020 and KLL had replied to their application on 19.3.20.The matter was heard on 17.3.20 and no stay was granted by Hon'b;e High Court. Next date of hearing is not yet announced.
A meeting was held with M/s Bharti Defence Infrastructure Ltd regarding lease rent from 2007-2017 on 6.3.20. However, no conclusion was made. BDIL claimed Rs. 5.68 Cr and KLL contested the same.

4 RGPPL has taken over the assets of the erstwhile Dabhol Power Company (DPC) in Oct 2005 free from any past liabilities and encumbrances as per order of Hon'ble Mumbai High Court from the court receiver. DPC has terminated certain workmen while vacating the site. RGPPL has engaged the services of these employees through a third party on compassionate grounds. These employees had filed a suit for absorption as regular employees of RGPPL. The local court's order which was against RGPPL has been challenged in Mumbai High Court and high Court vide its order dated 11.12.2017 has granted stay till further orders and matter is subjudice. KLPL was made a respondent in the court case at Mumbai High Court in November 2018 and had filed reply on 26.03.2019. The matter will be heard again on 17.06.2019. Now Company is party to this dispute in respect of 17 ex-DPC employees related to LNG Block and amount is not ascertainble currently. Company has engaged services of theses 17 ex-DPC eployees through third party on compassionate grounds. KLL filed its reply to the Hon'ble High Court, Mumbai on 26.3.2019. Next hearing date is 16.12.2020

5 A Bank Gurantee amounting to ₹ 1.50 cr and a bond of Rs 15 cr. has been submitted to custom department for approval of custom cargo service provider under the Handling of Cargos in Custom Area Regulation, 2009.

6 Service Tax Department has raised a demand of ₹ 19.22 crores on RGPPL during their audit for the period from 2014-15 to June, 2017 in respect of LNG Undertaking, before issue of SCN.
As per demerger scheme, any tax liability arising out of LNG undertaking shall be reimbursed by Konkan LNG Limited (formerly known as Konkan LNG Pvt. Ltd.) to RGPPL.
The tenability of the demand raised by department is under study on the grounds of legal provisions by an expert.

7 During the year, company has signed Memorandum of Understanding (MOU) with Ratnagiri Gas and Power Pvt Ltd (RGPPL) for the purchase of electrical power for LNG Terminal. As per the said MOU, in addition to the agreed electricity tariff, company shall pay any cross subsidy, other statutory charges and taxes as applicable from time to time in case of demand by the concerned authorities/Government. In case these charges are levied to RGPPL by the concerned authorities/Government, then company shall reimburse these charges to RGPPL. Till date, no such demand has been made by concerned authorities/Government/RGPPL. In addition, such charges cannot be quantified by the company unless any formal demand is raised by concerned authorities/Government in this respect.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for is Rs. 655.36 crores (Previous Year ₹ 65.39 crores).

(c) Contingent Assets

1 In terms of the Regassification Agreement with GAIL (India) Ltd., the company has rasied demand for "USE or PAY charges" amounting to Rs 45.68 Cr equivalent to 75% of the regasification charges for the Use-or-Pay Deficiency. However, on payment of USE or PAY charges by GAIL, they will have right to make-up the deficient quantity during next five years.

2 RGPPL has lodged an insurance claim dated 17.11.2007 for Rs 12 cr on account of T-200 LNG Tank Machinery Break Down-(MBD). The said claim was rejected by insuarnce company on 25.01.2010. The RGPPL has filed complaint in National Consumer Dispute Redressal Commission aganist the insurance company on 09.11.2011. Pursuant to Demerger Scheme, as approved by National Company Law Appeallete Tribunal, this case has been assigned to KLPL. The order of National Consumer Dispute Redressal Commission is awaited.

35 Related Party Disclosures

(I) Name of related parties and their relationship:

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them as identified by the management in the ordinary course of business and on arm's length basis are given below:

A) Entity where control exists

GAIL (India) Limited (holding company w.e.f 27 March 2020 earlier it was a joint venture)

B) Entity where significant influence exists

NTPC Limited (Company having significant influence over the entity w.e.f 27 March 2020 earlier it was a joint venture)

C) Entity having the similar control as of the entity:

Ratnagiri Gas And Power Private Limited

D) Key Management Personnel (KMP):

Shri Manoj Jain	Chairman
Shri Pankaj Patel	Managing Director
Shri Bipin Shrimali	Non- Executive Director (upto 27.06.2019)
Shri Sanjeev Kumar	Non- Executive Director (w.e.f. 24.07.2019)
Shri A K Garg	Non- Executive Director (upto 21.05.2019)
Shri Rajat Kumar Bagchi	Non- Executive Director (w.e.f. 27.05.2019 upto 22.07.2019)
Shri Balaji Iyengar	Non- Executive Director (w.e.f. 26.07.2019 upto 05.02.2020)
Shri Ajay Dua	Non- Executive Director (w.e.f. 06.02.2020)
Shri Praveen Saxena	Non- Executive Director
Shri Aloke Sengupta	Non- Executive Director (upto 31.10.2019)
Shri Anilraj Chellan	Non- Executive Director (w.e.f. 26.11.2019)
Shri Neeraj Vyas	Non- Executive Director
Shri Alok Kumar Jain	Chief Finance officer
Shri Vikas Aggarwal	Company Secretary

E) Others

Utility Powertech Limited

(II) Related party transactions

(i) **Remuneration to the key management personnel** is Rs. 2.48 Cr (Previous Year Rs. 1.91 cr) and amount of dues outstanding to the company as on 31st March 2020 are Nil (Previous Year - 0.01 cr.)

(₹ Crore)

Remuneration to key management personnel	Current Year	Previous Year
Shri Pankaj Patel*	0.83	0.70
Shri Alok Kumar Jain*	0.74	0.67
Shri Vikas Aggarwal*	0.42	0.36
Shri Neeraj Vyas- Director Sitting Fees and other reimbursement(CY- ₹ 50,000,PY- ₹ 22,433)	0.01	0.00
Shri Vijay Jasuja(CY- Nil, PY- ₹ 10,000)	-	0.00

*Remuneration has not been directly paid by the company to the respective individual but has been reimbursed to GAIL (INDIA) Limited being they are on regular employment of GAIL (India) Limited and are on secondment in company.

ii)Shareholding with Key Management Personnel

(₹)

Name of the company / Person	**No. of Shares**	Current Year	Previous Year
Shri Pankaj Patel	1	10.00	10.00

iii)Transactions with others:

(₹ Crore)

Name of the company / Person	**Nature of transaction**	**Current Year**	**Previous Year**
GAIL (India)Limited	Salary and other benefits of employees on secondment	23.63	21.93
	Owners Engineer	2.19	9.37
	Purchase of power	0.03	0.07
	Lease Rent	0.55	0.42
	Revenue from regasification*	484.86	328.49
	Interest on loan	6.64	-
Ratnagiri Gas and Power Private Limited	Purchase of power	38.09	32.11
	CSA & others	10.00	22.16
Utility Powertech Limited (UPL)	Contract for works/services received by the company	2.75	1.74

* Includes Rs 57.22 Cr (PY- Rs.32.84 cr) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

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III) Outstanding balances with related parties are as follows:

(₹ Crore)

Particulars	Current Year	Previous Year
Amount recoverable other than loans		
- From Ratnagiri Gas and Power Private Limited	-	38.05
- From GAIL (India) Limited	77.40	-
Amount payable other than loans		
- To GAIL (India) Limited	2.68	16.04
- To GAIL (India) Limited (Payable to Customer)	15.80	43.32
- To GAIL (India) Limited (Interest On Loan)	1.75	
- To Utility Powertech Limited	0.82	0.55
- To Ratnagiri Gas and Power Private Limited	17.26	-
Amount payable as loan		
- To GAIL (India) Limited	3,813.07	-

IV) Terms and conditions of the transactions with the related parties:

i) Transactions with the related parties are made on normal commercial terms and condition and at market value.

ii) The Company is assigning jobs on contract basis for sundry works in plants/stations/offices to M/s. Utility Powertech Limited (UPL), a 50:50 joint venture between the NTPC Limited and Reliance Infrastructure Limited. The rates are fixed on cost plus basis after mutual discussion in terms of Long Term Agreement.

iii) GAIL (India) Limited is seconding its presonnel to the Company on CTC basis.

iv) GAIL (India) Limited is providing Owner's Engineer services to the company under a service contract on 'No Profit Motive Basis'.

v) Outstanding balances are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. For the year ended March 31, 2020 and March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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36 Segment information

As per Ind AS 108 identification of segment is based on the manner in which the entity's Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Company has only one business segment which is regasification of LNG, which acts as a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the company falls within a single operating segment "Regasification of liquified natural gas".
Moreover, the company has only one customer i.e. GAIL India Limited and thus the 100% of the revenue is earned from it.

37 Debt Restructuring

a) During the previous year, Canara Bank classified the company's loan as Non-performing asset (NPA). In current year, SBI & IDBI had also classified KLL loan account as NPA .However, there was no default by the company.

b) During the year, company has entered into a Tripartite agreement with GAIL and its lenders for debt restructuring. One time settlement amount of ₹ 2,700 crore was agreed by GAIL, KLL & lenders against the total amount (loan, interest and any other amount payable by KLL to the lenders as on 30th September 2019) of ₹ 3,813.07 crores which has been paid on 24th March 2020. Further, no interest is payable after 30th September 2019 to the previous lenders.

c) Pursuant to this debt resolution plan:
i. GAIL lend inter-corporate loan of ₹ 2,700 crores to the company which has been used by the company to repay the existing lenders towards settlement of their dues.
ii. GAIL also received novated residual debt to the company aggregating to ₹ 1,113.07 crores (i.e., ₹ 3,813.07 crore less ₹ 2,700 crore) together with entire security/ charge on the assets of the company in favour of GAIL.
iii. Lenders have transferred their equity of ₹ 194.41 crore (face value) to GAIL, at a nominal value.

d) Carrying amount of all the assets of the company are hypothecated as security for borrowings as per the terms and conditions of loan agreement.

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38 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2020 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ Crore)

	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-

39 Disclosure as per Ind AS - 36 on 'Impairment of Assets'

The Company has carried out the impairment study of its assets during the previous years through an independent expert. Based on the impairment study, the Company provided Impairment Loss of ₹ 509.85 crores in FY 2017-18 and ₹ 243.80 cr in FY 2016-17 in the books of accounts of the Company.

During the year, the management assesses change in the estimates used to determine the impairment loss due to following favourable events:
a)Settlement of NPA loan with the support of parent company
b)Award of works for completion of breakwater
c)Reduction in future finance cost
d)Improvement in Market perception as a result of becoming subsidiary of GAIL (India) Ltd., A Maharatna Govt. of India Undertaking

Based on impairment testing analysis, the recoverable amount has been calculated based upon the value in use calculation which is higher the carrying amount of PP&E at the end of 31.03.2020.

Considering the nature, stage and size of business and keeping in view the necessary regulatory guidelines, Income approach has been used to estimate the value in use of the tangible and intangible PP&E (including CWIP) of the company because it is very capital intensive and specialized business involving few large players and drawing most of its value from exploiting the cash flows from the use of the assets.

In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 11.3% on projected cash flows of remaining contract life i.e. 17 years.

Based on the analysis, the company has reversed an impairment loss in respect of plant and equipment amounting to ₹ 280.7 crores in the statement of profit and loss.

40 Going Concern

Company has prepared and presented financial statements on a going concern basis, as the management is confident on the Company's ability to continue as a going concern for a foreseeable future, in view of the updated business strategy, support extended by GAIL (India) Limited (pursuant to acquiring control of the company in a shareholder transaction) in restructuring of the debt obligations during the year and committing to financial assistance going forward. Further, Company has entered into arrangements with the contractors for construction of the breakwater as at the reporting date. Thus, in view of the mitigating factors as mentioned above, the management believes that the Company will be able to meet all its operational and other commitments as they arise in the foreseeable future and hence financial statements have been prepared on a going concern basis

41 Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

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42 Fair Value Hierarchy

The management assessed that cash and cash equivalents,other bank balances, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

(₹ Crore)

Particulars	Carrying amount	Fair value		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Loan to employees	0.06	-	-	0.06
Interest accrued on loan to employees	0.02	-	-	0.02
Security Deposits	0.01	-	-	0.01
Total	**0.10**	-	-	**0.10**
Financial liabilities measured at fair value:				
Borrowings	3,813.07	-	-	3,813.07
Interest accrued on borrowings-Related Party	1.75	-	-	1.75
Financial Liabilities	6.58	-	-	6.58
Total	**3,821.40**	-	-	**3,821.40**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(₹ Crore)

Particulars	Carrying amount	Fair value		
	31 March 2019	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Loan to employees	0.09	-	-	0.09
Interest accrued on loan to employees	0.02	-	-	0.02
Security Deposits	0.02	-	-	0.02
Total	**0.13**	-	-	**0.13**
Financial liabilities measured at fair value:				
Borrowings	3,705.18	-	-	3,705.18
Total	**3,705.18**	-	-	**3,705.44**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

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43 Financial risk management

The Company's principal financial liabilities comprise of trade payables, other payables, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The entire long term borrowings as at March 31, 2020 and March 31, 2019 is floating interest being reset annually, hence company is exposed to interest rate risk at present.

Interest Risk Sensitivity of the loan outsatanding as at

	Increase/decrease in basis points	Effect on profit before tax
		₹ crores
31-Mar-20		
INR	10	0.08
INR	-10	(0.08)
31-Mar-19		
INR	10	3.70
INR	-10	(3.46)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.
The Company does not have significant exposure in currency other than INR.

2. Liquidity Risk

The Company monitors its risk of a shortage of funds doing a liquidity planning exercise.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term borrowing facilities like bank overdraft, cash credit facility and buyers credit facility. The Company's treasury function reviews the liquidity position on an ongoing basis. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and surplus cash and cash equivalent on the basis of expected cash flow.

The contractual maturities of the Company's financial liabilities are presented below.

(₹ Crore)

As at 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	20.00	3,793.07	**3,813.07**
Borrowings Interest Accured but not due	-	-	-	1.75	-	**1.75**
Expenses Payables	0.31	-	-	-	-	**0.31**
Lease Liability	-	-	2.21	6.58	-	**8.79**
Payable for Capital Expenditure	1.28	-	-	-	-	**1.28**
Deposits from Customers/Contracotrs/suppliers	8.30			-	-	**8.30**
Trade payables	35.01	-	-	-	-	**35.01**
Total	**44.89**	-	**2.21**	**28.33**	**3,793.07**	**3,868.50**

(₹ Crore)

As at 31 March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	148.95	3,556.23	**3,705.18**
Borrowings Interest Overdue	115.38	-	-	-	-	**115.38**
Expenses Payables	2.32	-	-	-	-	**2.32**
Lease Liability	-	-	-	-	-	-
Payable for Capital Expenditure	16.94	-	0.00	0.05	-	**16.99**
Deposits from Customers/Contracotrs/suppliers	0.13	0.09	7.31	-	-	**7.53**
Trade payables	67.25	-	-	-	-	**67.25**
Total	**202.02**	**0.09**	**7.31**	**149.01**	**3,556.23**	**3,914.66**

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss for the year ended 31st March 2020 and for the comparative year ended 31st March 2019.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major revenue is contributed by credit sales with a credit period of 10 working days.

Cash and cash equivalents: The company held cash and cash equivalents of ₹ 18.10 Cr. as at 31 March 2020 (31st March 2019: ₹ 7.45 crore). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

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44 Change in accounting policies and disclosures

a) Ind AS 116 was notified with effect from April 1, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019.

The effect of adoption Ind AS 116 as at April 1 2019 (increase/(decrease)) is as follows:

Assets	**Amount (₹)**
Right-of-use assets	1198,34,712
Property, plant and equipment	(169,79,013)
Total assets	**1028,55,699**
Liabilities	
Financial liabilities - Lease liabilities	1028,55,699
	-
Total liabilities	**1028,55,699**

The Company has lease contracts for Leasehold land, office accomdation and port . Before the adoption of Ind AS 116, the company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases except for short-term leases. Refer to Note 2 for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the company.

Leases previously classified as finance leases
The company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019

Leases previously accounted for as operating leases
The company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The lessee recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingy measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

b) Disclosure of uncertain tax losses as per Ind AS - 12 on 'Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix.

The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

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45 a) The Company has a system of obtaining confirmation of balances from Lenders and other parties periodically. There are no unconfirmed balances in respect of bank accounts and borrowings. Reconciliation with beneficiaries and other customers is generally done periodically. So far as trade other payables and loans and advances are concerned, the balance confirmation letters with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent ot the parties. Some of such balances are subject to confirmation reconciliation. Adjustments, If any, will be accounted for on confirmation reconciliation of the same, which in the opinion of management will not have a material affect.

b) The company has bifurcated its assets and liabilities into current and non-current based on the judgement made by the management.

c) The company is utilising RGPPL's township facility for its employees and seconded employees and also utilising the chilling system for its plant. The common sharing agreement (CSA) between RGPPL & KLPL is under finalisation. However, company has provided liability on the basis of Provisional Invoices issued by RGPPL.

46 Financial statements have been prepared keeping in mind impact of pandemic Covid-19 on Company's business. Based on the assessment of management, there is no material impact of Covid-19 on carrying value of assets and liabilities, operating results or on going concern assumption of the Company. Company is engaged in regasification of liquefied natural gas and its entire revenue is earned from providing this service to its Holding company. Company's operation continued during the lockdown and management do not foresee any long term impact on the revenue due to Covid-19. However, the Company will continue to closely monitor any material changes to future economic conditions and its possible impact to the company.

47 Previous year figures have been regrouped/reclassified wherever considered necessary

In terms of our report of even date attached:

For RB Tewari & Co.
Chartered Accountants
FRN. 008570N

CA. R.B. Tewari
Partner
Membership No - 087345

Place: New Delhi
Date: 09/06/2020

KONKAN LNG LIMITED
DELHI

For and on behalf of the Board of Directors:

Vikas Agarwal
(Company Secretary)

Alok Jain
(Chief Finance Officer)

Nalini Malhotra
(Director)
(DIN - 08734265)

Pankaj Patel
(Managing Director)
(DIN - 07178888)