SCV & Co. LLP
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of
Konkan LNG Limited

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Ind AS financial statements of Konkan LNG Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act 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 audit opinion on the Ind AS financial statements.

Emphasis of Matter

1. We draw attention to sub note (c) of Note 5 to the Statement, which describes the basis for non-recognition of decommissioning cost during the Financial Year ended March 31, 2021.
2. We draw attention to Note 45 to the Statement, which describes the basis for non-recognition of borrowing cost during the Financial Year ended March 31, 2021.
3. We draw attention toNote 46 to the Statement, which describes the basis for recognition of Deferred Tax Assets during the Financial Year ended March 31, 2021.

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4. We draw attention to Note 47 to the Statement, which describes the basis for recognition of Non-Cash Consideration and Inventory of LNG stock during the Financial Year ended March 31, 2021.
5. We draw attention to Note 48 to the Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations.

Our opinion is not modified in respect of matters reported in paragraph 1 to 5 above.

Information other than the Ind AS Financial Statements and Auditor's Report Thereon

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

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

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our

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work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

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

Other Matter

We draw attention to the fact that figures for the corresponding year ended March 31, 2020 prepared in accordance with Ind AS and included in the Ind AS financial statements, are based on the previously issued audited Ind AS financial statements for the year ended March 31, 2020 that were audited by the predecessor auditor who had expressed an unmodified opinion thereon as per his report dated June 09, 2020.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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 sub-section (11) of section 143 of the Act, we give in the Annexure - A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the 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 Act, on the basis of written representations 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 Act, we report that:

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

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

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

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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(e) 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 Act, are not applicable to the Company, being the Government Company.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.

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

4. 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.

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

SCV & Co LLP New Delhi NCR Chartered Accountants

Abhinav Khosla

Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 21087010AAAACJ4539

Place: New Delhi
Dated: 28th May 2021

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of **KONKAN LNG LIMITED** on the IND AS Financial Statements for the year ended 31st March 2021)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, fixed assets verification has been conducted by the management during the year. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for the cases as follows:-

Description of Asset	Number of Cases	Area in Acres	Gross Block as on 31.03.2021 (Rs. in Crore)	Net Block as on 31.03.2021 (Rs. in Crore)
Leasehold Land (Right of Use Asset)	1	451.065	1.70	1.65

ii. Physical verification has been carried out by the Management in respect of inventory at reasonable intervals during the year. In our opinion the frequency of verification is reasonable. According to the information and explanations given to us, discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of account.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register

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maintained under Section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not made any loan, investment or provided any guarantee or security in terms of provision of Section 185 & 186 of the Companies Act, 2013. Hence reporting under paragraph 3(iv) of the order is not applicable.

v. According to the information and explanations provided by the management, we are of the opinion that the company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, 2013, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-tax, Sales-tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-tax, Sales-tax, Service tax, Value Added Tax, Customs Duty, Excise Duty, cess and other material statutory dues were outstanding, as on 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax or value added tax which have not been deposited on account of any dispute except as given under:

Name of the Statute	**Nature of Dues**	**Disputed Amount (in Crores)**	**Period to which it relates**	**Forum where dispute is pending**
Service Tax Act	Service Tax	19.22	2014-15 to June-2017	Office of Commissioner, CGST Delhi East
Custom Act	Custom Duty	80.00	2011-12	Deputy Commissioner of Customs, Ratnagiri, Mumbai

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank or government. The Company has not issued any debentures.

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Chartered Accountants

ix. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence reporting under clause 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company or any material 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 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. Further the details of the transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3 (xvi) of the Order are not applicable to the Company.

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No 00235N/N500089

SCV & Co LLP New Delhi NCR Chartered Accountants

Abhinav Khosla

Abhinav Khosla
Partner
Membership No.: 087010
UDIN:21087010AAAAC J 4539

Place: New Delhi
Dated:28th May 2021

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT (PART-1)

(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** on the IND AS Financial Statements for the year ended 31st March 2021)

Sl. No.	Directions / Sub Directions	Action Taken	Impact on IND AS Financial Statements
1	Whether the Company has system in place to process all the accounting transitions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company maintains its books of account on IT system, SAP, which is an ERP system. All accounting transactions are processed in accounts maintained on SAP. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed or carried outside the IT system of the Company. Accordingly, in our opinion, there are no implications on the integrity of the accounts.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	In accordance with the audit procedures carried out and as per the information and explanations given to us by the Company, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest made by a lender to the Company due to the Company's inability to repay the loan.	Nil

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New Delhi
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Chartered Accountants

3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us, there are no funds (grants/subsidy etc.) received/receivable for specific schemes from central/state agencies during the year.	Nil

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

SCV & Co. LLP New Delhi NCR Chartered Accountants

Abhinav Khosla

Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 21087010AAAACJ4539

Place : New Delhi
Date : 28th May 2021

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT (PART-2)

Compliance Certificate

We have conducted the audit of annual accounts of **KONKAN LNG LIMITED** for the year ended 31st March 2021 in accordance with the directions/sub-directions issued by the C&AG 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 SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

SCV & Co. LLP New Delhi NCR Chartered Accountants

Abhinav Khosla

Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 21087010AAAAC J 4539

Place : New Delhi
Date : 28th May 2021

ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) to "Report on Other legal and regulatory requirements" of the Independent Auditors' Report of even date to the members of **KONKAN LNG LIMITED** on the IND AS Financial Statements for the year ended 31st March 2021)

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

We have audited the internal financial controls over financial reporting of **KONKAN LNG LIMITED** ("the Company") as of 31st March 2021 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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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, 2021, 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 issued by the ICAI.

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089

SCV & Co LLP New Delhi NCR Chartered Accountants

Abhinav Khosla

Abhinav Khosla
Partner
Membership No.: 087010
UDIN: 21087010AAAAC J 4539

Place : New Delhi
Date :28th May 2021

KONKAN LNG LIMITED

ANNUAL ACCOUNTS
FOR THE YEAR 2020-21

Konkan LNG Limited
CIN: U11100DL2015PLC288147

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

KONKAN LNG LIMITED
DELHI

Konkan LNG Limited
CIN: U11100DL2015PLC288147

Balance Sheet as at 31st March 2021

(₹ Crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	2,613.98	2,714.95
Capital work-in-progress	3	491.85	381.40
Intangible assets	4	0.18	0.28
Right of Use Asset	5	8.29	10.14
Financial Assets:			
-Loans	6A	0.04	0.06
-Others	6B	-	21.03
Other Non Current Assets	6C	25.36	-
Deferred tax assets (Net)	13	527.37	551.40
Subtotal (A)		**3,667.07**	**3,679.26**
Current Assets			
Inventories	7	210.44	154.28
Financial Assets			
-Loans	8	0.15	0.04
-Trade Receivables	9	50.80	77.40
-Cash and cash equivalents	10A	78.59	114.32
-Bank Balances other than Cash and Cash Equivalents	10B	179.35	80.22
-Other financial assets	11	67.49	72.87
Other Current Assets	12	15.63	33.14
Subtotal (B)		**602.45**	**532.27**
Total Assets (A+B)		**4,269.52**	**4,211.53**
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	(744.47)	(711.00)
Total equity (C)		**198.52**	**231.99**
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
-Borrowings	17	3,813.07	3,813.07
-Other Financial Liabilities	18	91.33	8.33
Provisions	19	0.30	0.22
Subtotal (D)		**3,904.70**	**3,821.63**
Current Liabilities/Provisions			
Contract Liabilities	21	-	15.80
Financial Liabilities:			
-Trade Payable:	20		
- Dues of micro enterprises and small enterprises		3.41	1.51
- Dues of other than micro enterprises and small enterprises		37.28	33.50
-Other Financial Liabilities	22	27.15	12.12
Other Current Liabilities	23	18.45	14.97
Provisions	24	80.01	80.01
Subtotal (E)		**166.30**	**157.92**
Total Equity and Liabilities (C+D+E)		**4,269.52**	**4,211.53**

The significant accounting policies (Note No. 2) and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For and on behalf of the Board of Directors:

For SCV and Co. LLP
Chartered Accountants
FRN. 000235N N500089

CA. Abhinav Khosla
Partner
Membership No - 087010

Place: New Delhi
Date: 28th May 2021

Nidhi Gola
Company Secretary
(M No.-28525)

Nalini Malhotra
(Director)
(DIN - 08734265)

Sashi Menon
(Director)
(DIN-09160448)

Alok Jain
(Chief Financial Officer)

Pankaj Patel
(Chief Executive Officer)

SCV & Co. LLP New Delhi NCR Chartered Accountants

KONKAN LNG LIMITED DELHI

Konkan LNG Limited
CIN: U11100DL2015PLC288147

Statement of Profit And Loss For The Year Ended 31st March 2021

(₹ Crore)

Particulars	Note	Year Ended March 31, 2021	Year Ended March 31, 2020
I. Revenue from Operations	25	620.07	484.86
II. Other Income	26	15.47	12.61
III Reversal Of Impairment Loss	3	-	280.70
IV Total Income (I+II+III)		**635.55**	**778.16**
Employee benefits expenses	27	24.81	24.55
Depreciation and amortization expenses	28	128.94	102.41
Finance Cost	29	306.93	181.69
Other expenses	30	184.30	176.22
V. Total Expenses		**644.98**	**484.86**
VI. Profit/(Loss) before Tax (IV - V)		**(9.44)**	**293.30**
VII. Tax Expenses			
Current Tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax charge/ (credit)	13	24.04	23.03
		24.04	**23.03**
VIII. Profit/(Loss) for the Period (V-VI)		(33.47)	**270.27**
IX. Other Comprehensive income:		-	-
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gain/ (losses) of defined benefit obligations (CY:(₹1,00,525) PY: ₹1,36,710)	32	0.01	(0.01)
Income tax effect relating to these items (CY: ₹ 26,136, PY: ₹ 35,544)		(0.00)	0.00
X. Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		**0.01**	**(0.01)**
Total comprehensive income (VIII+ X)		**(33.47)**	**270.26**
Earning per equity share (in ₹)			
(1) Basic	31	(0.48)	3.47
(2) Diluted		(0.48)	2.87

The significant accounting policies (Note No. 2) and accompanying notes form an integral part of Financial

In terms of our report of even date attached:

For SCV and Co. LLP
Chartered Accountants
FRN. 000235N/N500089

CA. Abhinav Khosla
Partner
Membership No - 087010

SCV & Co. LLP New Delhi NCR Chartered Accountants

For and on behalf of the Board of Directors:

Nidhi Gola
(Company Secretary)
(M No.-28525)

Nalini Malhotra
(Director)
(DIN - 08734265)

Sashi Menon
(Director)
(DIN-09160448)

Alok Jain
(Chief Financial Officer)

Pankaj Patel
(Chief Executive Officer

Place: New Delhi
Date: 28th May 2021

KONKAN LNG LIMITED DELHI

Konkan LNG Limited
CIN: U11100DL2015PLC288147

Statement of Cash Flows for the year ended 31st March 2021

(₹ Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activities		
Profit before tax	(9.44)	293.30
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortization of property, plant and equipment and intangible assets	128.94	102.41
Finance income (including fair value change in financial instruments)	(13.54)	(12.27)
Finance costs (including fair value change in financial instruments)	306.93	181.69
Impairment of assets/(Reversal)	-	(280.70)
Other Non Operating Income-Interest on refund of Income Tax	(0.73)	-
Cash flow from operating activities before working capital changes	**412.18**	**284.43**
Working capital adjustments:		
Increase / (Decrease) in Current Liabilities:		
Trade Payables	5.69	(32.25)
Other Payables		
Other Financial Liabilities	15.63	(16.90)
Other non Financial Liabilities	-	-
Provisions	0.08	0.06
Other current liabilities	3.48	11.61
Contract liabilities	(15.80)	15.80
(Increase)/ Decrease in Current Assets:		
Inventories	(56.15)	(42.28)
Trade Receivables	26.60	(77.40)
Other non current financial assets	(25.34)	0.02
Other current financial assets	(68.47)	38.06
Other current and non current assets	(80.60)	9.07
Cash flow from operating activities after working capital changes	**217.29**	**190.22**
Interest on Income tax Refund	0.73	-
Net cash flows from operating activities (A)	**218.01**	**190.22**
Investing activites		
Sale/ (Purchase) of property, plant and equipment, intangible assets(including	(136.48)	(56.36)
Rental income	-	-
Sale/(Purchase) of investments (FDR)	94.77	53.95
Interest received (finance income)	12.52	11.76
Net cash flows used in investing activities (B)	**(29.19)**	**9.35**
Financing activities		
Interest paid	(222.33)	(186.71)
Proceeds from long term borrowings	-	2,700.00
Repayment of long term borrowings	-	(2,700.00)
Payment of lease liability	**(2.21)**	(2.21)
Proceeds from issue of equity shares	-	-
Proceeds from issue of compulsarily convertible preference shares	-	0.01
Net cash flows from/(used in) financing activities (C)	**(224.55)**	**(188.91)**
Net increase in cash and cash equivalents (A+B+C)	**(35.73)**	**10.65**
Cash and cash equivalents at the beginning of the year	114.32	103.66
Cash and cash equivalents at year end	**78.59**	**114.32**

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	As at March 31, 2021	March 31, 2020
Balances with banks:		
- Current accounts	0.41	18.10
- Deposits with original maturity less than three months	78.18	96.22
Cash in hand	-	-
Balances as per statement of cash flows	**78.59**	**114.32**

Cash Flow Statement has been prepared using Indirect Method as per Ind AS 7-Statement of Cash Flows.
The significant accounting policies (Note No. 2) and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For SCV and Co. LLP
Chartered Accountants
FRN. 000235N/N500089

CA. Abhinav Khosla
Partner
Membership No - 087010

SCV & Co. LLP New Delhi NCR Chartered Accountants

Place: New Delhi
Date: ....

For and on behalf of the Board of Directors:

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KONKAN LNG LIMITED DELHI

Konkan LNG Limited
CIN: U11100DL2015PLC288147

Statement of Changes in Equity for the year ended 31st March 2021

(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 2019	54.80	547.98
Issue of share capital	-	
As at 31 March 2020	**54.80**	**547.98**
Issue of share capital	-	-
As at 31 March 2021	**54.80**	**547.98**
Equity shares of Rs. 10/- each issued, subscribed and Rs. 5.5 paid up		
As at 31 March 2019		
Issue of share capital	26.00	143.01
As at 31 March 2020	**26.00**	**143.01**
Issue of share capital	-	-
As at 31 March 2021	**26.00**	**143.01**
Total Equity as at 31 March 2021	**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 2019	25.20	252.00
Issue of share capital	-	-
As at 31 March 2020	**25.20**	**252.00**
Issue of 10% Compulsorily Cumulative Convertible Preference Shares (CCCPS)	-	-
As at 31 March 2021	**25.20**	**252.00**

(c) Other Equity

(₹ Crore)

Particulars	Retained earnings	Total
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)**
Profit for the period	(33.47)	(33.47)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.01	0.01
Total Comprehensive Income	**(33.47)**	**(33.47)**
As at 31 March 2021	**(744.47)**	**(744.47)**

The significant accounting policies (Note No. 2) and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For SCV and Co. LLP
Chartered Accountants
FRN. 000235N/N500089

CA. Abhinav Khosla
Partner
Membership No - 087010

SCV & Co LLP New Delhi NCR Chartered Accountants

For and on behalf of the Board of Directors:

Nidhi Gola
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(Director)
(DIN-09160448)

Alok Jain
(Chief Financial Officer)

Pankaj Patel
(Chief Executive Officer)

Place: New Delhi
Date: 28th May 2021

KONKAN LNG LIMITED DELHI

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, 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 26th 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 from **"Konkan LNG Private Limited"** to **"Konkan LNG Limited.**

Consequent upon transfer of equity shares by KLL Lenders to GAIL (India) Limited in FY 2019-20, 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 became the Subsidiary Company of GAIL in FY 2019-20.

In FY 2020-21, GAIL purchased equity shares amounting to Rs. 139.75 crores from NTPC on 23.02.2021, thereby increasing the Equity stake to **89.28%** of the total paid-up equity share capital.

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New Delhi NCR
Chartered Accountants

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 2021, were authorized for issue by Board of Directors on 28th May, 2021.

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.

KONKAN LNG LIMITED
DELHI

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.

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.

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KONKAN LNG LIMITED DELHI

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), and satisfy the recognition criteria, 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.

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:

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KONKAN LNG LIMITED DELHI

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	5 years
g) Network including 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 Property, Plant and Equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

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

Assets valuing less than Rs. 5,000/- or less are fully depreciated during the year in which the asset becomes available for use with Re. 1 as Written Down Value.

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 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. The valuation of scrap, if any, is done at estimated net realizable value.

The leftover System Use Gas is accounted for as inventory to comply IND AS 115: Revenue from Contract with Customers by the Company at fair value at each reporting date.

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.

A contingent asset is disclosed, when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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.

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KONKAN LNG LIMITED DELHI

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. The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

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.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

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Chartered Accountants

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.

KONKAN LNG LIMITED
DELHI

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

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

(a) an entity's decision to terminate an employee's employment before the normal retirement date; or

(b) an employee's decision to accept an offer of benefits in exchange for the termination of employment

Termination benefits are typically lump sum payments, but sometimes also include:

(a) Enhancement of post-employment benefits, either indirectly through an employee benefit plan or directly.

(b) salary until the end of a specified notice period if the employee renders no further service that

provides economic benefits to the entity.

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.

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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.

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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.

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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.

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.

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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.

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.

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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 election 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.

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.

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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.

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.

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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.

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. <u>Use of estimates and management judgments</u>

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.

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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.

9. Impairment of Non-Financial Assets

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

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Notes to Financial Statements as at March 31, 2021

3 Property, plant and equipment

(₹ Crore)

Particulars	Gross carrying value						Accumulated Depreciation						Impairment				Net carrying value	
	As at 31st March 2020	Additions	Transferred to ROU Asset	Disposals/ Capitalisation	Adjustments	As at 31st March 2021	As at 31st March 2020	Depreciation charge for the year	Transferred to ROU Asset	Disposals	Adjustment	As at 31st March 2021	As at 31st March 2020	Adjustment	Reversal	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Leasehold land inc. developments	-					-	-					-	-			-	-	-
Roads, bridges, culverts & helipads	0.07	2.05	-	-	-	2.12	0.06	0.17	-			0.24	-			-	1.88	0.01
Furniture & Fixture	0.65	0.09	-	0.00	-	0.74	0.11	0.10	-		0.03	0.24	-			-	0.50	0.54
Plant and machinery (including associated civil works)	3,930.24	23.43	-	-	0.19	3,953.86	799.87	126.24	-		0.16	926.28	417.28			417.28	2,610.30	2,713.09
Office equipment	0.51	0.26	-	(0.01)	-	0.76	0.25	0.08	-	(0.00)		0.32	0.01			0.01	0.43	0.25
EDP, WP machines and satcom equipment	1.55	0.34	-	(0.03)	(0.19)	1.67	0.64	0.33	-	(0.02)	(0.05)	0.90	0.02			0.02	0.74	0.88
Communication Equipments	0.25		-		-	0.25	0.06	0.04	-			0.10	0.01			0.01	0.14	0.18
Total	3,933.27	26.17	-	(0.04)	-	3,959.39	800.99	126.97	-	(0.02)	0.14	928.08	417.32	-	-	417.32	2,613.98	2,714.95
Previous Year Balances-PPE	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	
Capital work in progress	436.68	137.29	-	(19.82)	(7.18)	546.97	-	-	-	-	-	-	55.27		(0.14)	55.13	491.85	381.40
Capital work in progress-previous Year Balances	1,105.99	70.30		(733.39)	(6.22)	436.68	-	-	-	-	-	-	231.05	(147.86)	27.91	55.28	381.40	

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

4 Intangible assets

(₹ Crore)

Particulars	Gross carrying value				Amortisation and impairment				Net Carrying value	
	As at 31st March 2020	Additions	Disposals/ Capitalisation	As at 31st March 2021	As at 31st March 2020	Depreciation charge for the year	Disposals/ Capitalisation	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Software	0.37	0.03	-	0.40	0.09	0.12		0.21	0.18	0.28
Total	0.37	0.03	-	0.40	0.09	0.12	-	0.21	0.18	0.28
Previous Year Balances-Intangible Assets	0.04	0.33	-	0.37	0.02	0.07	-	0.09	0.28	
Intangible asset under development	-	-	-	-	-	-	-	-	-	-
Intangible asset under development- Previous Year Balances	0.23	-	(0.23)	-	-	-	-	-	-	-

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

5 Right of Use Asset

(₹ Crore)

Particulars	Gross carrying value				Accumulated depreciation				Net Carrying value	
	As at 31st March 2020	Additions	Disposals/ Capitalisation	As at 31st March 2021	As at 31st March 2020	Depreciation charge for the year	Disposals/ Capitalisation	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Land Lease (Refer note 33)	1.70	-	-	1.70	0.02	0.02		0.05	1.65	1.67
MMB (Refer note 33)	10.29	-	-	10.29	1.82	1.82		3.64	6.64	8.46
Total	11.98	-	-	11.98	1.84	1.84	-	3.69	8.29	10.14
Previous Year Balances-Right of Use Assets	11.98	-	-	11.98	-	1.84	-	1.84	10.14	
Capital work in progress	-	-	-	-	-	-	-	-	-	-

a) During FY 2017-18, Leasehold land value of ₹ 1.75 crores had been transferred to Konkan LNG 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)

c) The management is in process of assessing decommissioning cost of immovable Property . Plant and Equipment on Lease hold land taken from MIDC with help of an independant expert in next year and will account for accordingly.

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Notes to Financial Statements as at March 31, 2021

6 Financial Assets- Non-current (₹ Crore)

		As at March 31,2021	As at March 31, 2020
6A Loans			
Loan to employees#			
- Secured, Considered good		0.02	0.02
- Unsecured, Considered good(CY- Rs. 29,819)		0.00	0.01
Interest Accrued on Loan to Employees		0.02	0.02
	(A)	**0.04**	**0.06**
6B Others			
Balance with Term deposits with remaining maturity exceeding 12 months		-	21.03
	(B)	**-**	**21.03**
Total (A+B)		**0.04**	**21.09**

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

6C Other Non Current Assets

(₹ Crore)

	As at March 31,2021	As at March 31, 2020
Capital advances:		
Unsecured	22.56	-
Prepaid expenses and others	2.81	-
Total	**25.36**	**-**

7 Inventories (₹ Crore)

	As at March 31,2021	As at March 31, 2020
Stores and spares*	19.13	18.64
LNG Stock	191.30	135.65
Total	**210.44**	**154.28**

* Includes Material In Transit amounting to Rs. 0.15 Crores(PY- RS. 0.13 Crores)

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

For the purpose of method of valuation of intventories, refer Note No. 2(a)(5) of Financial Statements.

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8 Fnancial Assets-Current- Loans **(₹ Crore)**

	As at March 31,2021	As at March 31, 2020
Security deposits		
- Unsecured, Considered Good	0.14	0.01
Loan to employees		
- Secured, considered good	0.01	0.01
- Unsecured, Considered good	0.01	0.02
Total	**0.15**	**0.04**

9 Trade receivables

(₹ Crore)

	As at March 31,2021	As at March 31, 2020
(Unsecured- Considered good, unless otherwise stated)		
Trade Receivables:*		
Others	-	-
From related parties	50.80	77.40
Less: Provision for doubtful debts	-	-
Total	**50.80**	**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 a partner,
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 31,2021	As at March 31, 2020
10A Cash & cash equivalents:		
Balances with banks:		
- Current accounts	0.41	18.10
- Deposits with original maturity less than three months *	78.18	96.22
Cash on hand	-	-
(A)	**78.59**	**114.32**

* Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

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10B Bank Balances other than Cash and Cash Equivalents **(₹ Crore)**

	As at March 31,2021	As at March 31, 2020
Term deposits:		
Deposits with original maturity and remaining maturity of less than 12 months	179.35	80.22
(B)	**179.35**	**80.22**
Total (A+B)	**257.94**	**194.54**

11 Current Financial Asset- Others **(₹ Crore)**

	As at March 31,2021	As at March 31, 2020
Interest accrued on term deposits	0.72	1.75
Balance with Term deposits with original maturity exceeding 12 months but remaining maturity less than 12 months*	66.76	71.12
Total	**67.49**	**72.87**

* Includes deposits of Rs. 3.03 Cr (PY- Rs. 1.5 Cr.) having lien against Letter of credit and Bank Guarantee

12 Other Current assets **(₹ Crore)**

	As at March 31,2021	As at March 31, 2020
Advances to contractors and suppliers (Unsecured)	0.22	0.04
Capital advances:		
Unsecured		-
Other advances		
Secured	-	-
Unsecured	0.44	0.65
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
GST Receivable	4.01	13.09
TDS Recoverable	6.86	14.60
Prepaid expenses and others	4.11	4.76
Total	**15.63**	**33.14**

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13 **Income tax**

The major components of income tax expense for the period ended March 31,2021 and year ended March 31, 2020:

Profit or loss section : **(₹ Crore)**

Particulars	As at March 31,2021	As at March 31, 2020(Audited)
Tax Expense: Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(24.04)	23.03
Income tax expense reported in the statement of profit or loss	**(24.04)**	**23.03**

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year:

(₹ Crore)

Particulars	As at March 31,2021	As at March 31, 2020
Income tax effect relating to these items (CY: ` 26136., PY: ` 35,544)	(0.00)	0.00
Deferred tax charged to OCI	**(0.00)**	**0.00**

(₹ Crore)

Deferred tax:

Particulars	As at March 31, 2020	Provided during the year	As at March 31,2021
Deferred tax assets relates to the following			
Accumulated unabsorbed depreciation	579.00	36.14	615.14
Brought forward losses	236.33	(54.04)	182.29
MAT Credit Entitlement	3.06	-	3.06
Lease Liability	2.56	(0.69)	1.87
Disallowances of provision of employee benefits and provision for doubtful advances	24.16	(2.57)	21.60
Total deferred tax assets (A)	**845.11**	**(21.16)**	**823.95**
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	291.24	3.53	294.76
Right of use of asset	2.46	(0.65)	1.82
Total deferred tax liabilities (B)	**293.70**	**2.88**	**296.58**
Net Deferred Tax Assets (A-B)	**551.41**	**(24.04)**	**527.37**

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, 2020 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 31,2021	As at March 31, 2020
Balance at the beginning of the year	**551.40**	**574.43**
Tax (expense)/income recognised in the statement of profit or loss	(24.04)	(23.03)
Tax (expense)/income recognised in Other Comprehensive Income	(0.00)	0.00
Balance at the end of the year	**527.36**	**551.40**

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14 Equity share capital

(₹ Crore)

	As at March 31, 2021	As at March 31, 2020
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, 2021		As at March 31, 2020	
	No of Shares	(₹ Crore)	No of Shares	(₹ Crore)
At the beginning of the year	80.80	690.99	80.80	690.99
Add: Issued during the year	-	-	-	-
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, 2021		As at March 31, 2020	
	No of Shares (In Cr)	Percentage	No of Shares (In Cr)	Percentage
GAIL (India) Limited (Holding Company)	73.39	90.834%	59.42	73.539%
NTPC Limited	-	0.00%	13.98	17.296%
MSEB Holding Company Limited	7.41	9.165%	7.41	9.165%

* As per paid-up equity share capital, GAIL is holding 89.28% (PY 69.06%), NTPC Nil(PY 20.23%), MSEB 10.72% (PY 10.72%)

15 Instruments entirely equity in nature

(₹ Crore)

	As at March 31, 2021	As at March 31, 2020
Compularily Convertible Preference shares		
As per last Financial Statements	252.00	252.00
Add: Alloted during the year	-	-
Sub-total (b)	**252.00**	**252.00**

(a) Movements in Preference share capital

(in Crores)

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	25.20	252.00	25.20	252.00
Add: Issued during the year	-	-	-	-
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) were issued during FY 2018-19. 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, 2021		As at March 31, 2020	
	No of Shares	Percentage	No of Shares	Percentage
GAIL (India) Limited	25.20	100.00%	25.20	100.00%

16 Other equity

(₹ Crore)

	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at the beginning of the year	(711.00)	(981.26)
Profit / (loss) for the year / period	(33.47)	270.27
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.01	(0.01)
Total	**(744.47)**	**(711.00)**

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Note 17 -Financial Liabilities- Non Current Borrowings

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Non current borrowings		
Term loans - Secured		
From Banks :	-	-
From Related Party:		
GAIL (India) Ltd.	3,813.07	3,813.07
From Others:	-	-
Total (A+B)	**3,813.07**	**3,813.07**

During FY 2019-20, 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.
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

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.

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

Note 18 - Other Non Current Financial Liabilities

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Lease Liability	4.97	6.58
Payable for capital expenditure	-	-
Interest accrued on borrowings-Related Party	86.35	1.75
Total	**91.33**	**8.33**

Note 19 - Long term provisions

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Provision for employee benefits:		
As per Last Balance Sheet	0.22	0.17
Add: Additions/Adjustments during the year	0.08	0.05
Less: Amount paid during the year	0.01	-
Others	-	-
Total	0.30	0.22

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Note 20 - Trade Payables

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Trade payables		
- Dues of micro enterprises and small enterprises	3.41	1.51
- Dues of creditors other than micro enterprises and small enterprises	33.66	12.73
Trade payables to related parties	3.62	20.77
Total	**40.69**	**35.01**

Note 21: Contract Liabilities- Current

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Unsecured, considered good:		
GAIL (India) Limited	-	15.80
	-	**15.80**

Note 22 - Other Current financial liabilities-

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Deposits/Retention Money from Customers/contractors/others	6.88	8.30
Lease Liability	2.21	2.21
Interest accrued and due on borrowings	-	-
Payable for capital expenditure:		
-Payable to Related parties	1.73	0.60
-Payable to Others	16.07	0.67
Expenses payable and other liabilities	0.25	0.33
Total	**27.15**	**12.12**

Note 23 - Other current liabilities

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Statutory dues Payable		
-Tax Deducted at Source (Income Tax)	3.05	1.60
-GST Payable	15.39	12.22
-Other Statutory Dues	0.01	1.16
Total	**18.45**	**14.97**

Note 24 - Current provisions

	As at March 31, 2021	As at March 31, 2020 (Audited)
		(₹ Crore)
Provision for custom duty*	80.00	80.00
Provision for employee benefits	0.01	0.01
Total	**80.01**	**80.01**

* - Pending ascertainment of exact amount, provision of ₹ 80 crore was made as on 31st March 2014. 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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Notes to Financial Statements for the year ended March 31, 2021

25 Revenue from operations

(₹ Crore)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Regasification charges*	620.07	484.86
Total	**620.07**	**484.86**

* Includes Rs 57.26 Cr (PY- Rs.57.22 cr) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

Contract Balances

(₹ Crore)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Trade Receivables	50.80	77.40
Contract Liabilities	-	15.80

26 Other Income

(₹ Crore)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income from:		
- Loan to employees (CY- ₹ 19,217,PY - ₹ 22,977)	0.00	0.00
- Term deposit - Banks	13.53	12.26
Other non-operating income :		
Sale of scrap(CY- ₹8200)	0.00	-
Interest on Income Tax Refund	0.73	-
Recoveries from contractors & Others	1.16	0.34
Sundry Balances written off	0.05	-
Total	**15.47**	**12.61**

27 Employee Benefit expense

(₹ Crore)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages and bonus*	24.53	24.23
Contribution to provident and other funds	0.05	0.05
Gratuity	0.08	-
Staff welfare expenses	0.16	0.27
Total	**24.81**	**24.55**

* Includes expenditure on account of secondment of GAIL employees Rs 24.02 Cr. (PY- Rs. 23.63 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)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of tangible assets	126.97	100.49
Amortisation of Intangible assets	0.12	0.07
Depreciation of Right of use asset*	1.84	1.84
Total	**128.94**	**102.41**

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

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29 Finance Costs

	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest on rupee term loans	306.32	180.94
Interest on lease liability	0.60	0.73
Others*	0.02	0.01
Total	**306.93**	**181.69**

* This includes Net Interest Cost as per IND AS 19 : Employee Benefits and other bank charges paid for availing the loan during the year.

30 Other Expenses

(₹ Crore)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of Stores, spares and LNG	4.99	3.98
Power and fuel	40.85	38.13
Common Sharing Expenses (with RGPPL)	0.61	10.00
Rent, Rates and taxes(Including MMB charges)	35.45	29.84
Insurance	17.90	10.12
Repairs & maintenance:		
-Plant & machinery	9.62	22.70
-Buildings	-	0.30
-Others	0.40	0.33
Contractual Manpower	2.68	2.62
Communication expenses	0.03	0.03
Travelling expenses	0.03	0.61
Audit Expenses *	0.13	0.16
Housekeeping Charges	0.14	0.14
Security expenses	10.80	8.97
Entertainment expenses	0.19	0.17
Professional charges and consultancy fees	1.25	1.87
Legal expenses	0.21	0.29
Printing and stationery	0.06	0.05
Hiring of vehicles	1.05	0.81
Marine Charges including ship handling charges	55.10	42.76
Bank charges	2.25	1.97
Net loss in foreign currency transactions & translations	0.09	0.17
Director's Sitting Fees (CY- Rs. 0 PY: ₹50000)	-	0.01
Miscellaneous expenses	0.47	0.17
Total	**184.30**	**176.22**

*** Audit Expenses include following expenses:** **(₹ Crore)**

Particulars	**March 31, 2021**	**March 31, 2020**
Statutory Audit Fee	0.07	0.05
Tax Audit fee	0.01	0.01
Limited Review fee	0.04	0.05
Out of Pocket Expenses for Statutory Audit	0.01	0.03
Total	**0.13**	**0.14**

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31 Earnings per share

Basic	March 31, 2021	31 March 2020
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(33.47)	239.88
Weighted average number of equity shares in calculating basic EPS (crore)	69.10	69.10
Basic earnings (loss) per equity share (₹)	(0.48)	3.47

Diluted	March 31, 2021	31 March 2020
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(33.47)	270.26
Weighted average number of equity shares in calculating diluted EPS (crores)	94.30	94.30
Total no. of shares outstanding (including dilution) (crores)	94.30	94.30
Diluted earnings (loss) per equity share (₹)	(0.48)	2.87

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Notes to Financial Statements for the year ended March 31, 2021

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 and administrative expenses amounting to ₹ 0.05 Crores(PY- ₹ 0.05 crores) has been deposited directly with EPFO for Own Cadre employees.

(ii) Defined Benefit Plan

a) 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, ₹ 0.02 crore (PY: ₹ 0.03 crore) has been charged to revenue for Gratuity expenses. (In addition to this, an amount of Rs. 0.08 Crores pertaining to previous period).

b) Demographic Assumption for Valuation of Gratuity

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.. Following rates have been considered for Actuarial Valuation:

Particulars	31-03-2021	31-03-2020
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100 % of IALM (2012 - 14)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age. Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

c) 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.

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(iii) 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 2021 has 3 employees on its payroll. Liability of ₹ 0.16 Crores (Previous year ₹ 0.16 crores) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

b) Demographic Assumption for Valuation of Leave encashment

Leave availment / encashment / lapse rates are entity's best estimate for future based on past historical experience & its HR policy. Following rates have been considered during actuarial Valuation:

Particulars	31-03-2021	31-03-2020
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100 % of IALM (2012 - 14)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	5	5
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment Rate while in service	5	5

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age. Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

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Notes to Financial Statements for the year ended March 31, 2021

The following table summarizes the components of net benefit expenses recognized in the Balance Sheet and Statement of profit and loss based on actuarial valuation:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2021 and 31st March 2020:

Amounts in ₹

Particulars	Gratuity		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Current Service Cost	1,33,136.00	1,34,633.00	1,54,457.00	1,64,274.00
Net Interest Cost	86,343.00	72,351.00	1,06,015.00	74,951.00
Net actuarial (Gain) / Loss recognized in the year	(1,00,525.00)	1,36,710.00	(95,932.00)	5,50,484.00
Total expenses included in employee benefit expense	1,18,954.00	3,43,694.00	1,64,540.00	7,89,709.00
Actual return on plan assets	-	-		-

Amount recognised in Other Comprehensive Income for the year ended 31st March, 2021 and 31st March 2020:

Amounts in ₹

Particulars	Gratuity	
	2020-21	2019-20
Actuarial (gain)/ loss on obligations	-	(2,304.00)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	2,370.00	2,00,621.00
Experience adjustments	(1,02,895.00)	(61,607.00)
Recognised in other comprehensive income	(1,00,525.00)	1,36,710.00

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

Amounts in ₹

Particulars	Gratuity		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Benefit obligation at the beginning of the year	12,77,257.00	9,33,563.00	15,68,273.00	9,67,110.00
Current service cost	1,33,136.00	1,34,633.00	1,54,457.00	1,64,274.00
Interest cost	86,343.00	72,351.00	1,06,015.00	74,951.00
Transfer In	-	-	-	-
Benefits paid		-	(1,04,160.00)	(1,88,546.00)
Actuarial (gain)/ loss on obligations	(1,00,525.00)	1,36,710.00	(95,932.00)	5,50,484.00
Defined benefit obligation at the end of year	13,96,211.00	12,77,257.00	16,28,653.00	15,68,273.00

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

Particulars	Gratuity		Leave encashment	
	2020-21	2019-20	2020-21	2019-20
Discount rate (in %)	6.75%	6.76%	6.75%	6.76%
Salary Escalation (in %)	6.50%	6.50%	6.50%	6.50%

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Gratuity Plan	**31-Mar-21**		**31-Mar-21**	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (In ₹)	**(1,12,382.00)**	**1,25,459.00**	**17,703.00**	**(19,333.00)**

Leave encashment	**31-Mar-21**		**31-Mar-21**	
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (In ₹)	**(1,44,256.00)**	**1,60,974.00**	**1,60,360.00**	**(1,44,668.00)**

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History of experience adjustment is as follows:

Amounts in ₹

Particulars	Gratuity	
	31-Mar-21	31-Mar-20
Present value of obligation	13,96,211.00	12,77,257.00
Experience adjustments [Gain/(Loss)]	(1,00,525.00)	1,36,710.00

Particulars	Leave encashment	
	31-Mar-21	31-Mar-20
Present value of obligation	16,28,653.00	15,68,273.00
Experience adjustments [Gain/(Loss)]	(95,932.00)	5,50,484.00

Maturity Profile of Defined Benefit Obligations is as follows:

Year	Gratuity	Leave Encashment
	FY 2020-21	FY 2020-21
0 to 1 Year	40,936	51,062
1 to 2 Year	29,238	33,859
2 to 3 Year	28,770	33,294
3 to 4 Year	28,340	32,758
4 to 5 Year	27,937	32,253
5 to 6 Year	27,534	31,781
6 Year onwards	12,13,456	14,13,646

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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 31,2021	Amounts in ₹ March 31,2020
Previous Year	8,80,30,775	10,28,55,699
Additions	-	-
Accretion of Interest	59,63,970	73,05,626
Payments	(2,21,30,550.00)	(2,21,30,550.00)
Current Year	**7,18,64,195**	**8,80,30,775**
Current	2,21,30,550	2,21,30,550
Non Current	4,97,33,645	6,59,00,225

The maturity analysis of the undiscounted cash flows of lease liability is included in the Note -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 31,2021	Amounts in ₹ March 31,2020
Depreciation expense of right-of-use assets	1,84,47,129	1,84,48,940
Interest expense on lease liabilities	59,63,970	73,05,626
Expense relating to short-term leases (included in other expenses)	31,29,623	55,26,366
Variable lease payments (included in other expenses)	39,22,15,911	31,87,82,042
Total amount recognised in profit or loss	41,97,56,633	35,00,62,974

The total cash outflow for leases during the year:

Principal Portion of lease liability	2,21,30,550	2,21,30,550
Interest portion of lease liability	-	-
	2,21,30,550	2,21,30,550

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 Liabilities

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 company's' 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 Vaidya 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. The then 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.

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'ble High Court.

In 2007, 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(BDIL)) was initially Rs. 1.79 Cr for the period from 2007 to 2017.

Various meetings were held with BDIL and they communicated on 12.04.2021 and an amount of Rs. 3.93 Crores is claimed towards lease rent and penal interest charges. However, the company has contested this claim as unfair and unreasonable and discussions are going on to reach an agreement.

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 ascertainable currently. Company has engaged services of theses 17 ex-DPC employee's through third party on compassionate grounds. KLL filed its reply to the Hon'ble High Court, Mumbai on 26.3.2019. Hearing date is to fixed till date due to COVID 19 pandemic situation

5 A Bank Guarantee (BG) to Rs 1.50 crore and a bond of Rs 15 crore was submitted to Custom Department for approval of custom cargo service provider under the Handling of Cargoes in Custom Area Regulation, 2009. The custom department has waived the requirement of the BG but the same is yet to be released by the custom department.

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6 Service Tax Department has raised a demand of Rs. 19.22 crores after demerger on RGPPL for the period from 2014-15 to June, 2017 in respect of LNG Undertaking and company is made a party to the said demand notice. The company has contested that it cannot make the party to the said demand notice as per Service tax provisions. RGPPL has also contested the demand and submitted the reply to service tax department.

7 Company has signed Memorandum of Understanding (MOU) in FY 19-20 with 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 the 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.

8 Prior to demerger RGPPL had submitted a Bank Guarantee amounting to Rs. 80 Crs to Custom Department in terms of CBEC letter no-F.No.574/10/2007-L.C dated 29.03.2012 towards estimated differential custom duty on import of LNG related material and interest thereof. RGPPL had provided the liability provisions of Rs. 80 crs in the books. In demerger, the same liability provision of Rs. 80 Crs transferred to the company from RGPPL. (refer note 24-Current Provisions). The said Bank Guarantee continues by RGPPL.

RGPPL had taken up with the Custom department vide its letter no-RGPPL/EEMG/New Cus/BG dated 21.04.2021 for calculation of applicable custom duty and retrieval of documents as the same is not available with their office being old case with the intention to settle the issue instead of maintaining Rs. 80 Crs BG. There is no response from custom department against the said RGPPL letter. The actual liability will ascertained on receipt of the required documents and finalization of applicable custom duty by custom department.

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9 The company is in receipt of a notice letter dated 12.04.21 from M/s. Deep Industries Limited (DIL), contractor for the hiring services of BOG compressor, claiming an amount of Rs. 6.41 Crs on account of their various claims plus interest at the rate of 18% per annum till realization of dues. The company is not agreeing to the claims by DIL and considered as impugned. DIL has invoked the provisions for settling the disputes through arbitration process. Company is in process for contesting legally.

10 RGPPL had filed an application with Maharashtra Industrial Development Corporation (MIDC) for the sub-division of plot in favour of the company in view of demerger NCLAT order dated 28.02.2018, in response to said application following demands are raised by MIDC vide their letter dated 29.10.2020 to RGPPL.

i) Rs. 0.80 Crs towards differential premium of for sub division of land from RGPPL to the company.
ii) Rs. 9.09 Crs towards differential premium for previous transfer of plot from Dabhol Power Company (DPC) to RGPPL.
iii) Annual Lease rent from 2013 to 2020 -Rs.7/- .

RGPPL has contested for the demand at SL No-2 vide their letter dated 21.12.2020. The company is yet to receive any demand from MIDC/RGPPL in this regard. MIDC/RGPPL may raise the demand on the company for the charges proportionate to the company on finalization of the applicable charges. KLL vide its letter dated 11.05.2021 requested MIDC to consider the demand at Serial No. i) in line with the decision of RGPPL letter dated 21.12.2020 and also requested to raise the justified demand directly to the company for the charges applicable for land transfer from RGPPL. The amount and payee is not ascertained.

11 On 31.03.2021, Company has 10% 'Compulsorily Cumulative Convertible Preference Shares' (CCCPS) amounting Rs. 2,52,00,37,180 divided into 252003718 shares of par value of Rs. 10 and fully paid up. These shares were issued on 21.11.2018 at Rs. 3 paid up. One fully paid CCCPS is convertible into one equity share of Rs. 10 each at any time at the option of shareholders from the date of allotment of the CCCPS but not later than 20 years.. Since the company is a loss making entity, no dividend has been recommended and declared by the Company till date.. However, in coming years when board and shareholders recommend to shareholders approve it then KLL shall be liable to pay dividend @10% per annum on the paid up portion of face value on cumulative basis since issuance of shares, subject to approval of shareholders. As on 31.03.2021, arrears of cumulative dividend on CCCPS @10% on the paid up portion is Rs. 28.39 Crores.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for is Rs. 702.84 crores (Previous Year ₹ Rs. 772.63 crores). The amount is inclusive of GST and the company intends to capitalise the GST associated with such assets amounting to Rs.107.19 Crores (Previous Years- ₹117.83 Crores).

(c) Contingent Assets

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 insurance company on 25.01.2010. The RGPPL has filed complaint in National Consumer Dispute Redressal Commission against the insurance company on 09.11.2011. Pursuant to Demerger Scheme, as approved by National Company Law Appellate Tribunal, this case has been assigned to KLL. The order of National Consumer Dispute Redressal Commission is awaited.

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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

B) Entity where significant influence exists

GAIL (India) Limited
NTPC Limited (Company had significant influence over the entity upto 23.02.2021)

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

Ratnagiri Gas And Power Private Limited (Company was a related party upto 23.02..2021)

D) Key Management Personnel (KMP):

Shri Manoj Jain	Chairman (Upto 01.07.2020)
Shri E.S. Ranganathan	Chairman (W.E.F 02.07.2020)
Shri Pankaj Patel	Chief Executive Officer(Executive Director(WTD) UPTO
Shri Alok Jain	Chief Financial Officer
Shri Vikas Aggarwal	Company Secretary (Upto 29.07.2020)
Ms Nidhi Gola	Company Secretary (W.e.f. 04.08.2020)
Shri Neeraj Vyas	Non-Executive Director (Upto 19.04.2020)
Shri Anilraj Chellan	Non-Executive Director (Upto 04.05.2020)
Shri Sanjeev Kumar	Non-Executive Director (Upto 07.07.2020)
Shri Praveen Saxena	Non-Executive Director (Upto 31.03.2021)
Shri Ajay Dua	Non-Executive Director (Upto 31.03.2021)
Shri Praveen Saxena	Non-Executive Director (Upto 31.03.2021)
Shri Ajay Dua	Non-Executive Director (Upto 31.03.2021)
Smt. Nalini Malhotra	Non-Executive Director (w.e.f. 13.04.2020)
Shri Santanu Roy	Non-Executive Director (w.e.f. 04.08.2020)
Shri Sashi Menon	Non-Executive Director (w.e.f 28.04.2021)

E) Others

Utility Powertech Limited(Company was a related party upto 23.02..2021)

(II) Related party transactions

(i) **Remuneration to the key management personnel** is Rs. 1.98 Cr (Previous Year Rs. 2 cr) and amount of dues outstanding to the company as on 31st March 2021 are Nil (Previous Year - Nil)

(₹ Crore)

Remuneration to key management personnel	Current Year	Previous Year
Shri Pankaj Patel*	0.85	0.83
Shri Alok Kumar Jain*	0.78	0.74
Shri Vikas Aggarwal(Upto 29.07.2020)*	0.14	0.42
Smt Nidhi Goel (W.e.f. 04.08.2020)*	0.21	-
Shri Neeraj Vyas- Director Sitting Fees and other reimbursement(CY- Nil, PY- ₹ 50,000)	-	0.01

*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.

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ii)Shareholding with Key Management Personnel

(₹)

Name of the company / Person	No. of Shares	Current Year	Previous Year
Shri Pankaj Patel(Upto 10.02.2021)	1(Upto 10.02.2021)	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	24.02	23.63
	Owners Engineer	5.13	2.19
	Purchase of power	0.03	0.03
	Lease Rent	0.31	0.55
	Revenue from regasification*	620.07	484.86
	Interest on loan	306.32	6.64
Ratnagiri Gas and Power Private Limited(Related Party Upto 23.02.2021)	Purchase of power	32.88	38.09
	CSA & others	12.99	10.00
Utility Powertech Limited (UPL)(Related Party Upto 23.02.2021)	Contract for works/services received by the company	1.55	2.75

* Includes Rs 57.26 Cr (PY- Rs.57.22 cr) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

III) Outstanding balances with related parties are as follows:

(₹ Crore)

Particulars	Current Year	Previous Year
Amount recoverable other than loans		
- From GAIL (India) Limited	50.80	77.40
Amount payable other than loans		
- To GAIL (India) Limited	1.89	2.68
-To GAIL (India) Limited (project)	1.73	10.76
- To GAIL (India) Limited (Payable to Customer)	-	15.80
- To GAIL (India) Limited (Interest On Loan)	86.35	1.75
- To Utility Powertech Limited(Related Party till 23.02.2021)	-	0.82
- To Ratnagiri Gas and Power Private Limited(Related Party till 23.02.2021)	-	17.26
Amount payable as loan		
- To GAIL (India) Limited	3,813.07	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

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, 2021 and March 31, 2020, 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) In FY 2019-20, company had 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.

b) 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.

c) 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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Notes to Financial Statements for the year ended March 31, 2021

38 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2021 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ Crore)

	31 March 2021	31 March 2020
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	3.41	1.51
-Interest due on above	-	-
Total	3.41	1.51

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 FY 2019-20, 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 of independent expert, 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 in FY 2019-20 .

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 31st March 2020. 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

For the purpose of the capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

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

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on

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, 2021 and March 31, 2020 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

(₹ Crore)

Particulars	Carrying amount	Fair value		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Loan to employees	0.04			0.04
Interest accrued on loan to employees	0.02			0.02
Security Deposits	0.14			0.14
Total	**0.20**			**0.20**
Financial liabilities measured at fair value:				
Borrowings	3,813.07			3,813.07
Interest accrued on borrowings-Related Party	86.35			86.35
Non Current Financial Liabilities	4.97			4.97
Total	**3,904.40**			**3,904.40**

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2021.

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	**3,821.59**	-	-	**3,821.59**

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

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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. 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
The entire long term borrowings as at March 31, 2021 and March 31, 2020 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-21		
INR	10	4.99
INR	-10	(4.99)
31-Mar-20		
INR	10	0.08
INR	-10	(0.08)

(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
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.

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

(₹ Crore)

As at 31 March 2021	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	-	140.00	3,673.07	**3,813.07**
Borrowings Interest Accured but not due	-	86.35	-	**86.35**
Expenses Payables	0.25	-	-	**0.25**
Lease Liability	2.21	4.97	-	**7.19**
Payable for Capital Expenditure	17.80	-	-	**17.80**
Deposits from Customers/Contracotrs/suppliers	6.88	-	-	**6.88**
Trade payables	40.69	-	-	**40.69**
Total	**67.84**	**231.33**	**3,673.07**	**3,972.23**

(₹ Crore)

As at 31 March 2020	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	-	20.00	3,793.07	**3,813.07**
Borrowings Interest Overdue	-	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	**47.11**	**28.33**	**3,793.07**	**3,868.50**

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 2021 and for the comparative year ended 31st March 2020.

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 ₹78.59 Cr. as at 31 March 2021 (31st March 2020: ₹ 114.32 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 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 & KLL is under finalisation. However, company has provided liability on the basis of Provisional Invoices issued by RGPPL.

45 Recognition of Borrowing Cost:

Major plant of LNG division in the books of Ratnagiri Gas and Power Private Ltd. was commissioned on 22nd May 2013(COD) after ensuring the reliability and continued availability of the LNG Terminal.

Till the time the major plant was not commissioned, RGPPL was capitalizing the amount of proportionate interest to the capital work in progress(CWIP). However, post commissioning the LNG Terminal, the entire amount of interest expenditure was charged to the revenue expenditure in compliance to erstwhile AS 16 – Borrowing Cost considering Cessation of capitalisation of Borrowing Cost.

Subsequent to Transfer of LNG undertaking from RGPPL to KLL (erstwhile KLPL) w.e.f. 26th March 2018, the company started functioning as an independent company.

The company has followed same accounting treatment post demerger as RGPPL was following pre demerger by charging entire borrowing cost to revenue.Post demerger, the capital expenditure on construction of CWIP was met out of equity and / or internal generation of funds, the company did not incur borrowing cost thereon, hence did not capitalise the borrowing cost in CWIP following cessation of borrowing cost as per IND AS 23: Borrowing Cost(Refer Note No. 29: Finance Cost)
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46 Recognition of Deferred Tax Asset:

The company is creating deferred tax asset based on temporary differences, brought forward losses, unabsorbed depreciation and unused tax credits i. e. MAT credit since FY 2017-18 based on business plan as approved by the board that sufficient future taxable profits will be available in FY 2024-25. The company has considered following convincing evidences to conclude that sufficient taxable profits would be available to absorb deferred tax i future periods:

1. Long term regasification agreement with GAIL (India) Ltd. which is valid upto31st March 2037, considering the Use or Pay clause of the said agreement.
2. The project for completion of breakwater work has already been awarded to M/s L&T and the contract is under execution. Business plan has been prepared taking completion date as 31.03.2023 being conservative against the scheduled completion by August 2022.
3. Further, the past trend for FY 2019-20 and till date in FY 2020-21, that actual performance is significantly in excess of business plan as per the table below:

Particulars	Bus	Actual	Variance
Year Ended 31st March, 2020	24	27	12.50%
Year Ended 31st March, 2021	24	32	25.00%

On the basis of the above facts and convincing evidences, the company is recognising deferred tax at each reporting date in accordance with IND AS 12: 'Income Taxes'.(Refer Note No. 13: Deferred Tax)

47 Accounting and Valuation of leftover LNG:

The company is recognizing leftover LNG from "Allowed Loss & Consumption of 0.66% " as Revenue in terms of regassification agreement with GAIL and correspondingly recognising it as Inventory of LNG stock in accordance with IND AS 115: 'Revenue from Contractors with Customers' and IND AS 2: 'Inventories'. The leftover LNG is accounted for as inventory by the Company at fair value at each reporting date. (Refer Note No. 7 and Note No. 25)

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48 Coporate Social Responsibility

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during FY 2020-21 is Nil (Previous Year- Nil), computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of Rs. 0 (Previous year-Rs.0) during FY 2020-21 towards CSR expenditure.

49 Social Security Code

The Indian Parliament has approved the code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security 2020 on 13th November 2020 and has invited suggestions from the Stakeholders which are under active consideration by the Ministry. The company will assess the impact and it's evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which code becomes effective and the related rules to determine the financial impact are published.

50 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. There are some delays in meeting the deadlines for copmpletion of capital projects but management is of the view that there is no significant financial implication due to this on the company. However, the Company will continue to closely monitor any material changes to future economic conditions and its possible impact to the company.

51 Previous year figures have been regrouped/reclassified wherever considered necessary.

In terms of our report of even date attached:

For SCV and Co. LLP
Chartered Accountants
FRN. 000235N/N500089

SCV & Co. LLP New Delhi NCR Chartered Accountants

CA. Abhinav Khosla
Partner
Membership No - 087010

For and on behalf of the Board of Directors:

Nidhi Gola
(Company Secretary)
(M No.-28525)

Nalini Malhotra
(Director)
(DIN - 08734265)

Sashi Menon
(Director)
(DIN-09160448)

Alok Jain
(Chief Financial Officer)

Pankaj Patel
(Chief Executive Officer)

Place: New Delhi
Date: 28th May 2021

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