KONKAN LNG PRIVATE LIMITED

Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066
CIN: U11100DL2015PTC288147, *Website:* www.konkanlng.in, **E-mail:** vaggarwal@gail.co.in
Tel.: +91-120-2446400

NOTICE

Notice is hereby given that 4th Annual General Meeting of the members of Konkan LNG Private Limited will be held on **Tuesday, the 3rd September, 2019 at 12.30 p.m.** at **Company Registered office, GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110066** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements for the Financial Year ended 31st March, 2019, Directors' Report. Independent Auditor's Report and the comments thereupon of Comptroller & Auditor General of India (C&AG) and to pass the following resolution as an **Ordinary Resolution:**

   To receive, consider and adopt the audited Financial Statements for the Financial Year ended 31st March, 2019, Directors' Report, Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India and to pass the following resolution as an *Ordinary Resolution*:

   "**RESOLVED THAT** audited Financial Statements for the financial year ended 31st March, 2019; Directors' Report; Independent Auditors' Report and the comments thereon of the Comptroller & Auditor General of India be and are hereby received, considered and adopted."

2. To authorise Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in term of the provisions of Section 142 of the Companies Act, 2013 and to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India for the Financial Year 2019-20 and onwards from time to time."

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as an ***Ordinary Resolution(s):***

3. To appoint Shri Sanjeev Kumar (DIN 01866640) as Director of the Company:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Shri Sanjeev Kumar (DIN 01866640) who was nominated as a Director by MSEB Holding Company Limited and appointed as Additional Director by the Board of Directors of the Company w.e.f. 24.07.2019, be and is hereby appointed as the Director of the Company."

4. To appoint Shri Balaji Iyengar (DIN 08521447) as Director of the Company:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Shri Balaji Iyengar (DIN 08521447) who was nominated as a Director by NTPC Limited and appointed as Additional Director by the Board of Directors of the Company w.e.f. 26.07.2019, be and is hereby appointed as the Director of the Company."

5. Ratification of remuneration of cost auditors of the Company:

"**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the units of the Company for the Financial Year 2018-19, amounting to Rs.1,32,000/- plus applicable taxes and out of pocket expenses etc. be and is hereby ratified and confirmed.

By order of the Board of Directors

(Vikas Aggarwal)
Company Secretary

Dated: 09.08.2019
Place: Delhi

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING (PROXY FORM IS ANNEXED HEREWITH).**

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxy(ies) lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing of the intention to inspect is given to the Company.

2. The following is annexed with the Notice:

   i) Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) read with Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and approved as such by Government of India in respect of the Special Business is annexed with the notice.

   ii) Information pertaining to the Director(s) proposed for appointment as per Secretarial Standards on General Meetings is also forming part of Explanatory Statement. For the purpose of determination of the Committee positions, Membership/Chairmanship is reckoned considering Audit Committee and Stakeholders Relationship Committee only pertaining to Companies incorporated under the Companies Act, 2013.

3. As per provisions of the Companies Act, 2013, Director(s) of the Company are not liable to retire by rotation.

4. Documents referred in the accompanying Notice and Explanatory Statement thereto, are open for inspection by Members, at Registered Office of the Company and also at Noida Office of the Company {5TH FLOOR, GAIL JUBILEE TOWER, B-35-36, SECTOR-1, NOIDA -201301 (U.P)} during office hours i.e. between 11:00 a.m. and 1:00 p.m., on all working days, except Saturday(s)/Sunday(s)/Holiday(s), till the date of AGM.

5. Corporate members intending to send their authorized representative(s) to attend the meeting are required to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting as stipulated in Section 113 of the Act.

6. Based on disclosures received from concerned Director(s), they are inter-se not related to each other.

7. As per the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Company may give notice etc.

7. As per the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Company may give notice etc. through electronic mode i.e. by e-mail as a text or as an attachment to e-mail or as a notification providing electronic link. The Notice of the General Meeting etc. is being sent by electronic mode to all the Members, whose email addresses are available with the Company, unless any Member has requested for a physical copy of the same.

   Members who have not yet registered their e-mail id or who want to change their e-mail id are requested to approach their respective DP (for electronic holding) or Company (for physical holding), so as to receive all communications electronically including annual report, notices, **circulars, etc. sent by the Company from time to time.**

8. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company or any other company owned or controlled, directly or indirectly, by the Central Government is appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to the provisions of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The Members of the Company, in its 3rd Annual General Meeting held on 27.12.2018, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2018-19. Accordingly, the Board of Directors in its 27th Board Meeting held on 30.04.2019 fixed audit fee of Rs. 4,25,000/- (GST, TA/DA and out of pocket expenses extra as per actuals) for the Financial Year 2018-19.

9. Route Map to the venue of the Annual General Meeting is enclosed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECRETARIAL STANDARD ON GENERAL MEETINGS

ITEM NO. 3

Shri Sanjeev Kumar **(49 years)** was nominated as Director of your Company by MSEB Holding Company Limited vide its letter dated 27.06.2019. He was appointed as an Additional Director w.e.f. 24.07.2019 by KLPL Board as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of the next Annual General Meeting, not liable to retire by rotation.

Shri Sanjeev Kumar holds a degree in Electronics & Communication Engineering from University of Roorkee (now known as IIT Roorkee) and M.Tech in Communication Engineering from IIT, Kanpur. He also holds a degree in Financial Management from Jamnalal Bajaj Institution of Management Studies, Mumbai University.

Shri Sanjeev Kumar is an IAS officer of Maharashtra Cadre, 1993 batch. He possesses wide experience of working in the field of infrastructure and Finance in Government of Maharashtra and in Government of India. Prior to current assignment, he has worked in Ministry of Housing & Urban Poverty Alleviation as Joint Secretary & Mission director for Housing for All project. He was mission director for Prime Minister Aawas Yojna (PMAY) and he designed and launched PMAY in that capacity. He worked as Director in Ministry of Power, Incharge of Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY) & Restructured Accelerated Power Development & Reform Program (RAPDRP). Shri Sanjeev Kumar has earlier served in various Ministries and departments of the Government of Maharashtra viz. State Sales Tax Department, Water Supply & Sanitation Department and Industries Department. He has served as Joint CEO of Maharashtra Industrial Development Corporation (MIDC). He has also has been MD of Maharashtra Agro Industries Development Corporation. He also served as District Collector of Gondia and Jalgaon District in Maharashtra and Divisional Commissioner of Nagpur Division in Vidharbha Region of Maharashtra.

Shri Sanjeev Kumar is interested in this resolution to the extent of his appointment as a Director.

Shri Sanjeev Kumar holds Nil equity shares of the Company.

Shri Sanjeev Kumar holds the Directorship and Chairmanship/Membership of Committee(s) of the following other Companies:

S. No.	*Name of the Company*	*Name of the Committee*	*Position held*
1.	Maharashtra State Electricity	-	-

	Distribution Company Ltd.		
2	MSEB Holding Company Limited	-	-
3	Ratnagiri Gas and Power Private Limited	Audit Committee	Member

Shri Sajeev Kumar was not on the Board of KLPL during Financial Year 2018-19, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Sanjeev Kumar is interested in this resolution to the extent of his appointment as a Director. No other Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 4

Shri Balaji Iyengar **(58 years)** was nominated as Director of your Company by NTPC Limited vide its letter dated 22.07.2019. He was appointed as an Additional Director w.e.f. 26.07.2019 by KLPL Board as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of the next Annual General Meeting, not liable to retire by rotation.

Shri Balaji Iyengar is B.Tech in Mechanical Engineering from SGSITS, Indore. He has 36 years of rich and diverse experience in Power Sector, particularly in project construction and operation & Maintenance.

Shri Balaji Iyengar joined NTPC in the year 1983, since then, has been associated with many projects of NTPC. Shri Balaji Iyengar headed the NTPC projects at Vindhyachal, Simhadri, Kudgi, Barh, NPGCL. He joined as Managing Director of Ratnagiri Gas and Power Private Limited, a joint venture of NTPC Limited and GAIL (India) Limited which has 1967 MW integrated Gas based Power Plant in Ratnagiri, Maharashtra.

Shri Balaji Iyengar is interested in this resolution to the extent of his appointment as a Director.

Shri Balaji Iyengar holds Nil equity shares of the Company.

Shri Balaji Iyengar holds the Directorship and Chairmanship/Membership of Committee(s) of the following other Companies:

S. No.	Name of the Company	Name of the Committee	Position held
1	Ratnagiri Gas and Power Private Limited	-	-

Shri Balaji Iyengar was not on the Board of KLPL during Financial Year 2018-19, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Balaji Iyengar is interested in this resolution to the extent of his appointment as a Director. No other Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

ITEM NO. 5

The Board of Directors of your Company approved the appointment and remuneration of M/s Sanjay Gupta & Associates, Cost Accountants, New Delhi as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2018-19.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the Members are requested to ratify the remuneration as approved by the Board, to the Cost Auditors during the financial year 2018-19 for the services rendered by them.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

By order of the Board of Directors

(Vikas Aggarwal)
Company Secretary

KONKAN LNG PRIVATE LIMITED

Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066

CIN: U11100DL2015PTC288147, *Website:* www.konkanlng.in **E-mail:** vaggarwal@gail.co.in

Tel.: +91-120-4148900, Fax: +91-120-4148913

Proxy Form

Name of the shareholder(s): **Folio No./DP ID & Client ID:**

Registered address: **E-mail ID:**

I/We, being the member(s) of .... shares of the Konkan LNG Private Limited, hereby appoint:

1) ....of ....having e-mail id ....or failing him

2) ....of ....having e-mail id ....or failing him

3) ....of ....having e-mail id ....

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 3rd Annual General Meeting of the Company to be held on **Tuesday, the 3rd September, 2019 at 12.30 p.m.** at the registered office of the Company at GAIL Corporate Office, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	Vote	
		For	Against
ORDINARY BUSINESS			
1	Adoption of audited Financial Statements of the Company for the year ended 31st March, 2019 and Report of the Board of Directors and Auditors, CAG comments		
2	Authorization to the Board of Directors to fix the remuneration of the Statutory Auditors for FY 2019-20 and onwards		
SPECIAL BUSINESS			
3	Approval for appointment of Shri Sanjeev Kumar as Director		
4	Approval for appointment of Shri Balaji Iyengar as Director		
5	Approval for ratification of remuneration of the Cost Auditors for FY 2018-19		

Signed this............... day of......... 2019

Affix Revenue Stamp Re.1/-

Signature of shareholder

Signature of Proxy holder(s) **First** **Second** **Third**

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy Form should be signed across the stamp as per specimen signature registered with the Company.
3. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map of AGM

KONKAN LNG PRIVATE LIMITED

DIRECTORS' REPORT 2018-19

Dear Members,

On behalf of the Board of Directors of your Company, we are delighted to present the 4th Directors' Report of your Company, along with Audited Financial Statements for the financial year 2018-19.

FINANCIAL HIGHLIGHTS

Your Company is Joint Venture of Companies (GAIL and NTPC) who are required to prepare Financial Statements as per IND-AS. Accordingly, your Company is required to prepare its Financial Statements as per IND-AS.

Your Company does not have any Subsidiary, Joint Venture & Associates. Therefore, the provisions of Section 129 of the Companies Act 2013, related to consolidation of financial statement are not applicable.

The important financial highlights for the year 2018-19 are as under:

(Rs. in Crores)

Particulars	2018-19	2017-18
Revenue from Operation (Net of Taxes)	328.49	317.10
Other Income	6.20	0.15
Total Revenue	**334.69**	**317.25**
Operational Expenses	199.92	159.66
Finance Cost	312.71	283.96
Depreciation and amortization expenses	93.58	110.38
Impairment of non-current assets	(0.35)	509.85
Total Expenses	**605.86**	**1063.85**
(Loss) Profit Before Tax (PBT)	**(271.17)**	**(746.60)**
Deferred Tax Credit	81.32	(652.69)
(Loss) Profit for the period	**(352.49)**	**(93.91)**
Earning Per Equity Share		
Basic (in Rs.)	(5.02)	(104.13)
Diluted (in Rs.)	(4.44)	(1.74)

The details of Operating Expenses are as follows:

(Rs. in Crores)

Particulars	FY 2018-19	FY 2017-18
Employee Benefit Expenses	22.75	19.89
Power Charges	32.18	15.78
Repairs & maintenance	82.39	58.04
Insurance	12.05	11.73
Rents, Rates and Taxes	23.48	37.03
Common Sharing Expenses (with RGPPL)	9.97	0.19

Security expenses	9.93	7.94
Other expenses	7.17	9.06
Total Operating Expenses	**199.92**	**159.66**

CAPITAL STRUCTURE

Authorized Share Capital of your Company is Rs.5000,00,00,000, bifurcated into 350,00,00,000 equity shares of Rs.10/- each (Rs.3500,00,00,000) and 150,00,00,000 Preference Shares (Cumulative/ Non-cumulative, Participating/ Non-participating, Convertible/ Non-convertible) of Rs. 10/- each (Rs.1500,00,00,000).

ISSUE OF SHARES AND FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the financial year 2018-19 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

Equity Shares

26,00,16,509 Equity Shares of Rs. 10/- each were offered on right basis during FY 2018-19. Your Company sought Rs. 3/- per equity share along with share application. Out of nine existing shareholders to whom the offer for right shares was made, only GAIL (India) Limited accepted the offer within the prescribed period and also applied for additional shares and paid share application money. Accordingly, 26,00,16,509 Equity Shares were allotted to GAIL on 27.08.2018.

Further, your Company called Rs. 2.5 per shares on 26,00,16,509 Equity Shares and the said amount was paid by GAIL. Balance amount of Rs. 4.5/- per equity share will be called by the Company in one or more tranches as and when required.

CCCPS

Shareholders in their meeting held on 16.10.2018 approved issuance upto 150,00,00,000 Preference Shares [(10% Cumulative Compulsorily Convertible Preference Shares (CCCPS) Rs. 10/- each for cash. To meet the fund requirement, 25,20,03,718 CCCPS of Rs. 10/- each were offered on right basis. Company sought Rs. 3/- per CCCPS along with share application. Out of nine existing shareholders to whom the offer for right CCCPS was made, only GAIL (India) Limited accepted the offer within the prescribed period and also applied for additional CCCPS and paid share application money.

Balance amount of Rs. 7/- per CCCPS was called by the Company and the said amount was paid by GAIL. Accordingly, said CCCPS has been converted to fully-paid.

Shareholding pattern of your Company on 31.03.2019, after allotment of CCCPS was as under:

Name of Shareholder	Total paid-up capital Equity Share Capital (in Rs. Crore)	% of holding as per paid-up Equity Share capital	Total paid-up Preference Share	% of holding as per total paid-up share capital

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			Capital (in Rs. Crore)	(Equity +Preference Shares)
GAIL (India) Ltd.	282.76	**40.921**	252.00	**56.709**
NTPC Ltd.	139.75	**20.225**	-	**14.820**
MSEB Holding Co. Ltd.	74.05	**10.717**	-	**7.853**
IDBI Bank Limited	69.09	**9.999**	-	**7.327**
State Bank of India	54.99	**7.958**	-	**5.831**
ICICI Bank	48.84	**7.068**	-	**5.179**
Canara Bank	9.70	**1.404**	-	**1.250**
IFCI Ltd.	11.79	**1.707**	-	**1.028**
RGPPL	0.01	**0.001**	-	**0.001**
Pankaj Patel (holding one share as RGPPL nominee)	0.00	**0.000**	-	**0.000**
Total	**690.99**	**100.000**	**252.00**	**100.000**

AMOUNTS TRANSFERRED TO RESERVES

In view of continuous losses, your Board of Directors could not propose transfer of any amount to reserves.

As on 31.03.2019, accumulated losses stood at Rs. 981.26 crores.

DIVIDEND

In view of the accumulated losses, your Board of Directors could not propose any dividend.

CREDIT RATING

Your Company has been provided domestic credit rating from CARE Ratings as under:

Facility/ Instrument	Amount (Rs. in Crore)	Rating
Long Term Bank Facilities – Term Loan	973.92	CARE D (Single D)
Long Term Bank Facilities – Term Loan	3826.08	CARE C (Single C)
	4800.00	

The ratings assigned to the bank facilities of KLPL takes into account the declaration of NPA by one of the lenders post demerger scheme and ongoing capex for construction of breakwater facility.

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LNG PLANT OPERATIONS

Pursuant to demerger scheme approved by NCLAT, your Company owns and operate LNG re-gasification terminal having 5 MMTPA capacity at Anjanwel, Taluka Guhagar, Distt. Ratnagiri, Maharashtra.

LNG terminal business has been modeled on tolling basis. For this purpose, with the approval of RGPPL Board a framework agreement was signed between GAIL and RGPPL on use or pay basis with the regasification charges in 2012 for 25 years. The said framework agreement has been assigned to your Company.

Detailed Master Regasification Agreement was not signed earlier and some terms and conditions of Framework Agreement were changed in the Business plan of demerger of RGPPL. Based on the Business Plan and Framework Agreement, a Master Regasification Agreement was signed between GAIL and your Company on 13.03.2019.

Till non completion of Breakwater, LNG Terminal is able to receive LNG Cargoes only during the non- monsoon period (October-April). Completion of break water will enable your Company to receive LNG cargoes throughout the year. During the Financial Year 2018-19, LNG Terminal received 19 LNG cargoes.

BREAK WATER STATUS

Your Company appointed GAIL as Owner's Engineer for tendering of completion of Balance Works of Breakwater at Dabhol. NIT for completion of Balance Works of Breakwater at Dabhol was published on 07.02.2019. Un-priced bid was opened on 11.06.2019. Larsen and Tourbro Limited, Afcons Infrastructure Limited and Dharti Dredging and Infrastructure Limited submitted the bid. Bid evaluation is under process.

SUBSIDIARY, JOINT VENTURE & ASSOCIATES

Your Company does not have any Subsidiary, Joint Venture & Associates.

PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES

Your Company had not made any investment, given any loans or guarantees as covered under Section 186 of the Companies Act, 2013.

HUMAN RESOURCE DEVELOPMENT

Employees are being imparted training / participation in seminar for their professional up gradation from time to time as an endeavour of your company to become a learning organisation.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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No change in the nature of business.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the company have occurred since 31st March, 2019 till the date of this report.

PETITION FILED BY CANARA BANK TO NCLT

As on 31.03.2018, lenders (excluding Gas & Power Investment Company/ LIC and Canara Bank) have disbursed additional loan of Rs. 389.82 crores to KLPL in line with the fund requirements as per Business Plan approved by the Company for making payment of outstanding interest. As per the Rupee Loan Agreement read with Notice of Drawdown, Canara Bank was required to disburse Rs.23.33 Crore to KLPL on Drawdown Date of March 28, 2018. However, Canara Bank failed to meet its aforesaid commitment. Due to this KLPL could not pay outstanding interest amounting to Rs. 23.25 crores for the period 01.01.2016 till 31.03.2018 to Canara Bank. However, KLPL is regularly paying interest (without penal interest charges) to Canara Bank w.e.f. 01.04.2018 till date.

In the meantime, Canara Bank vide its letter dated 21st May, 2018 & 20th July, 2018, informed that they have downgraded the KLPL Account from Standard Assets to NPA as per RBI Circular dated 12th February, 2018 withdrawing 5/25 scheme and that their participation/ implementation of 5/25 scheme (including additional funding) is put on hold.

The matter of Canara Bank was discussed during the various Joint Lenders' Meeting, wherein, Canara Bank was advised to implement the business plan in line with the Consortium Lenders as the same had already been approved and would be in the interest of the concerned parties, including Lenders.

KLPL received Canara Bank Recall Letter dated September 7, 2018. Canara Bank did not agree to the Lenders' views and filed petition on 13th September, 2018 before National Company Law Tribunal (NCLT) for initiating Corporate insolvency resolution process under Insolvency & Bankruptcy Code (IBC) to recover the dues along with expenses, due to incomplete restructuring, NPA position, overdues in the loan accounts and failure to arrive at resolution under revised framework of RBI.

Canara Bank Petition was listed before the Hon'ble National Company Law Tribunal, Principal Bench, Delhi (NCLT) on 26.09.2018. Hon'ble NCLT was not inclined to entertain the petition of Canara Bank at this stage as per the interim order of the Supreme Court to maintain status quo and dismissed Canara Bank's petition as non-maintainable at this stage.

With a view to resolve the issue amicably with active participation of Canara Bank, KLPL paid outstanding interest of Rs. 23.25 crores for the period 01.01.2016 till 31.03.2018 on 17.10.2018 which could not be paid earlier due to non - disbursal of additional loan by Canara Bank by 28.03.2018. Further, KLPL is also paying due interest in terms of loan agreement to Canara Bank w.e.f. 01.04.2018 till date.

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Meetings between Senior Officials of Canara Bank and KLPL were held from time to time on resolution of issue due to classification of Canara Bank loan to KLPL as NPA, but no resolution was arrived at.

Hon'ble Supreme Court pronounced its order on 02.04.2019 wherein it declared RBI circular dated 12.02.2018 as ultra vires as a whole, and be of no effect in law. Matter is being pursued with Canara Bank for resolution.

RBI vide its circular dated 07.06.2019 come up with revised circular for resolution of stressed assets. As per said circular, Lenders are required to undertake a prima-facie review of the account and decide on the resolution strategy, including the nature of the Resolution Plan (RP), the approach for implementation of the RP, etc. or initiate legal proceedings for insolvency / recovery within 30 days from the date of circular i.e. 06.07.2019. The matter was discussed in JLM held on 25.06.2019 wherein Lenders observed that the Company has been paying regularly in accordance with the demerger scheme and the default has been on account of reversal of the terms of facility agreed by Canara Bank as per the demerger scheme and non-disbursal of additional loan. Lenders decided to continue with the approved demerger scheme as resolution strategy, without any change in the existing terms and conditions and execute the Inter Creditors Agreement as per the requirement of RBI. In JLM held on 01.08.2019, Lenders informed that ICA has been executed by all the Lenders except Canara Bank.

WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism/ Whistle blower policy under which the employees are free to report violations of applicable laws and regulations.

During the year under review, no complaint was received from Whistle Blower.

FRAUD PREVENTION POLICY

The Fraud Prevention Policy has been formulated and implemented. During the year under review, there was no instance of fraud reported.

PARTICULARS OF EMPLOYEES

None of the employee of your company was in receipt of remuneration beyond the ceiling prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has constituted Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment for Prevention, Prohibition and Redressal of Sexual

Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year 2018-19, no complaints of sexual harassment was received.

KEY MANAGERIAL PERSONNEL AND DIRECTORS

The following persons were appointed on the Board of your Company as Chairman/ Directors:

- Shri Manoj Jain, GAIL Nominee Chairman w.e.f. 23.04.2018
- Shri Praveen Saxena, NTPC Nominee Director w.e.f. 23.04.2018
- Shri Aloke Sengupta, IDBI Nominee Director w.e.f. 23.04.2018.
- Shri Vijay Jasuja, State Bank of India Nominee Director w.e.f. 04.05.2018 to 18.09.2018
- Shri Bipin Shrimali, MSEB Holding Nominee Director w.e.f. 18.05.2018 to 27.06.2019
- Shri Arun Kumar Garg, NTPC nominee Director w.e.f. 18.06.2018 to 21.05.2019.
- Shri Neeraj Vyas, State Bank of India Nominee Director w.e.f. 19.09.2018
- Shri Rajat Kumar Bagchi, NTPC Nominee Director w.e.f. 27.05.2019 to 22.07.2019.
- Shri Sanjeev Kumar, MSEB Holding Nominee Director w.e.f. 24.07.2019.
- Shri Balaji Iyengar, NTPC Nominee Director w.e.f. 26.07.2019.

The following person were appointed as Key Managerial Personnel (KMP) of your Company:

- Shri Pankaj Patel, Managing Director w.e.f. 23.04.2018 (earlier Chairman of the Company).
- Shri Alok Kumar Jain, Chief Financial Officer w.e.f. 23.04.2018.
- Shri Vikas Aggarwal, Company Secretary w.e.f. 23.04.2018.

During the period, the following ceased to be Director(s) on the Board of your Company:

- Shri Ashok Kumar Juneja, NTPC Nominee Director w.e.f 14.06.2018.
- Shri Vijay Jasuja, State Bank of India Nominee Director w.e.f. 18.09.2018 (resigned from the Company consequent upon joining Union Bank of India as Internal Ombudsman).
- Shri A.K. Garg, NTPC Nominee Director w.e.f. 21.05.2019.
- Shri Bipin Shrimali, MSEB Holding Nominee Director w.e.f. 27.06.2019.
- Shri Rajat Kumar Bagchi, NTPC Nominee Director w.e.f. 22.07.2019.

The Board placed on record its deep appreciation for the valuable services rendered by outgoing Directors during their association with your Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby state and confirm that:

a) In the preparation of the annual accounts for the year ending March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) The Directors had prepared the annual accounts on a going concern basis; and
e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms part of this report at **Annexure-A.**

CORPORATE GOVERNANCE

Your Company believes that good corporate governance is critical in establishing a positive organizational culture which is evident by the virtues of responsibility, accountability, consistency, fairness and transparency it follows towards its stakeholders. Accordingly, a report on Corporate Governance forms part of this report at **Annexure-B.**

The details of the meetings of the Board, Company's policy on Directors' appointment and remuneration etc., and other matters, form part of the report on Corporate Governance.

No significant and material orders were passed by the regulators or Courts or tribunals impacting the going concern status and the Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

As per requirement of 134 (3)(m) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, details of conservation of energy and technology absorption and foreign exchange earnings and outgo forms part of this report at ***Annexure- C.***

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As per requirement of 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 particulars of contracts or arrangements with related parties as referred in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 forms part of this report at ***Annexure-D.***

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 forms part of this report at ***Annexure E.***

AUDITORS

Statutory Auditors

M/s S. Bajaj & Associates, Chartered Accountants, New Delhi, was appointed by Comptroller & Auditor General of India for the financial year 2018-19, as the Statutory Auditor of your Company.

Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and does not require any further comments. There are no qualifications by the statutory auditors on the financial statements of your Company for the FY 2018-19.

Review and comments of CAG, if any, on the Company's Financial Statements for the financial year ending March 31, 2019, forms part of Financial Statement.

Internal Auditor

Your Company has appointed M/s R. J. Goel and Co., Cost Accountants, New Delhi as internal auditor of the Company for FY 2018-19.

Cost Auditors

Your Company has appointed M/s Sanjay Gupta & Associates as Cost Auditors for Financial Year 2018-19. Your Company is maintaining cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Secretarial Auditor

Secretarial Audit is not applicable on your Company being a Private Limited Company. As good Corporate Governance practice, your Company Board advised for the same and accordingly, Voluntary Secretarial Audit for 2018-19 was got carried out from M/s Tarun Saini & Associates.

There are no qualifications by the secretarial auditors for the FY 2018-19.

Secretarial Audit Report confirming compliance by Practicing Company Secretary to the applicable provisions of the Companies Act, 2013, and other applicable laws, forms part of this Report at ***Annexure- F.***

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ACKNOWLEDGEMENTS

Your Directors express their gratitude for guidance and support received from the Government of India, various state governments, regulatory and statutory authorities.

Your Directors acknowledge wise counsel received from Statutory Auditors and CAG and are grateful for their consistent support and cooperation.

Your Directors also wish to thank all the shareowners, business partners and members of KLPL family for reposing their faith, trust and confidence in your Company.

On behalf of your Directors, I would like to place on record our deep appreciation for the hard work, dedication, commitment and solidarity of your Company's employees.

Your Directors and employees look forward with confidence and stand committed to creating a bright future for all stakeholders.

For and on behalf of the Board of Directors

(Manoj Jain)
Chairman
DIN: 07556033

Place: Delhi
Date: 05-08-2019

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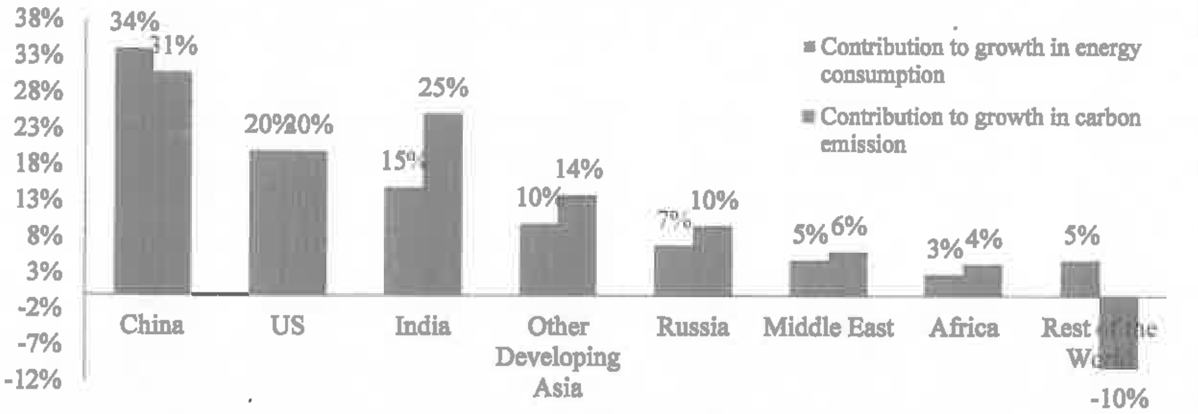
Annexure-A

MANAGEMENT DISCUSSION AND ANALYSIS

Energy Sector Outlook

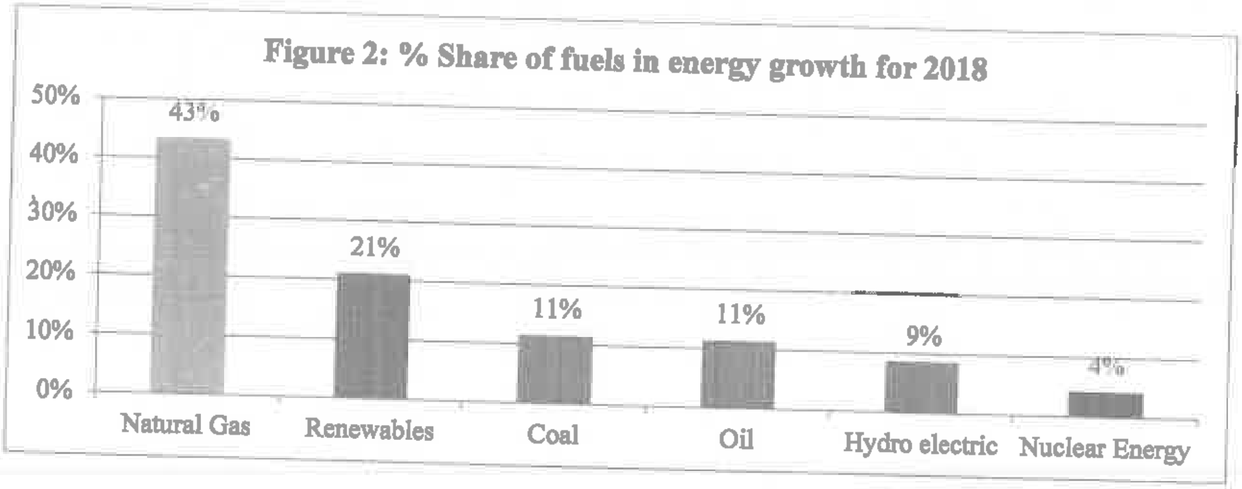
As per recent global reviews, energy consumption in the world grew by around 3% in the year 2018 as compared to 2017. This has been one of the highest yearly growth since year 1990. This growth was largely driven by additional energy consumption in China, US and India which together accounted for around two-thirds of the growth. Energy consumption growth also echoed across all the primary fuels – renewable energy, gas, oil and even coal. Most of the primary fuels grew more intensely compared to their historical averages. On the other side, carbon emissions from energy use also increased sharply by around 650 million tonnes, a YoY growth rate of 2%, highest in last seven years. Most of the regions contributing to high growth in energy consumption also contributed to high growth in carbon emission while few regions like Europe showed reduction in carbon emissions compared to last year indicating their move towards cleaner fuel mix (Refer Figure 1).

Figure 1: Contribution to primary energy growth in 2018 (%)



Source: BP Statistical Review of World Energy 2019

Gas contributed to around 43% in overall energy growth followed by Renewables. 2018 was a windfall year for natural gas, with both global consumption and production increasing by over 5%, one of the highest growth for both gas demand and output for last 30 years (Refer figure 2 for fuel wise share). US became the major contributor for growth in gas, accounting for almost 40% of global demand growth and over 45% of the increase in production while Chinese gas consumption grew by 18% compared to last year. China's gas demand was largely an outcome of their continued environmental policies encouraging coal-to-gas switching in both industries and buildings in order to reduce pollution in cities while continuing industrial growth.

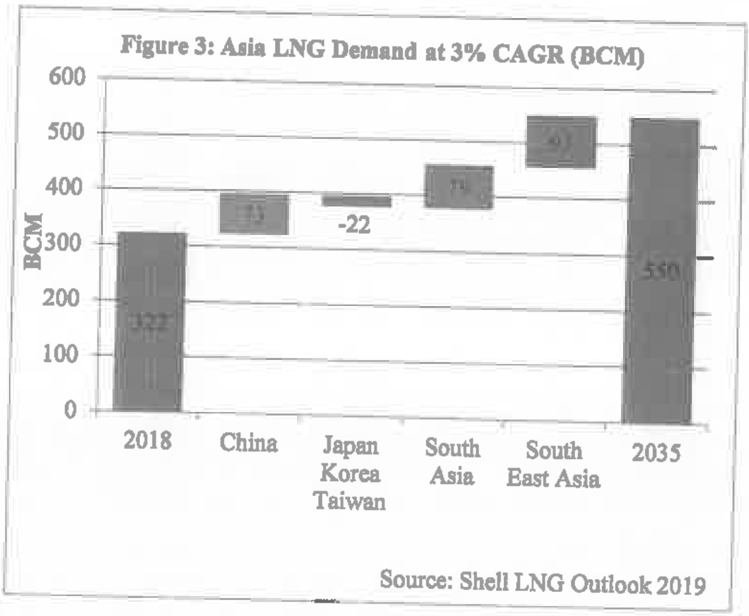


Source: BP Statistical Review of World Energy 2019

LNG Industry

LNG trade expanded over 9% in 2018 with increased supply from US and growing consumption in European and Asian markets. China became the largest LNG importer with LNG imports doubling in 2018. The growth is India's gas consumption was brought almost entirely by LNG as domestic gas output remained stagnant, According to Shell LNG Outlook 2019, the number of LNG importing countries continues to increase, reaching 42 in 2018, with Panama and Bangladesh turning to LNG imports to meet their energy requirement. Also according to the same report, the average length of new LNG supply contracts doubled from around six years in 2017 to about 13 years in 2018. According to GIIGNL Annual Report, total volume of over 30 Mtpa was contracted under mid-term/long-term (above 4 years of contract) LNG as compared to around 20 Mtpa in 2017. These developments indicate improved long-term health for the global LNG market.

According to Shell LNG Outlook, gas will supply over 40% of additional energy demand i.e. the largest share of energy growth by 2035. Within gas, LNG is expected to be the fastest-growing gas supply source, with an expected compound annual growth rate of 4% till 2035. It is expected that growth in LNG demand will continue around the world, led by Asia and Europe. Refer Figure 3 for growth in LNG demand in Asia.



Source: Shell LNG Outlook 2019

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India Energy Consumption

With a yearly growth rate of 8% in 2018 over 2017, the highest in last 11 years, India's energy consumption growth doubled in 2018 as compared to 2017. Growth in Renewables stood highest at 27% followed by coal and gas at 8.7% and 8.1% respectively. Coal has made a strong comeback with highest ever absolute increase of over 36 MTOE.

India's increased consumption was accompanied by increased carbon emission as well. In 2014, both China and India had the similar carbon intensity of energy but with continued interventions by Govt. of China like addition of renewable capacities, coal to gas switching, electrification of transport etc. China has been quite successful in reducing carbon emissions. Although, Govt. of India is also pushing use of renewables and electrification of transport to reduce carbon emissions and urban pollution, but additional all-round efforts are also needed to encourage switching from polluting fuels like coal, petcoke, fuel oil to cleaner fuel alternatives to form a cleaner primary energy mix.

In 2016, Environment Pollution Control and Prevention Authority (EPCA) for NCR mandated use of acceptable fuels (out of which natural gas was one) in Delhi NCR region for air pollution control. With similar policies to push gas usage across sectors especially where gas is used for energy purpose, gradual movement towards increasing gas share in energy mix is possible, leading to an overall cleaner energy mix.

(All years mentioned in this section refer to Calendar Year and not Financial Year)

LNG Imports

Natural gas as a fuel will have the highest growth out of any of the fossil fuel globally and will take on a larger share in global energy consumption. The country which will lead the world in the induction of gas into their energy consumption is expected to be China. It is projected that from 2019 onwards, due to gas infrastructure issues, piped supply of gas, slowing economic growth rate of China, the rate of growth of LNG consumption will start decline. Even then according to IEA, in the next five years, Chinese gas demand is expected to grow rapidly, due to the aggressive policy for coal to gas switching for domestic and industrial use. This will make China the world's largest LNG importer, overtaking Japan in 2019 soon.

So far as North East Asian counties like Japan and South Korea are concerned, in 2019, they are projected to jointly import about 35% of the world's LNG and the remaining 5% is by Taiwan, but by 2030, their share will decline sharply to 26%, with Japan and South Korea having only 21% share of the global world imports. In real terms, these countries have a flat LNG import profile till 2030. In percentage terms, it seems, China remains stable rising from 16.8% to 17.6%, but the total LNG imported globally by 2030 is expected at 552 MMTPA. Europe faces a decline in its share, but in real terms as shown in Table 4 above, it will experience 2% growth on an average, excluding the period from 2020 to 2025, when it faces a decline of about 10 MMT in 5 years.

LNG Import Terminals

There is a push in India to develop more LNG Import Terminals. The nameplate capacity of the 5 operating terminals is about 37.5 MMTPA. Three Terminals are under construction or construction completed. The rest are under planning stage.

LNG Import Terminal Status

S. No.	TERMINAL	DEVELOPERS	CAPACITY (MMTPA)
	Existing Terminal		
1	Dahej	Petronet LNG Limited	17.5
2	Hazira	Royal Dutch Shell	5.0
3	Dabhol	Konkan LNG Private Limited	5.0
4	Kochi	Petronet LNG Limited	5.0
5	Ennore	Indian Oil Corporation	5.0
	TOTAL EXISTING		**37.5**
	CONSTRUCTION COMPLETED		
6	Mundra	GSPC, Adani	5.0
	UNDER CONSTRUCTION		
7	Jaigarh (FSRU)	H Energy	4.0
8	Dhamra	Adani	5.0
	Total Construction completed and under construction		**14.0**

Pipeline connectivity is a major issue in the gas markets as a LNG Import Terminal with limited pipeline access cannot have market penetration.

NATURE OF BUSINESS

Your Company was incorporated in the year 2015. Presently, your Company own LNG Terminal having re-gasification capacity of imported LNG upto 5 MMTPA (80 LNG cargoes in a year).

FUTURE OUTLOOK

Natural Gas is emerging as the fuel of choice and a better alternative to furnace oil, petrol and diesel due to the fact that it is a clean fuel. With the government allocating natural gas to households and the transport sector, the CGD sector is set for further growth.

The convenience associated with PNG has already established it as the preferred fuel with its demand growing exponentially in the domestic, commercial as well as industrial segments. Environmental concerns are leading to strict enforcement by various statutory authorities and courts deterring the use of polluting fuels by industry. Therefore, the usage of natural gas and utilization of the existing City Gas Distribution network is bound to grow in the coming years.

This will have positive effect on utilization of terminal capacities.

R-LNG Terminal of your Company has the capacity to unload, store and re-gasify 5 MMTPA of LNG (80 LNG cargoes in a year). However, in the absence breakwater facilities, RLNG Terminal is currently in operation only during non-monsoon period thereby limiting its capacity to handle 30 LNG cargoes in a year. Actions have been initiated by your Company for implementing breakwater facilities in a timely manner to make the R-LNG Terminal as an 'all-weather operating Terminal'. Upon completion of breakwater by 2022, R-LNG Terminal would be in a position to regasify / handle 5 MMTPA of LNG.

Indian LNG demand is steadily increasing every year to meet the growing gas demand as well as reduction in domestic gas production. Further, Government of India has plans to increase the share of natural gas in the energy mix. In order to meet the target, huge increase in LNG imports and additional capacity in R-LNG Terminals would be required. With the commissioning of new LNG export projects in USA and Australia, no constraint in availability of LNG from the international market is envisaged. Further, major Gas / LNG players in India have entered into long / medium / short term LNG supply contracts with the suppliers for catering to the Indian market. With these developments, R-LNG Terminal of your Company would be expected to operate at full capacity upon completion of breakwater

RISKS, CHALLENGES AND MITIGATION

Regulatory Regime

The PNGRB was constituted under The Petroleum and Natural Gas Regulatory Board Act, 2006. The Act provides for the establishment of the Petroleum and Natural Gas Regulatory Board to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas and to promote competitive markets and for matters connected therewith or incidental thereto.

Breakwater

In order to receive cargoes throughout the year, breakwater facilities were required to be implemented. Since RGPPL was going through a financial crisis, additional funds were not available for implementation of breakwater facilities.

R-LNG Terminal was completed in December, 2012. The terminal was technically commissioned in January 2013 without breakwater facilities and COD was achieved on 22nd May, 2013. Due to non-availability of breakwater facility, the terminal is not able to receive cargoes during the monsoon period for 5 months which hampers the operating capacity of the Terminal.

Presently, LNG terminal is capable of importing 1.9 MT of LNG per year. Further, the terminal's ability to run 5.0 MTPA capacity would be possible once the construction of breakwater is undertaken which is expected to be completed by 2022.

Natural or Man-made Calamity Risk

Various risks are associated with gas transmission and distribution like blow out of terminal, earthquake, tsunami, terrorist activities, etc.

These risks are being mitigated right from the designing stage of these projects and also during operations. However, such natural or man-made risks are emergent events and cannot be totally eliminated. If such an event occurs, it will incur significant liabilities for your Company.

Risk Management Framework

The Risk Management Policy and Procedures, has been framed during June, 2018 Procedure to protect and add value to the organization and its stakeholders with the objective to establish a risk intelligence framework for objectively managing expected risk exposures by the decision makers in compliance to prevailing statutory regulations so as to maintain financial stability of your Company. The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages by the Senior Management of the company.

Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests. The risks are evaluated, quantified &prioritized and mitigation plans are reviewed & monitored at various stages.

In the changing business scenario, business risk and their mitigation plans is re-assessed on regular basis. Major risk identified are as under:

- Delay in Construction of Breakwater Project
- Under utilization of installed capacity at plant due to less than committed no of ships by GAIL
- Incidents of accidental spills, ruptures in storage tanks (due to increase in pressure or corrosion)
- Heavy Release of BOG due to roll over during unloading of LNG

Identified risks have been deeply examined and the required mitigating measures/ safeguards have been initiated/ implemented. Your company endeavors to pro-actively initiate measures towards maintaining financially stable business operations.

Competition

Many new players are in the process of setting up LNG terminals – land based and / or FSRUs at various locations in the Country. LNG terminals at Ennore and Jaigarh have been commissioned and/or likely to be commissioned shortly.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE / FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Financial Year 2017-18, LNG Terminal received 17 LNG cargoes.

Financial Performance

- **Revenue from Operations**
  Gross sales increased by 3.59% from Rs. 317.10 crores during 2017-18 to Rs. 328.49 crores in 2018-19.

- **Profit/ Loss Before Tax (PBT)**
  Loss decreased by 63.68% which stood at Rs. 271.17 crores during 2018-19 from Rs. 746.60 crores in 2017-18.

As on 31.03.2019, accumulated losses of stood at Rs. 981.26 crores (Previous Year- Rs. 628.78 Crores). The increase is due to current year loss of Rs. 352.49 Crores.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

Your Company is keenly aware of its responsibilities towards the environment. Pollution control and other environment protection norms are being complied with. Your Company is not discharging any effluent. Once the project begins operations, the aspects of conservation of technology and foreign exchange and the development of renewable energy will gain significance.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has developed Internal Control System in its various business processes, commensurate with size & nature of business to help achieve its objectives.

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. Internal financial controls framework for various business processes is in place and reviewed continuously by the management. In addition, it also ensures compliance of all applicable laws and regulations, optimum utilization and safeguard of the Company's assets.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company's Industrial Relations climate remained congenial and constructive. There were no Man Days or Man Hours lost on account of any sort of industrial conflict/unrest.

Your Company has a focus on building capabilities and developing competencies of its employees. As on 31.03.2019, the Company had total strength of 47 employees out of which, 44 employees were on deputation from GAIL and 3 employees are on the rolls of KLPL.

Your Company continues to focus on various developments initiatives to synergize individual development and organizational growth.

There was no strike or lock-out during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

Your Company did not have profit during the review, therefore, is not required to make contribution in CSR.

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc. may be 'forward-looking statements' within the meaning of the applicable laws and regulations. Actual results, performances or achievements may vary materially from those expressed or implied, depending on economic conditions, government policies and other incidental factors. Stakeholders are cautioned not to place undue conviction on the forward looking statements.

Annexure-B

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Your Company adheres to good corporate practices and emphasizes on commitment to values and ethical business conduct. It believes in adopting the best practices laid down in different statutes and goes beyond adherence of statutory framework to bring transparency, accountability and equity in all facets of its operations. Your Company's philosophy of Corporate Governance is to ensure transparency in all its operations and enhance stakeholder value within the framework of laws and regulations.

In its commitment to practice strong governance principles, your Company is guided by the following core principles of corporate governance:

1. To build robust internal control processes & systems for enhancing accountability and responsibility.
2. To ensure transparency and high degree of disclosure and adequate control system.
3. To ensure that the decision-making process is systematic and rational.
4. To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct.

The Board of your Company constantly endeavours to set goals and targets aligned to the Company's vision and mission.

2. Board of Directors

i. Composition of the Board

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. As per the Articles of Association, the number of Directors shall not be less than 2 and more than 15.

As on March 31, 2019, there were 7 (Seven) Directors on the Board. The composition and attendance record of the Company's Board of Directors w.r.t. Board meetings are as follows:

Name and Designation of the Director	No. of Board Meetings attended during the Tenure	Attendance at Last Annual General Meeting	Directorships Held in other Public Limited Companies
I. Functional Directors (Whole-time)			
Shri Pankaj Patel Managing Director	10	Yes	Public -Nil Private - 01
II. Non-Executive Directors			
Shri Manoj Jain (Chairman) (w.e.f. 23.04.2018)	11	Yes	Public -04 Private - Nil
Shri Bipin Shrimali (w.e.f. 18.05.2018)	5	No	Public -04 Private - 01
Shri Ashok Kumar Juneja (upto 14.06.2018)	3	N.A.	N.A.
Shri A K Garg (w.e.f. 18.06.2018)	6	No	Public -Nil Private - 01
Shri Praveen Saxena (w.e.f. 23.04.2018)	9	No	
Shri Aloke Sengupta (w.e.f. 23.04.2018)	7	No	Public -01 Private - 01
Shri Vijay Jasuja (w.e.f. 04.05.2018 and upto 17.09.2018)	2	N.A.	N.A.
Shri Neeraj Vyas (w.e.f. 19.09.2018)	4	No	Public -Nil Private - Nil

Notes:

1. During the financial year 2018-19, 11 (eleven) Board meetings were held.
2. 3rd Annual General Meeting of the Company was held on 27.12.2018.
3. Brief resume of directors appointed/ reappointed at the forthcoming AGM is given in the Notice of AGM.
4. Video- conferencing facilities are also used to facilitate Directors at other locations to participate in Board/Committee meetings.
5. Based on disclosures received from the concerned Director(s):

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a) None of the Director(s) on the Board in more than twenty companies as prescribed under the Companies Act, 2013.

b) None of the Director(s) on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees across all the Companies in which he/she is a Director. Membership/Chairmanship in a Committee is reckoned pertaining to Audit Committee and Stakeholders Relationship Committee.

Details of Board Meetings

During 2018-19, 11 (Eleven) meetings of the Board were held, the details of which are as below:

S. No.	Date of Board Meeting(s)
1.	**23.04.2018**
2.	**30.05.2018**
3.	**04.06.2018**
4.	**26.07.2018**
5.	**16.08.2018**
6.	**21.08.2018**
7.	**27.09.2018**
8.	**02.11.2018**
9.	**15.11.2018**
10.	**18.12.2018**
11.	**15.01.2019**

3. Committees of the Board

Your Company being Private Limited Company and also being Joint Venture Company is not required to constitute Audit Committee as well as Nomination and Remuneration Committee.

Your Company's net worth was less than Rs. 500 crores, turnover was less than Rs. 1,000 crore and incurred loss during FY 2018-19, therefore, your Company is also not required to constitute Corporate Social Responsibility (CSR) Committee.

Presently, your company Board has constituted 'Allotment and Post Allotment Activities of KLPL Securities Committee of the Board'. Details of the said Committee is detailed as under.

Allotment and Post Allotment Activities of KLPL Securities Committee

i. Terms of Reference

The terms of reference of the Committee is to approve for allotment of shares, to dispose of and allot any shares which remain un-subscribed or un-alloted upon such terms and conditions and in such manner as it may think proper and expedient and to do all such acts, deeds, matters and things deemed necessary for issuance / allotment of the shares, printing of new share certificates, if any, settling any question or doubt that may arise with regard to or in relation to the issue or allotment of shares.

ii. Composition

As on 31st March, 2019, the Allotment and Post Allotment Activities of KLPL Securities Committee comprised of Managing Director, as the Chairman, Shri A.K. Garg and Shri Aloke Sengupta.

iii. Meeting & Other Details

During 2018-19, 2 (Two) meetings of Allotment and Post Allotment Activities of KLPL Securities Committee were held on 27.08.2018 and 22.11.2018.

S. No.	Members	No. of Meetings	
		Held during the tenure	Attended
1.	Shri Pankaj Patel	2	2
2.	Shri A.K. Garg	2	2
3.	Shri Aloke Sengupta	2	2

4. Remuneration to KMP and Directors

All Key Managerial Personnel are nominated by GAIL and paid remuneration, perks and benefits as are generally applicable to the employees of GAIL (India) Limited.

The Part-time Director(s) nominated by Promoters/ Financial Institution(s) and Lender(s)/ MSEB/ GoM etc. who are in regular employment in any organization does not receive any remuneration from the Company. Sitting fee of Rs. 5,000/- is being paid to Directors on the Board of the KLPL nominated by Financial Institution(s) and Lender(s) who are not in regular employment in any organization, for attending each meeting of the Board of Directors or Committee thereof in addition to expenses incidental thereto.

The details of remuneration paid to Whole-time Directors of the Company for 2018-19 are as below:

(Rs. in lacs)

S. No.	Name of the Director	Salary & Allowances	Contribution to PF	Other Benefits and Perquisites	Total
1.	Shri Pankaj Patel Managing Director	57.69	7.14	5.60	70.43

During the year 2018-19, the details of sitting fees paid to the Lenders Nominee Directors, excluding Good and Service Tax paid under reverse charge mechanism by the Company, for attending the meetings of the Board of Directors and Committee(s) thereof are as under:

S. No.	Name of the Independent Director(s)	No. of Meetings of the Board attended	Amt. in Rs.
1.	Shri Vijay Jasuja	2	**10,000**
2.	Shri Neeraj Vyas	4	**20,000**

5. General Body Meetings

Forthcoming AGM: Date, Time and Venue

The 4th Annual General Meeting of the Company (AGM) is scheduled on 3rd September, 2019 at the Registered Office of the Company situated at GAIL Bhawan, 16, Bhikaiji Cama Place, R. K. Puram, New Delhi-110066.

Location and Time of the Last AGMs

The location, time and details of the special resolutions passed during last three AGMs are as follows:

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Year	2015-16	2016-17	2017-18
AGM	1st	2nd	3rd
Date and Time	16th September, 2016 at 12:00 Noon	25th September, 2017 at 4:00 P.M.	27th December, 2018 at 12.30 P.M.
Venue	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066
Special Resolution Passed	No item warranted the Special resolution.	No item warranted the Special resolution.	No item warranted the Special resolution.

During, 2018-19, two Extraordinary General Meeting of the Members were held on 30.05.2018 and 16.10.2018.

6. **Training of Board Members**

As the Board Members are the Nominees of Promoters/ Lenders/ MSEB. Hence, they are being imparted training by their parent organisation. However, presentations/ information are furnished by senior executives/professionals/ consultants on business-related issues during the Board/Committee meetings as and when required.

7. **Means of Communication**

The Company communicates with its shareholders through its Annual Report, and General Meetings.

8. **Disclosures**

a. The Company has prepared disclosures in accordance with Ind-AS. For periods up to and including the year ended 31st March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on 31st March 2019, together with the comparative period data as at and for the year ended 31st March 2018, as described in the summary of significant accounting policies.

During the year, there have been no material significant related party transactions that may have potential conflict with the interest of the

Company at large. The details of "Related Party Disclosures" are being disclosed in Note no. 32 of the Financial Statement in the Annual Report.

b. The Company has implemented Whistle Blower (Vigil Mechanism) Policy wherein employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the competent authority.

c. No item of expenditure has been debited in the books of account, which are not for the purposes of the business or expenses which are personal in nature.

d. Applicable Secretarial Standards on Board Meeting and General Meeting are duly complied.

9. Shareholding Pattern as on 31st March, 2019

Name of Shareholder	% of holding as per paid-up Equity Share capital	% of holding as per paid-up Share capital
GAIL (India) Ltd.	40.921	56.709
NTPC Ltd.	20.225	14.820
MSEB Holding Co. Ltd.	10.717	7.853
IDBI Bank Limited	9.999	7.327
State Bank of India	7.958	5.831
ICICI Bank	7.068	5.179
Canara Bank	1.707	1.250
IFCI Ltd.	1.404	1.028
RGPPL	0.001	0.001
Pankaj Patel (holding one share as RGPPL nominee)	0.000	0.000
Total	**100.000**	**100.000**

10. Dematerialization of Shares and Liquidity

Your Company had 10 shareholders, out of which 9 shareholders were holding fully paid equity shares in demat mode and 1 shareholder was holding equity shares in physical mode. ISIN of your Company's for fully paid-up equity shares is INE00LT01016.

Further, GAIL is holding 26,00,16,509 equity shares of Rs. 10/- each on which Rs. 5.50/- on each equity shares has been paid-up, in physical mode and ISIN of the same is IN900LT01015.

Fully paid-up CCCPS is held by GAIL in demat mode and ISIN of the same is INE00LT03020.

Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs (MCA) is U11100DL2015PTC288147.

Shareholders may approach to R&TA of the Company at:

MCS Share Transfer Agent Limited
Unit: Konkan LNG Private Limited
F–65, Okhla Industrial Area
Phase-I, New Delhi - 110020

Phone: 91-11-41406149/50/51/52
Fax: 91-11-41709881
Website: www.mcsregistrars.com
E-mail: admin@mcsregistrars.com

11. Location of Plant:

Anjanwel, Taluka Guhagar, Distt. Ratnagiri, Maharashtra.

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Annexure-C

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AS PER SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	1. Fluorescent lights at LNG Admin Office, MCR & JCR replaced with LED Lights. 2. HPSV lights replaced with LED light fittings in Street lights 3. 61320Kwh energy saving done yearly through LED lights. 4. High Mast light – 4nos installation work under progress. 5. 3-star BEE rating 32 nos. Split Air conditioners replacing Old Window AC's.
(ii)	the steps taken by the company for utilizing alternate sources of energy	-
(iii)	the capital investment on energy conservation equipment	Split AC: Rs. 13.54 Lakhs LED light: Rs.11.42 Lakhs High Mast Light: Rs. 42.5 Lakhs

(b) Technology absorption

(i)	the efforts made towards technology absorption	1. DCS upgradation work awarded to M/s. Schneider electric. 2. Berthing & Mooring control system upgradation work awarded to M/s. Trelleborg, Australia. 3. Partial upgradation of Tank base heating done. 4. VC system Facility order placed.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	1. Increased process safety, spares availability and operational integrity. 2. Reduced port facility downtime and improve operational efficiency, safety. 3. Increased energy efficiency. 4. Enabling point-to-point and multipoint videoconferencing.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the	-

	financial year)-	
	(a) the details of technology imported	-
	(b) the year of import:	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

(c) Foreign exchange earnings and Outgo

(i) **Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export plans:**
Not Applicable

(ii)Total foreign exchange earned and used

(Rs in crore)

Particulars	**2018-19**
Foreign Exchange Earnings*	-
Foreign Exchange Outgo*	-

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Annexure-B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis** – KLPL has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

a. Name(s) of the related party and nature of relationship –
   i. GAIL (India) Limited being investing Company u/s 2(76)(viii) of the Companies Act, 2013, however the said section does not apply to KLPL with respect GAIL in respect of related party transaction covered under section 188 of the Act due to exemption granted to Private Limited Company by MCA vide its notification dated 05.06.2015.
   ii. RGPPL being Common Director

b. Nature of contracts/arrangements/transactions -
   i. Providing re-gasification services to GAIL, Salary and other benefits of employees on secondment from GAIL, Services as Owners Engineer, Leasing of Property by GAIL to KLPL etc.
   ii. Purchase of Power from RGPPL and Sharing of common facility with RGPPL

c. Duration of the contracts / arrangements/transactions – Master Re-gasification Agreement signed with GAIL on 13.03.2019 and duration of the contract is 19 years.

d. Salient terms of the contracts or arrangements or transactions including the value, if any:

   i. KLPL provided re-gasification services to GAIL, payment of salary to GAIL employees on deputation, Services as Owners Engineer, Leasing of Property by GAIL to KLPL etc. Transaction value for FY 2018-19 is Rs. 360.27 crores
   ii. KLPL purchased power from RGPPL, CSA & others. Transaction value for FY 2018-19 is Rs. 54.27 crores. Further, RGPPL raised invoice amount to Rs. 10 crores toward sharing of common facility.

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e. Date(s) of approval by the Board, if any – Master Re-gasification was approved by the Board in its meeting held on 15.01.2019, however, approval of the Board as per provision of section 188(1) of the Companies Act, 2019 was not required as contract was entered into in the ordinary course of business and on arm's length basis.

f. Amount paid as advances, if any - NIL

For and on behalf of the Board

Manoj Jain

(Manoj Jain)
Chairman
DIN: 07556033

Place: New Delhi
Dated: 05.08.2019

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Annexure – E

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) *of the Companies Act, 2013 and* rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U11100DL2015PTC288147
ii)	Registration Date	04/12/2015
iii)	Name of the Company	Konkan LNG Private Limited
iv)	Category/ Sub Category of the Company	Private Company/Limited by Shares
v)	Address of the Registered Office and contact details	GAIL Bhawan, 16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110059 Contact details: 0120-4148972
iv)	Whether Listed Company	No
Vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any-	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase-I, New Delhi-110020 Contact No. (s)- 011-41406149/50/51/52

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Re-gasification of LNG	200	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	-	-	-	-	-

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the financial year				No. of Shares held at the end of the financial year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	-								
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	27,95,04,528	-	27,95,04,528	51.006	53,95,21,037	-	53,95,21,037	66.77	93.03
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1):-	27,95,04,528	-	27,95,04,528	51.006	53,95,21,037	-	53,95,21,037	66.67	93.03
2. Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2):-	-	0	0	0	-	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	27,95,04,528	0	27,95,04,528	51.006	53,95,21,037	-	53,95,21,037	66.67	93.03
* After implementation of demerger scheme, shares were allotted to the shareholders of RGPPL, RGPPL ceased to be promoter of the Company and shown under heading body corporate.									
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-

a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	19,44,11,603	-	19,44,11,603	35.478	19,44,11,603	-	19,44,11,603	24.06	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	19,44,11,603	-	19,44,11,603	35.478	19,44,11,603	-	19,44,11,603	24.06	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7,40,53,869	10,000	7,40,63,869	13.516	7,40,53,869	10,000	7,40,63,869	9.17	0
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Clearing Members	-	-	-	-	-	-	-	-	-

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iii) HUFs	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	7,40,53,869	10,000	7,40,63,869	13.516	7,40,53,869	10,000	7,40,63,869	9.17	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	26,84,65,472	10,000	26,84,75,472	48.99	26,84,65,472	10,000	26,84,75,472	33.23	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	54,79,70,000	10,000	54,79,80,000	100.00	80,79,95,509	10,000	80,79,96,509	100.00	47.45

Note: % change in during the year calculated on the basis of no. of shares under respective category

B) **Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the financial year			Shareholding at the end of the financial year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GAIL (India) Limited	13,97,52,264	25.503	-	39,97,68,773	49.48	-	186.05
2	NTPC Limited	13,97,52,264	25.503	-	13,97,52,264	17.30	-	0.00
	Total	**27,95,04,528**	**51.006**	-	53,95,21,037	**66.77**	-	**93.03**

Note: % change in during the year calculated on the basis of no. of shares comparing of respective shareholders

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-18 to 31-03-19)	
	No of Shares at the Beginning (31-03-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
GAIL (India) Limited	139752264	25.503	31.03.2018				
	399768773	49.48	27.08.2018	260016509	Issue of Shares	399768773	49.48

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NTPC Limited	139752264	25.503	31.03.2018				
	139752264	17.30	-	-	-	139752264	17.30
Total	-	-	31-Mar-2019	260016509		27,95,04,528	51.006

Note: GAIL is also holding Rs. 252 crores of CCCPS.

D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the financial year		Shareholding at the end of the financial year	
		No. of shares	% to total shares	No. of shares	% to total shares
1	MSEB Holding Co.	7,40,53,869	13.514	7,40,53,869	9.17
2	IDBI Bank Limited	6,90,91,518	12.608	6,90,91,518	8.55
3	State Bank of India	5,49,88,167	10.035	5,49,88,167	6.81
4	ICICI Bank	4,88,41,874	8.913	4,88,41,874	6.04
5	Canara Bank	1,17,91,990	2.152	1,17,91,990	1.46
6	IFCI Ltd	96,98,054	1.770	96,98,054	1.20
7	RGPPL	9,999	0.002	9,999	0.00
8	Shri Pankaj Patel*	1	0.000	1	0.00

* Shri Pankaj Patel is holding share in Company as registered owner on behalf of Ratnagiri Gas and Power Private Limited.

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	*Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial Year		Shareholding at the end of the financial year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
A.	Directors					
(i)	Shri Pankaj Patel*	1	0.01%	1	0.000%	1

B. Key Managerial Personnel
None of the Key Managerial Personal hold any Shares in the company

* Shri Pankaj Patel is holding share in Company as registered owner on behalf of Ratnagiri Gas and Power Private Limited.

(V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3699.89	0.05	-	3699.94
ii) Interest due but not paid	227.42	-	-	227.42
iii) Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	3927.31	0.05	-	3927.36
Change in Indebtedness during the financial year				
i) Addition/(Reduction) in Principal	5.29	0.00	-	5.29
ii) Addition/(Reduction) in Interest due but not paid	112.04	-	-	112.04
iii) Addition/(Reduction) in Interest accrued but not due	-	-	-	0
Indebtedness at the end of the financial year				
i) Principal Amount	3705.18	0.05	-	3705.23
ii) Interest due but not paid	115.28	-	-	115.28
iii) Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	3820.56	0.05	-	3820.61

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(VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

(Rs. In lac)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Pankaj Patel (w.e.f. 23.04.2018)	Total
1	Gross salary		-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.67	42.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.60	5.60
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify...		-
5	Others, please specify	22.16	22.16
	Total (A)	70.43	70.43
	Ceiling as per the Act**	*Not Applicable -*	

B. Remuneration to other directors

Particulars of Remuneration	Name of Director	Name of Director	Total Amount
Independent Directors	-	-	-
Fee for attending Board/ Committee meetings	-	-	-
Commission	-	-	-
Others, please specify	-	-	-

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Total (1)	-	-	-
Other Non-Executive Directors	Shri Vijay Jasuja	Shri Neeraj Vyas	-
Fee for attending Board/ Committee meetings (in Rs.)	10,000	20,000	-
Commission	-	-	-
Others, please specify	-	-	-
Total (2)	-	-	-
Total (B)=(1+2)	10,000	20,000	-
Total Managerial Remuneration	-	-	-
Overall Ceiling as per the Act	*Not Applicable*		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	CS (Shri Vikas Aggarwal)	CFO (Shri Alok Kumar Jain)	Total
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	30.74	61.93	92.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1.28	2.05	3.33
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	0.00	0.00	-
2	Stock Option	-	0.00	0.00	-
3	Sweat Equity	-	0.00	0.00	-
4	Commission	-	0.00	0.00	-
	- as % of profit	-	0.00	0.00	-
	others, specify…	-	3.67	2.88	6.55

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5	Others, please specify	-	0	0	-
	Total	NIL	35.68	66.86	102.54

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

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Annex-I

TARUN SAINI & ASSOCIATES
COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

{Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Konkan LNG Private Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Konkan LNG Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not Applicable**
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **Not Applicable**
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;- **Not Applicable**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - **Not Applicable**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India- *Generally complied with.*

(ii) SEBI LODR Regulations- **Not Applicable.**

(iii) DPE Guidelines on Corporate Governance for CPSE- **Not Applicable.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, wherever applicable.

We further report that the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of convening of meeting including sending of agenda at shorter notice, consent of members present in the meeting were taken.

TARUN SAINI & ASSOCIATES NEW DELHI

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For TARUN SAINI & ASSOCIATES,
COMPANY SECRETARIES,

Place: New Delhi
Date: 16.05.2019

ACS No.: 32626
C.P No.: 11990

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Konkan LNG Private Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **TARUN SAINI & ASSOCIATES,**
COMPANY SECRETARIES,

TARUN SAINI & ASSOCIATES NEW DELHI

ACS No.: 32626
C.P No.: 11990

Place: New Delhi
Date: 16.05.2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF M/S KONKAN LNG PRIVATE LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements of **M/s. KONKAN LNG PRIVATE LIMITED. ("the company")**, which comprise the Balance Sheet as at March 31,2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 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, 2019, and its losses, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw attention to the following matter in the notes to the financial statement of the company:

a) The Canara bank, one of the lenders of the company (3.99% of outstanding as on 31.03.2019), has classified the company's account as Non-Performing Asset as on 31.03.2018 w.e.f. 01.04.2009 citing the reason of incomplete restructuring and as per RBI circular dated 12.02.2018. The said RBI circular has been held unconstitutional and ultra vires by Honourable Supreme Court by its order dated 02.04.2019. The company has been paying due interest (excluding penal interest on loan amount w.e.f. 01.01.2016 till date). It is expected that in view of Honourable Supreme court Order, Canara Bank loan may be upgraded as Standard Asset in due course. The Canara Bank account as on 31.03.2019 continues to be an NPA in their books and hence shown a recoverable of Rs. 161.24 cr. against Rs. 147.73 cr. in respect of initial loan due because

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of difference of penal interest on account of NPA. (Refer Note No. 31(11) of financial statement).

b) The Balance reconciliation with M/S Ratnagiri Gas & Power Private Limited is under process, which may have resultant effects. (Refer Note No. 30(f)).

Our opinion is not modified in respect of aforesaid matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our's auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Reports 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 Companies Act,2013 we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

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

e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial control with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The company has disclosed the impact of pending litigations on his financial position in its financial statements. (Refer note no. 31(a) to the financial statement)

   ii. The company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any. on long term contracts including derivative contracts.

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

3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure "C" (Part I & II)** on the directions and sub-directions issued by Comptroller and Auditor General of India."

For **S. BAJAJ & ASSOCIATES,**
Chartered Accountants
FRN-004649N

Place of Signature: New Delhi
Date: 11th June, 2019

(ANUJ BAJAJ)
Partner
M.No. 086937

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of M/s Konkan LNG Private Limited ("the Company") for the year ended March 31, 2019)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) In respect of its fixed assets:

(a) The company has generally maintained records showing full particulars including quantitative details and situation of Fixed Assets in broad categories to the extent of available information's.

(b) Property, plant and equipment's have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company, nature and value of its assets. No Material discrepancies were noticed on such verification.

(c) The Leasehold deed of land situated at Village Anjanwel, Guhager, Distt. Ratnagiri, Maharashtra is not held in the name of the company.

(ii) (a) Physical verification of inventory has been conducted by the management of company at reasonable intervals.

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a), iii(b) and iii(c) are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company did not grant any loans and did not provide any guarantees and securities. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of making Investments as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013, and the rules framed thereunder are not applicable.

(vi) The Company has maintained cost records as prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in accordance with size, nature and the only one segment of the business. However, we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, Goods & Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to information and explanations given to us, there are no disputed due in respect of income tax or service tax or duty of customs or duty of excise or value added tax except pending ascertainment of Custom Duty as per Note 23 of financial statement.

(viii) The Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government and dues to debenture holders except default in Canara Bank repayment of Rs 13.51 crores towards penal interest (Refer Note No. 31(11) of financial statements)

(ix) In our opinion and according to the information and explanations given to us, term loans have been applied by the company during the year for the purpose for which they were raised. (Refer Note No. 16 of financial statements) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company is not a public company. Accordingly, paragraph (xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the books and records of the company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. The company is a private company, therefore section 177 of the act is not applicable.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company. However, Equity Shares and Compulsorily Cumulative Convertible Preference Shares have been allotted to existing shareholders on rights basis.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S. BAJAJ & ASSOCIATES,**
Chartered Accountants
FRN-004649N

(ANUJ BAJAJ)
Partner
M.No. 086937

Place of Signature: New Delhi
Date: 11th June, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

1. We have audited the internal financial controls with reference to Ind AS financial statement of **M/s Konkan LNG Private Limited** ("the Company") as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed

risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statement

6. A company's internal financial with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statement

7. Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement 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

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2019, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statement issued by the Institute of Chartered Accountants of India subject to-
   (1) That there is no integration of the IT System of all the transactions of the various departments.

(2) That there is lapse on the controls of providing and recording transactions/liability timely particularly of various departments.

Other Matters

According to the information and explanations given to us and based on our audit, the company needs to further strengthen the operating effectiveness of internal control by implementing the effective Accounting Software.

For **S. BAJAJ & ASSOCIATES,**
Chartered Accountants
FRN-004649N

Place of Signature: New Delhi
Date: 11th June, 2019

(ANUJ BAJAJ)
Partner
M.No. 086937

ANNEXURE "C" PART I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the directions indicating the areas during the course of audit of annual accounts of M/s Konkan LNG Private Limited for the year 2018-19 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 ('the Act").

Directions	Reply
1) Whether the Company has system in place to process all the accounting transactions 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.	According to information and explanation given to us, there is a system in place to process all the accounting transactions through IT system. However, there is no system of integration of accounts with the transactions at various levels/departments, for which financial implications cannot be determined.
2) Whether there is any restructuring of an existing loan or cases of waiver/write off of debt/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.	According to information and explanation given to us, no restructuring of an existing loan or cases of waiver/write off of debt/loans/interest etc. made by a lender to a company except NPA treated by Canara Bank. (Refer Emphasis on Matter Paragraph)
3) Whether funds received/receivable for specific schemes from the Central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to information and explanation given to us, there is no funds received/receivable for specific schemes from central/state agencies during the year.

For **S. BAJAJ & ASSOCIATES,**
Chartered Accountants
FRN-004649N

Place of Signature: New Delhi
Date: 11th June, 2019

(ANUJ BAJAJ)
Partner
M.No. 086937

ANNEXURE "C" PART II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Compliance Certificate

We have conducted the audit of annual accounts of M/s **Konkan LNG Private Limited** for the year ended 31st March, 2019 in accordance with the directions/sub-directions issued by the CAG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/ Sub-directions issued to us.

For **S. BAJAJ & ASSOCIATES,**
Chartered Accountants
FRN-004649N

Place of Signature: New Delhi
Date: 11th June, 2019

(ANUJ BAJAJ)
Partner
M.No. 086937

KONKAN LNG PRIVATE LIMITED

ANNUAL ACCOUNTS
FOR THE YEAR 2018-19

Konkan LNG Private Limited,
GAIL Bhawan
16, Bhikaji Cama Place, R K Puram
NEW DELHI - 110 066

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

BALANCE SHEET AS AT 31st March 2019

(₹ Crore)

Particulars	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment			
Capital work-in-progress	3	1,981.86	2,025.20
Intangible assets	5	875.17	908.12
Financial Assets	4	0.02	0.00
-Loans			
Other Non Current Assets	6	0.08	0.06
Deferred tax assets (Net)	7	3.06	4.81
Subtotal (A)	36	[illegible]	652.69
		3,431.56	3,390.88
Current Assets			
Inventories			
Financial Assets	8	112.00	77.09
-Trade Receivables			
-Cash and cash equivalents	9	-	24.64
-Other bank balances	10A	7.45	100.10
-Other financial assets	10B	276.64	-
Other Current Assets	11	85.24	190.90
Subtotal (B)	12	47.02	22.83
		528.36	415.56
Total Assets (A+B)		3,959.92	4,006.44
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital			
Instruments entirely equity in nature	13	690.99	547.98
Other Equity	14	252.00	-
Total equity (C.)	15	(981.26)	(628.78)
		(38.27)	(80.80)
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings			
Other Financial Liabilities	16	3,705.18	3,699.89
Provisions	17	0.05	0.05
Subtotal (D)	18	0.12	0.06
		3,705.34	3,700.00
Current Liabilities/Provisions			
Financial Liabilities			
Trade Payable			
Advance from Customer	19	23.93	32.56
Other Financial Liabilities	20	43.32	-
Other Current Liabilities	21	142.17	258.06
Provisions	22	3.37	16.55
	23	80.06	80.07
Subtotal (E)			
Significant accounting policies		292.85	387.24
	2		
Total Equity and Liabilities (C+D+E)		3,959.92	4,006.44

The accompanying Notes No.1 to 45 form an integral part of these Ind AS financial statements.

For and on behalf of the Board of Directors

(VIKAS AGARWAL)
Company Secretary

(ALOK JAIN)
Chief Finance Officer

(PANKAJ PATEL)
Managing Director
DIN - 07178888

(Manoj Jain)
Chairman
DIN - 07556033

KONKAN LNG PRIVATE LIMITED
NOIDA

In terms of our report attached
For S Bajaj & Associates
Chartered Accountants
Firm Reg. No. 04649N

ANUJ BAJAJ
M. No. 086937
FRN 04649N

(ANUJ BAJAJ)
Partner
Membership No - 086937

Place : New Delhi
Date : 11/06/2019

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2019

(₹ Crore)

Particulars	Note	March 31, 2019	March 31, 2018
I. Revenue from Operations	24	328.49	317.10
II. Other Income	25	6.20	0.15
III Total Revenue (I+II)		334.69	317.25
Depreciation and amortization expenses	3,4	93.58	110.38
Employee benefits expenses	26	0.82	2.70
Employee Cost-Secondment		21.93	17.19
Other expenses	27	177.17	139.77
Finance Cost	28	312.71	283.96
Impairment of non-current assets	3,5	(0.35)	509.85
IV. Total Expenses		605.86	1,063.85
V. Profit before Tax (III - IV)		(271.17)	(746.60)
VI. Tax Expenses			
Current tax			
- Current Year			-
- Earlier Years			-
Deferred tax charge/ (credit)	36	81.32	(652.69)
VII. Profit for the Period (V-VI)		(352.49)	(93.91)
Other Comprehensive Income		-	-
VIII. Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gain/ (losses) of defined benefit obligations (CY: ₹ 16398)		0.00	
Income tax effect relating to these items (CY ₹ 5675)		-0.00	
IX. Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		0.00	-
Total comprehensive income (VII+ IX)		(352.49)	(93.91)
Earning per equity share (in ₹)	39		
(1) Basic		(5.02)	(104.14)
(2) Diluted		(4.44)	(1.74)

The accompanying Notes No.1 to 45 form an integral part of these Ind AS financial statements.

For and on behalf of the Board of Directors

(VIKAS AGARWAL)
Company Secretary

(ALOK JAIN)
Chief Finance Officer

(PANKAJ PATEL)
Managing Director
DIN - 07178888

(Manoj Jain)
Chairman
DIN - 07556033

KONKAN LNG PRIVATE LIMITED DELHI

In terms of our report attached
For S Bajaj & Associates
Chartered Accountants
Firm Reg. No.04649N

(ANUJ BAJAJ)
Partner
Membership No - 086937

Place : New Delhi
Date : 11/06/2019

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2019

(₹ Crore)

Particulars	March 31, 2019	March 31, 2018
Operating activities		
Profit before tax		
Adjustments to reconcile profit before tax to net cash flows:	(271.17)	(746.60)
Depreciation and ammortization of property, plant and equipment and intangible assets	93.58	110.38
Finance income (including fair value change in financial instruments)		
Rental income	(5.85)	(0.01)
Finance costs (including fair value change in financial instruments)	(0.00)	(0.02)
Impairment of assets	312.10	281.87
Cash flow from operating activities before working capital changes	0.35	509.85
Working capital adjustments:	128.31	155.47
Increase / (Decrease) in Current Liabilities:		
Trade Payables		
Other Financial Liabilities	(8.62)	25.91
Other non Financial Liabilities	(115.89)	(148.99)
Provisions	-	(8.02)
Other current liabilities	0.04	(2.99)
Contract liabilities	(13.18)	(1.74)
(Increase)/ Decrease in Current Assets:	43.32	
Inventories		
Trade Receivables	(34.91)	(24.97)
Other non current financial assets	24.64	(24.64)
Other current financial assets	(0.02)	(0.00)
Other current and non current assets	105.66	(25.50)
Cash flow from operating activities after working capital changes	(22.44)	(4.55)
Income tax (paid)/ Refund	106.90	(60.04)
Net cash flows from operating activities (A)		
	106.90	(60.04)
Investing activites		
Sale/ (Purchase) of property, plant and equipment, intangible assets(including capital work in progress)	(16.97)	(5.38)
Rental Income		
Sale/(Purchase) of investments (FDR)	0.00	0.02
Interest received (finance income)	(276.64)	36.73
Net cash flows used in investing activities (B)	5.85	0.01
	(287.76)	31.38
Financing activities		
Interest paid		
Proceeds from long term borrowings	(312.10)	(281.87)
Proceeds from issue of equity shares	5.29	389.82
Proceeds from issue of compulsarily convertible preference shares	143.01	
Net cash flows from/(used in) financing activities (C)	252.00	
	88.20	107.95
Net increase in cash and cash equivalents (A+B+C)		
Cash and cash equivalents at the beginning of the year	[illegible]2.66	79.11
Cash and cash equivalents at year end	100.10	20.79
	7.45	100.10

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

	March 31, 2019	March 31, 2018
Balances with banks:		
- Current accounts		
Cash on hand	7.45	100.10
	-	
Balances per statement of cash flows		
	7.45	100.10

The accompanying Notes No.1 to 45 form an integral part of these Ind AS financial statements.

For and on behalf of the Board of Directors

(VIKAS AGARWAL)
Company Secretary

(ALOK JAIN)
Chief Finance Officer

(PANKAJ PATEL)
Managing Director
DIN - 07178888

(Manoj Jain)
Chairman
DIN - 07556033

KONKAN LNG PRIVATE LIMITED
DELHI

In terms of our report attached
For S Bajaj & Associates
Chartered Accountants
Firm Reg. No.04649N

(ANUJ BAJAJ)
Partner
Membership No - 086937

Place : New Delhi
Date : 11/06/2019

Konkan LNG Private Limited
STATEMENT OF CHANGES IN EQUITY
As at 31st March 2019

(a) Equity Share Capital

Particulars	Number (In crores)	(₹ Crore) Amount
As at 1 April 2017	0.00	0.01
Issue of share capital* (Equity shares of Rs. 10 each issued, subscribed and fully paid)	54.80	547.97
As at 31 March 2018	54.80	547.98
Issue of share capital (Equity shares of Rs. 10/- each issued, subscribed and Rs. 5.5 paid up)	26.00	143.01
As at 31 March 2019	80.80	690.99

* Pursuant to scheme of demerger applicable w.e.f January 1, 2016, the Company had issued 54,79,70,000 equity shares of par value of ₹ 10/- each on March 26, 2018.

(b) Instruments entirely equity in nature

Particulars	Number (In crores)	(₹ Crore) Amount
10% Compulsorily Cumulative Convertible Preference Shares		
As at 1 April 2018	-	-
Issue of 10% Compulsorily Cumulative Convertible Preference Shares (CCCPS)	25.20	252.00
As at 31 March 2019	25.20	252.00

(c) Other Equity

Particulars	Retained earnings	(₹ Crore) Total
As at 1 April 2017	(534.87)	(534.87)
Profit for the period	(93.91)	(93.91)
As at 31 March 2018	(628.77)	(628.78)
Profit for the period	(352.49)	(352.49)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.00	-
As at 31 March 2019	(981.26)	(981.27)

The accompanying Notes No.1 to 45 form an integral part of these Ind AS financial statements.

For and on behalf of the Board of Directors

(VIKAS AGARWAL)
Company Secretary

(ALOK JAIN)
Chief Finance Officer

(PANKAJ PATEL)
Managing Director
DIN - 07178888

(Manoj Jain)
Chairman
DIN - 07556033

KONKAN LNG PRIVATE LIMITED DELHI

In terms of our report attached
For S Bajaj & Associates
Chartered Accountants
Firm Reg. No.04649N

S. BAJAJ & ASSOCIATES NEW DELHI

(ANUJ BAJAJ)
Partner
Membership No - 086937

ANUJ BAJAJ
M.No.:086937
FRN:04649N

Place : New Delhi
Date : 11/06/2019

KONKAN LNG PRIVATE LIMITED

Notes Forming part of Financial Statements

Note 1. Company Information

Reporting entity

Konkan LNG Private Limited ("the Company"), having CIN number U11100DL2015PTC288147, was incorporated on 4th December 2015 for taking over the R-LNG business under the demerger scheme of Ratnagiri Gas and Power Private Ltd u/s 230 - 232 of the Companies Act, 2013 with appointed date of 1st January, 2016. The scheme of demerger was approved by NCLAT on 28 February 2018 and became effective on 26 March 2018 i.e. the date on which the same was filed with Ministry of Corporate Affairs. The address of the Company's registered office is 16, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

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

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 were authorized for issue by Board of Directors on June 11 2019.

2. Basis of measurement

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

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest crore (upto 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 realisation 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.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 01.01.2016, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

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.

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.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of generating unit is capitalized, 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 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. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

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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 recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

a) Kutcha roads	2 years
b) Enabling works	
- Residential buildings	15 years
- Internal electrification of residential buildings	10 years
- Non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
c) Personal computers & laptops including peripherals	3 years
d) Photocopiers, fax machines, water coolers and refrigerators	5 years
e) Temporary erections including wooden structures	1 year
f) Telephone exchange	15 years
g) Wireless systems, VSAT equipment, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipment	6 years

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.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

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

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

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

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 method over the period of legal right to use or life of the related plant, whichever is less.

d. 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.

4. 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.

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5. **The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on 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.

6. 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.

7. Foreign currency transactions and translation

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

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

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

8. 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 recognised. 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 recognised at the date of initial application (i.e. April 1, 2018).

Revenue is recognised 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

Scrap other than steel scrap is accounted for as and when sold.

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.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

9. Employee benefits

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 Organisation.

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 organisation 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 organisation.

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 on the basis of debits raised by such organization and is recognised in the statements of Profit and Loss.

10. 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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11. 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.

12. Leases

a. As lessee

- **Accounting for finance leases**

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

- **Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

b. As lessor

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

- **Accounting for finance leases**

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as finance lease receivables, at the amount of the net investment in the lease.

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13. 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 pre-tax 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.

14. 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.

15. 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

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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.

16. 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.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

17. Cash flow statement

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

18. 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

Initial recognition and measurement

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

Subsequent measurement

- **Equity investments**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost.

Derecognition

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

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

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• 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) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables under Ind AS 18.

(e) Loan commitments which are not measured as at FVTPL.

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

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

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

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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.

Derivative financial instruments

Initial recognition and subsequent measurement.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. 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.

B. Use of estimates and management judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 recognised in the financial statements is as under:

1. 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.

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

2. 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

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changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

3. Post-employment 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.

4. 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.

5. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.

6. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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. Income taxes

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

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Konkan LNG Private Limited

Notes forming part of Financial Statements

Note 3 - Property, plant and equipment

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss As on 31.03.19	Impairment Loss As on 31.03.18	NET BLOCK	
	01.04.2018	Addition	Ded./Adj.	31.03.2019	01.04.2018	Addition	Ded./Adj.	31.03.2019			As on 31.03.2019	As on 31.03.2018
TANGIBLE ASSETS												
Land : (including development expenses)												
Leasehold	1.75	-		1.75	0.02	0.02		0.05	-	-	1.70	1.73
Roads, bridges, culverts & helipads	0.07	-		0.07	0.06	-		0.06	-	-	0.00	0.00
Plant and machinery (including [illegible])	3,151.89	48.64	0.08	3,200.45	606.66	93.23	0.08	699.81	522.17	522.17	1,978.47	2,023.06
Furniture & Fixtures	-	0.31	-	0.31	-	0.01		0.03	-		0.29	-
Vehicles including speedboats		-		-		0.00		-	-	-	-	-
Office equipment	0.30	0.14	0.03	0.41	0.12	0.07	0.03	0.17	0.03	0.03	0.21	0.14
EDP, WP machines and satcom equipment	0.49	1.15	0.04	1.60	0.23	0.22	0.04	0.41	0.04	0.04	1.15	0.22
Communication Equipments	0.09	-	0.02	0.08	0.03	0.02	0.02	0.03	0.01	0.01	0.04	0.05
Total	3,154.59	50.24	0.17	3,204.67	607.12	93.57	0.18	700.54	522.25	522.25	1,981.88	2,025.20

During FY 2017-18, Leasehold land value of ₹ 1.75 crores has been transferred to Konkan LNG Private Limited. However, application of transfer of land in the name of Konkan LNG Private Limited is pending for approval with Maharashtra Industrial Development Corporation.

Carrying amount of tangible assets are hypothecated as security for borrowings. (Refer Note 16)

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss As on 31.03.19	Impairment Loss As on 31.03.18	NET BLOCK	
	01.04.2018	Addition	Ded./Adj.	31.03.2019	01.04.2018	Addition	Ded./Adj.	31.03.2019			As on 31.03.2019	As on 31.03.2018
INTANGIBLE ASSETS												
Right of Use Land - Others												
Software	0.01	0.03	-	0.04	0.01	0.01	-	0.02	-	-	0.02	0.00
Total	0.01	0.03	-	0.04	0.01	0.01	-	0.02	-	-	0.02	0.00

Carrying amount of intangible assets are hypothecated as security for borrowings. (Refer Note 16)

Note 5 - Capital work-in-progress

(₹ Crore)

Particulars	Gross CWIP				Impairment Loss				Net CWIP	
	As at 01.04.2018	Additions	Deductions/ Adjustments#	As at 31.03.2019	As at 01.04.2018	Additions	Deductions/ Adjustments#	As at 01.04.2019	As at 31.03.2018	As at 31.03.2019
Plant and equipment - Owned	1,139.52	17.69	51.22	1,105.99	231.40	-	0.35	231.05	908.12	874.94
Intangible Assets	-	0.23		0.23	-	-	-		-	0.23
Total	1,139.52	17.92	51.22	1,106.22	231.40	-	0.35	231.05	908.12	875.17

Carrying amount of Capital Work-in-progress are hypothecated as security for borrowings. (Refer Note 16)

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Note 6 - Non Current Financial Assets - Loans

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Loan to employees#		
- Secured	0.03	0.05
- Unsecured, Considered good	0.04	0.01
Interest Accrued on Loan to Employees	0.02	-
Total	0.08	0.06

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

Note 7 - Other Non - Current Assets

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Capital advances:		
Secured	-	1.75
MAT Credit Entitlement	3.06	3.06
Total	3.06	4.81

Note 8 - Inventories

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Stores and spares	14.58	12.51
LNG Stock	97.42	64.58
Total	112.00	77.09

Carrying amount of inventories are hypothecated as security for borrowings. (Refer Note 16)

Note 9- Trade receivables

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Trade receivables (Considered good, unless otherwise stated)	-	24.64
Total	-	24.64

Carrying amount of trade receivables are hypothecated as security for borrowings. (Refer Note 16)

Note 10 - Cash and Bank balances

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
A. Cash & cash equivalents:		
Balances with banks:		
- Current accounts	7.45	100.10
Cash in hand	-	-
(A)	7.45	100.10

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B. Other bank balances

Term deposits:

Deposits with original maturity of more than 3 months but less than 12 months *	276.64	-
(B)	276.64	-
Total (A+B)	284.09	100.10

* It includes deposits of ₹ 1.76 cr having lien against Letter of credit and Bank Guarantee

Note 11 - Current Financial Asset

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Unbilled revenue	-	31.27
Other loans:		
Security deposits		
- Unsecured, Considered Good	0.02	0.03
Interest accrued on term deposits	1.24	-
Loan to employees		
- Secured (₹ 49992)	0.00	-
- Unsecured, Considered good	0.02	-
Other Advances(₹ 20,000)	0.00	-
Receivable from RGPPL	38.05	159.59
Balance with Term deposits exceeding 12 months	45.90	-
Total	85.24	190.90

* Loans given to employees have been recognised at book value in view of insignificant amount

Note 12 - Other non financial current assets

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Advances to contractors and suppliers (Unsecured)	0.16	0.02
Capital advances:		
Unsecured	4.81	-
Other advances		
Unsecured	10.83	15.73
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
GST Receivable	17.80	1.37
TDS Recoverable	8.47	0.54
Claims recoverables:		
Unsecured considered good	-	0.11
Prepaid expenses and others	4.95	5.06
Total	47.02	22.83

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Konkan LNG Private Limited
Notes to Financial Statements as at March 31, 2019

Note 13 - Equity share capital

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Share capital		
Authorised		
350,00,00,000 equity shares of par value of ₹ 10/- each	3,500.00	5,000.00
(Previous year 500,00,00,000 Equity shares of ₹ 10 each)		
150,00,00,000 Preference shares of par value of ₹ 10/- each (Previous year Nil)	1,500.00	-
	5,000.00	5,000.00
Issued, subscribed and fully paid up 54,79,80,000 shares of par value of ₹ 10/- each (Previous year 54,79,80,000 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 (Previous year Nil)	143.01	-
Total	690.99	547.98

(a) Movements in equity share capital

(In Crores)

	As at March 31, 2019		As at March 31, 2018	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	54.80	547.98	0.00	0.01
Add: Issued during the year	26.00	143.01	54.80	547.97
At the end of the year	80.80	690.99	54.80	547.98

(b) Terms and Rights attached to Equity Share;

The company has only one class of Equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 number of the Equity shares held by the shareholders.

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

	As at March 31, 2019		As at March 31, 2018	
Equity Shares	No of Shares (In Cr)	Percentage	No of Shares (In Cr)	Percentage
GAIL (India) Limited	39.98	49.48%	13.98	25.51%
NTPC Limited	13.98	17.30%	13.98	25.51%
MSEB Holding Company Limited	7.41	9.17%	7.40	13.51%
IDBI Bank Limited	6.91	8.55%	6.91	12.61%
State Bank of India	5.50	6.81%	5.50	10.03%
ICICI Bank Limited	4.88	6.04%	4.88	8.91%

As per paid-up equity share capital, GAIL is holding 40.92%, NTPC 20.23%, MSEB 10.72%, IDBI 10.00%, SBI 7.96% and ICICI 7.06%.

Note 14 - Instruments entirely equity in nature

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Compulsarily Convertible Preference shares#		
As per last Financial Statements	-	-
Add: Alloted during the year	252.00	-
Sub-total (b)	252.00	-

(a) Movements in Preference share capital

(In Crores)

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	-	-	-	-
Add: Issued during the year	25.20	252.00	-	-
At the end of the year	25.20	252.00	-	-

(b) Terms and Rights attached to Preference Share;

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

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

	As at March 31, 2019		As at March 31, 2018	
Equity Shares	**No of Shares**	**Percentage**	**No of Shares**	**Percentage**
GAIL (India) Limited	25.20	100.00%	-	0.00%

Note 15 - Other equity

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Share capital pending allotment*			
As per last Financial Statements		-	547.97
Less: Alloted during the year		-	547.97
Sub-total (a)		-	-
Retained earnings			
As per last Financial Statements		(628.77)	(534.87)
Profit / (loss) for the year / period		(352.49)	(93.91)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	(CY: Rs. 10723)	0.00	-
Sub-total (b)		**(981.26)**	**(628.77)**
Total(a+b)		**(981.26)**	**(628.78)**

*Pursuant to demerger scheme as explained in Note No. 44 , the sum of ₹ 547.97 crores has been allotted to existing shareholders of demerged company on 26th March 2018 i.e. after the effective date of demerger. The said amount has been shown as share capital pending allotment till 25th March 2018. The details of shares allotted is as follows:

Details of Shareholding

Particulars	**% of Holding**	**Number of Shares (In Crores)**
GAIL (India) Limited	25.51%	13.98
NTPC Limited	25.51%	13.98
MSEB Holding Company Limited	13.51%	7.40
IDBI Bank Limited	12.61%	6.91
State Bank of India	10.03%	5.50
ICICI Bank Limited	8.91%	4.88
Canara Bank	2.15%	1.18
IFCI Limited	1.77%	0.97

Note 16 - Borrowings

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Non current borrowings			
Term loans - Secured			
From Banks (Rupee Term Loan):			
IDBI Bank Limited		1,028.13	1,028.13
ICICI Bank Limited		682.30	682.30
State Bank of India		794.34	789.04
Canara Bank*		147.73	147.73
	(A)	**2,652.50**	**2,647.20**

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From Others (Rupee Term Loan):		
Power Finance Corporation Limited	76.00	76.00
IFCI Limited	206.70	206.70
Gas & Power Investment Company Limited (GPICL)	769.98	769.98
(B)	1,052.68	1,052.69
Total (A+B)	3,705.18	3,699.89

The term loan are extended to company by lenders under consortium. The term loans from banks/financial institutions and others are secured by equitable mortgage/hypothecation of all present and future fixed and movable assets of LNG facilities at village Anjanwel, Guhagar, District Ratnagiri. Out of ` 3705.18 cr, an amount of ` 3310.07 cr (Rupee Term Loan-I) were transfered from M/s Ratnagiri Gas Power Private Ltd(Demergered Company)pursuant to Demerger Scheme as approved by National Company Law Appeallete Tribunal and business plan of demerged company as on appointed date of 1st January 2016 (Refer Note No. 44). ₹ 395.11 cr has been disbursed by lenders as additional loan (Rupee Term Loan-II) till 31.03.2019, the details of which are as follows:

- During FY 2017-18 : ₹ 389.82 Cr
- During FY 2018-19 : ₹ 5.30 Cr

The Term Loans are extended to Company by Lenders under constortium. The loans are repayable as per details given below:
i) Rupee Term Loan-I are repayable in 50 structured Quarterly installments starting from quarter ending 31st March 2021.
ii) Rupee Term Loan-II are repayable in 40 structured Quarterly installments starting from quarter ending 30th June 2024.

Term Loans of IDBI Bank Limited (8.55%), ICICI Bank Limited (8.30 %), State Bank of India (8.15%) and Canara Bank (8.40%) carrying interest at their respective MCLR.
Term Loans of IFCI Limited, Power Finance Corporation Limited and GPICL carrying interest at IDBI MCLR @ 8.55%.
For Rupee term Loan-II from State Bank of India, Rate of Intetest has been changed to 8.55% p.a. in terms of loan agreement w.e.f 28.03.2019.

The interest rate on Term Loans are subject to change to 1 year SBI MCLR Rate on approval by the Reserve Bank of India.

* The Canara bank, one of the lenders of the company (3.99% of outstanding as on 31.03.2019), has classified the company's account as Non Performing Asset (NPA) as on 31.03.2018 w.e.f. 01.04.2009 citing the reason of incomplete restructuring and as per RBI circular dated 12.02.2018. The said RBI circular has been held unconstitutional and ultra vires by Hon'ble Supreme court vide its order dated 02.04.2019. The company has been paying due interest (excluding penal interest) on loan amount w.e.f. 01.01.2016 till date. It is expected that in view of Hon'ble Supreme Court Order, Canara Bank Loan may be upgraded as Standard asset in due course. The Canara Bank account as 31.03.2019 continues to be NPA in their books and has shown a recoverable of ₹ 161.24 cr against ₹ 147.73 cr in respect of inital loan due because of difference of penal interest on account of NPA.

Note 17 - Other Non Current Financial Liabilities (₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Payable for capital expenditure	0.05	0.05
Total	0.05	0.05

Note 18 - Long term provisions (₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
As per Last Balance Sheet	0.06	0.06
Add: Additions/Adjustments during the year	0.06	-
Less: Amount paid during the year	-	-
	0.12	0.06
Provision for others (Minimum Alternate Tax)		
As per Last Balance Sheet	-	3.06
Add: Additions/Adjustments during the year	-	-
Less: Amount paid/Adjustments during the year	-	3.06
(B)	-	-
Total	0.12	0.06

Note 19 - Trade Payables

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Dues of micro enterprises and small enterprises*	1.30	-
- Dues of creditors other than micro enterprises and small enterprises	16.80	12.46
Trade payables to related parties	5.83	20.10
Total	23.93	32.56

* Previous year figure has been shown as nil. The Company has not received any information from suppliers about their status under Micro, Small and Medium Enterprises Development Act, 2006 till 31.03.2018.

Note 20 - Advance from Customer

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
GAIL (India) Limited	43.32	-
Total	43.32	-

Note 21 - Other financial liabilities

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Deposits/Retention Money from Customers/contractors/others	7.53	8.36
Interest accrued and due on borrowings	115.38	227.42
Payable for capital expenditure		
-Payable to Related parties	10.76	17.58
-Payable to Others	6.18	4.58
Expenses payable and other liabilities	2.32	0.12
Total	142.17	258.06

Note 22 - Other current liabilities

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Tax deducted at source and other statutory dues	3.37	16.55
Total	3.37	16.55

Note 23 - Current provisions

(₹ Crore)

	As at March 31, 2019	As at March 31, 2018
Provision for custom duty*	80.00	80.00
Provision for audit fees	0.06	0.07
Total	80.06	80.07

* - 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.

Konkan LNG Private Limited
Notes to Financial Statements for the year ended March 31, 2019

Note 24- Revenue from Operations

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Regasification charges		328.49	317.10
	Total	328.49	317.10

Note 25- Other Income

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Interest income from:			
- Loan to employees (CY-Rs. 24660)		0.00	0.01
- Term deposit - Banks		5.83	-
- Contractors		0.04	-
Other non-operating income			
Sale of scrap		0.01	0.09
Rent (CY-Rs. 24846)		0.00	0.02
Recoveries from contractors & Others		0.30	0.03
	Total	6.20	0.15

Note : 26- Employee Benefit expense

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Salaries and wages		0.62	1.89
Contribution to provident and other funds		0.04	0.15
Staff welfare expenses		0.16	0.66
	Total	0.82	2.70

In respect to disclosure of employee benefits as per Ind AS-19, refer Note No. 41. The FY 18-19 cost is towards 3 employees on actual basis transferred from RGPPL to KLPL pursuant to demerger effective from 26.03.2018. Upto FY 2017-18 cost was allocated by RGPPL to LNG division out of its entire employee cost.

Note : 27 Other Expenses

(₹ Crore)

		As at March 31, 2019	As at March 31, 2018
Administration & Other Expenses:			
Power charges		[illegible]	15.78
Consumption of Stores		[illegible]	0.17
Repairs & maintenance:			
-Buildings		0.62	0.31
-Plant & machinery		81.50	57.67
-Others		0.27	0.07
Common Sharing Expenses (with RGPPL)		9.97	0.19
Insurance		12.05	11.73
Rent, Rates and taxes		23.48	37.03
Water cess & environment protection cess		0.21	0.07
Training & recruitment expenses		-	0.01
Communication expenses		0.11	0.17
Travelling expenses		0.60	0.38
Audit Expenses		0.14	0.08
Advertisement and publicity		0.11	0.18
Security expenses		[illegible]	7.94
Entertainment expenses		[illegible]	[illegible]
Expenses for guest house		-	[illegible]
Less : Recoveries		-	(0.02)
Education expenses		-	0.08
Community development and welfare (CSR) expenses		-	[illegible]
Books and periodicals(PY: ₹ 6552)		[illegible]	[illegible]
Professional charges and consultancy fees		[illegible]	[illegible]
Legal expenses		[illegible]	[illegible]
EDP hire and other charges		[illegible]	[illegible]
Printing and stationery		[illegible]	[illegible]
Hiring of vehicles		[illegible]	[illegible]
Bank charges		[illegible]	[illegible]
Net loss in foreign currency transactions & translations		0.14	[illegible]
Director's Sitting Fees (CY: ₹ 30000)		0.00	-
Loss on written off of assets/CWIP (net)		1.59	
Miscellaneous expenses		[illegible]	[illegible]
Brokerage & Commission		-	[illegible]
	Total	172.17	139.77

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KONKAN LNG PRIVATE LIMITED

Statutory Audit Expenses

(₹)

Particulars	March 31, 2019	March 31, 2018
As auditors (Inclusive of Service Tax)		
Statutory Audit Fee	4,25,000	4,25,000
Tax Audit fee	1,25,000	3,75,000
Out of Pocket Expenses	2,28,768	-
Total	7,78,768	8,00,000

Note : 28 Finance Costs

(₹ Crore)

	As at March 31, 2018	As at March 31, 2018
Interest on rupee term loans	312.10	281.87
Others*	0.61	2.09
Total	**312.71**	**283.96**

* This includes payment of professional charges for valuation of company required by lenders amounting to ₹ 0.32 crores The same has been charged to revenue in the year in which they have been incurred, amount being insignificant.

29 Amount in the Financial Statements are presented in ₹ crore (upto two decimals) except for per share data and as otherwise stated. Previous year figures have been regrouped /rearranged wherever considered necessary.

30 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 from banks & financial institutions except in case of Gas & Power Investment Company Limited (GPICL). 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) In the opinion of the management, the value of assets, other than fixed assets , on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

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

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

e) The company is purchasing power from RGPPL. The Power Purchase Agreement (PPA) between RGPPL & KLPL is under finalisation, however, company has provided liability on the basis of Provisional Invoices issued by RGPPL.

f) The Balance reconciliation with RGPPL is under process. There is an un-reconciled amount which may have resultant effect.

31 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Contingent Liabilities

1 WPJV, an EPC contractor for phase 2 non-marine works of LNG Terminal, has claimed the amount of ₹ 796 crore, alongwith interest @ 18%, mainly related to delay and extra works of LNG Terminal and has invoked the arbitration as per the terms of the contract and in line with the judgement of the single judge of the High Court. The company has disputed the above claims and submitted its counter claim of ₹ 623.57 crore alongwith 18% interest towards various delays and defects in the execution by WPJV.

Company has entered into settlement agreement dated 14.09.2018 with WPJV under the aegis of Delhi High Court Mediation Centre with the following salient features:

A. WPJV will commision Tank-200 for a settlement amount of Rs. 25 Crores. Advance payment of Rs. 4.81 crores made during the year. WPJV is carrying out the job of commissioning of Tank-200 in terms of settlement agreement and same is in progress. Further an advance payment of Rs 1.87 cr will alos be made during FY 2019-20.

B. In case Tank-200 is successfully commissioned in terms of said agreement dated 14.09.2018, neither WPJV nor the company will have any further claim pending against each other.

C. In case of failure in commissioning of Tank-200 by WPJV in terms of said agreement dated 14.09.2018, the WPJV and the Company will be at liberty to pursue their earlier claims and counter claims against each other.

2 Maharashtra Maritime Board (MMB) has 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 interst thereon. Based on companys' request, MMB has declined the waiver of demand during the FY 2018-19. Thus company has provided the lease rent payable of ₹ 14.35 crores during FY 2017-18 only and requested MMB for waiver of interest. MMB have approved the interest waiver request and the same has been sent to Govt. of Maharshtra for their consent, which is yet to be received.

3 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 company has 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 KLPL for the water supplied to LNG Terminal. The amount pertaining to KLPL is not ascertainable at this stage.

4 DPC had left approximately 6,600 acropodes in the land of M/s Damaji Vaidya. The said acropodes (referred as cement block) were transferred to RGPPL vide the High Court order while transferring the total asset of RGPPL. M/s Damaji Vaidya had claimed the possession of acropodes as per the lease agreement signed between DPC and M/s Damaji Vaidya in the local court of Ratnagiri. However, in Aug-2014, the local court had rejected M/s Damaji Vaidya's appeal. Against the local court order. M/s Damaji had filed appeal at Mumbai High Court for possession of the said acropodes. The appeal was admitted in the court in august 2017 but no further hearing date is announced. RGPPL had filed rejoinder and reply to the high court to the appeal made by M/s Damaji Vaidya. The acropodes are part of CWIP for which valuation is not ascertainable. Later on M/s Bharti Shipyard had purchased the land from M/s Damaji Vaidya and now claimed rents from 2007-2017. The total claim by Bharti Shipyard (now Bharti Defence and Infrastructure Ltd) is Rs. 1.79 Cr for the period from 2007 to 2017 and the same has been contested by the company.

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

6 RGPPL has raised invoices amounting to Rs 14.47 cr on account of Power charges for the period 01.04.2017 to 26.03.2018 and demerger expenses. These invoices are not tenable in terms of demerger scheme. Hence these invoices has been returned in original to RGPPL.

7 An amount of ₹ 8.83 cr has been shown as recoverable from IDBI on account of additional interest charged by IDBI for the period from 01.01.2016 to 31.03.2018. Company has not accepted the same and requested IDBI for the waiver of same. IDBI has agreed in principle, however formal approval by IDBI is yet to obtained and reversal at their end.

8 An amount of ₹ 0.65 cr has been shown as recoverable from ICICI on account of additional interest charged by ICICI for the period from 01.01.2016 to 31.03.2018. Company has not accepted the same and has requested ICICI for the waiver of same. ICICI has agreed in principle, however formal approval by ICICI is yet to obtained and reversal at their end.

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

10 Letter of credit amounting to Euro 33,600 equivalent to ₹ 0.26 cr is outstanding as on 31.03.2019

11 The Canara bank, one of the lenders of the company (3.99% of outstanding as on 31.03.2019), has classified the company's account as Non Performing Asset (NPA) as on 31.03.2018 w.e.f. 01.04.2009 citing the reason of incomplete restructuring and as per RBI circular dated 12.02.2018. The said RBI circular has been held unconstitutional and ultra vires by Hon'ble Supreme court vide its order dated 02.04.2019. The company has been paying due interest (excluding penal interest) on loan amount w.e.f. 01.01.2016 till date. It is expected that in view of Hon'ble Supreme Court Order, Canara Bank Loan may be upgraded as Standard asset in due course. The Canara Bank account as 31.03.2019 continues to be NPA in their books and has shown a recoverable of ₹ 161.24 cr against ₹ 147.73 cr in respect of inital loan due because of difference of penal interest on account of NPA.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ 65.39 crores (Previous Year ₹ 25.00 crores).

(c) Contingent Assets

1 Company has entered Regasification Agreement on 13.03.2019 with GAIL (India) Ltd., effective from 01.04.2018. In terms of the said agreement the company has rasied demand for "USE or PAY charges" amounting to Rs 13.39 cr equivalent to 75% of the regasification charges for the Use-or-Pay Deficiency. However, on payment of USE or PAY charges by GAIL, they will have right to make-up the deficient quantity during next five years.

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

32 Disclosure as per Ind AS - 24 on 'Related Party Disclosures'

a) List of Related parties:

i) Key Management Personnel (KMP):

Shri Manoj Jain	Chairman (w.e.f. 23.04.2018)
Shri Pankaj Patel	Chairman (upto 22.04.2018)
Shri Pankaj Patel	Managing Director (w.e.f. 23.04.2018)
Shri Bipin Shrimali	Non- Executive Director (w.e.f. 15.05.2018)
Shri A K Garg	Non- Executive Director (w.e.f. 18.06.2018)
Shri Praveen Saxena	Non- Executive Director (w.e.f. 23.04.2018)
Shri Aloke Sengupta	Non- Executive Director (w.e.f. 23.04.2018)
Shri Neeraj Vyas	Non- Executive Director (w.e.f. 19.09.2018)
Shri Vijay Jasuja	Non- Executive Director (w.e.f. 04.05.2018 till 17.09.2018)
Shri Alok Kumar Jain	Chief Finance officer (w.e.f. 23.04.2018)
Shri Vikas Aggarwal	Company Secretary (w.e.f. 23.04.2018)

ii) Entity having the joint control over the entity:

GAIL (India) Limited
NTPC Limited

iii) Entity having the same control as of the entity:

Ratnagiri Gas And Power Private Limited

iv) Others

Utility Powertech Limited

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b) **Transactions with related parties are as follows:**

(i) Remuneration to the key management personnel is ₹ 1.91 cr. (Previous Year ₹ 0.57 cr) and amount of dues outstanding to the company as on 31st March 2019 are ₹ 0.01 cr (Previous Year - Nil)

Remuneration to key management personnel	Current Year	Previous Year
		₹ in Crore
Shri Pankaj Patel*	0.70	0.57
Shri Alok Kumar Jain*	0.67	Nil
Shri Vikas Aggarwal*	0.36	Nil
Shri Neeraj Vyas (Director Sitting Fees and other reimbursement ₹ 22,433)	0.00	Nil
Shri Vijay Jasuja (₹ 10,000)	0.00	Nil

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

ii)Shareholding with Key Management Personnel

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

iii)Transactions with others:

Name of the company / Person	**Nature of transaction**	**Current Year**	**Previous Year**
			₹ in Crore
GAIL (India)Limited	Salary and other benefits of employees on secondment	21.93	17.19
	Owners Engineer	9.37	0.50
	Purchase of power	0.07	-
	Lease Rent	0.42	
	Revenue from regasification*	328.49	317.10
Ratnagiri Gas and Power Private Limited	Purchase of power	32.11	15.78
	CSA & others	22.16	-
	Interest paid (PY. 23,753)	-	0.00
Utility Powertech Limited (UPL)	CSR Expenses	-	0.02
	Contract for works/services received by the	1.74	3.79

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

c) **Outstanding balances with related parties are as follows:**

Particulars	**Current Year**	**Previous Year**
		₹ in Crore
Amount recoverable other than loans		
- From Ratnagiri Gas and Power Private Limited	38.05	160.50
- From GAIL (India) Limited	-	56.46
Amount payable other than loans		
- To GAIL (India) Limited	16.04	23.42
- To GAIL (India) Limited (Advance from Customer)	43.32	-
- To Utility Powertech Limited	0.55	0.70
- To Ratnagiri Gas and Power Private Limited	-	0.88
Amount payable as loan		
- To Ratnagiri Gas and Power Private Limited	-	0.04

d) **Terms and conditions of the transactions with the related parties:**

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

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

iii) GAIL (India) Limited is seconding its presonnel to the Company and charging 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, 2019 and March 31, 2018, 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.

33 Disclosure as per Ind AS - 108 on 'Operating Segments'

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. 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".

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34 Disclosure as per Ind AS - 17 on 'Leases'

Operating leases

The Company's does not have significant leasing arrangements

35 Information in respect of Micro, Small and Medium Enterprises as at 31st March 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006

In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006. As per practice, the payment to all suppliers has been made within the time specified in the act of receipt of valid invoice. The amount remaining unpaid to all suppliers/contractors as at the end of the financial year is ₹ 1.30 crore. No interest for delay was paid or payable under the Act.

36 Disclosure as per Ind AS - 12 on 'Income taxes'

(₹ Crore)

Deferred tax assets (net)	As at March 31, 2019	As at March 31, 2018
Opening balance of deferred tax (liabilities) / assets (net)	652.69	-
Tax effect of items constituting deferred tax (liabilities)/ assets		
Tax effect on difference between book balance and tax balance of PPE	(45.90)	(214.82)
Tax effect on disallowances of provision of employee benefits and provision for doubtful advances	27.98	0.98
Tax effect on brought forward losses	(143.45)	295.52
Tax effect on accumulated unabsorbed depreciation	80.05	571.02
Closing balance of deferred tax (liabilities) / assets (net)	**571.37**	**652.69**

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

The management of the company evaluated that there is no requirement of further impairment to be provided in terms of IND AS 36 being there is no significant change in current year compared to previous years.

The Company has carried out the impairment study of its assets during FY 2017-18 through an independent expert after considering the demerger scheme approved by Hon'ble National Company Law Apellate Tribunal ("NCLAT"), New Delhi Bench vide its order dated February 28, 2018, whereby the LNG undertaking of the Ratanagiri Gas and Power Private Limited("transferor company") has been demerged and transferred to Konkan LNG Private Ltd. ("transferee company") on going concern basis with effect from January 1, 2016, being the appointed date.

Based on the impairment study, the Company provided Impairment Loss of ₹ 509.85 crore in FY 2017-18 and Rs. 243.80 Cr in FY 2016-17 in the books of accounts of the Company. The Company has adopted Discounted Cash Flow Income approach for impairment study. During the year, an amount of Rs. 0.35 cr has been reversed due to writing off the loss incurred as well as transfer of capital stock to inventory on account of settlement with M/s Savair Energy Limited

The post tax discount rates used for the future cash flows are in the range of 10 per cent to 11.2 per cent. The differential discount rate is based on the effective tax rates likely to be applicable during the forecast years.

Salvage value of fixed assets and release of net working capital at the end of explicit period has been added to the present value of free cash flows to arrive at the enterprise value.

38 Going Concern

Management has prepared and presented financial statements of the company on a going concern basis in view of the following mitigating factors:

a. The support being extended by the promoters and lenders of the company would continue. Business plan prepared by SBI Cap iter-alia includes investment plan of ₹ 2557.98 crores to be funded in debt to equit in 1:1 ratio. Lenders and promoters have started infusing the loan/equity. As per Business plan, both lenders has provided additional loan of Rs. 395.11 cr and Promotors has infused additional capital of Rs. 395.01 cr till 31.03.2019

b. The tendering for completion of Breakwater works is in progress and completion of breakwater is expected to be completed by 31.03.2022 to enhance the capacity.

39 Earnings per share

Basic

	31 March 2019	31 March 2018
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(352.49)	(93.91)
Weighted average number of equity shares in calculating basic EPS (crore)	70.26	0.90
Basic earnings (loss) per equity share (₹)	(5.02)	(104.14)

Diluted

	31 March 2019	31 March 2018
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(352.49)	(93.91)
Weighted average number of equity shares in calculating diluted EPS (crores)	79.30	53.90
Total no. of shares outstanding (including dilution) (crores)	106.00	53.90
Diluted earnings (loss) per equity share (₹)	(4.44)	(1.74)

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40 A) Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.
The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

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

The entire long term borrowings as at March 31, 2019 and March 31, 2018 is floating interest being reset annually; hence company is exposed to interest rate risk at present.

(b) Foreign currency risk

The Company does not face significant exposure in currency other than INR.

2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

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

As at 31 March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	₹ Crore Total
Borrowings Principal	-	-	-	148.95	3,556.22	3,705.18
Borrowings Interest Overdue	115.38	-	-	-	-	115.38
Expenses Payables	2.32	-	-	-	-	2.32
Payable for Capital Expenditure	16.94	-	0.00	-	-	16.94
Advance from Customers	43.32	-	-	-	-	43.32
Deposits from Customers/Contracotrs/suppliers	0.13	0.09	7.31	-	-	7.53
Trade payables	23.93	-	-	-	-	23.93
Total	202.02	0.09	7.31	148.95	3,556.22	3,914.59

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	₹ Crore Total
Borrowings Principal	-	-	-	57.93	3,641.96	3,699.89
Borrowings Interest Overdue	227.42	-	-	-	-	227.42
Expenses Payables	0.12	-	-	-	-	0.12
Payable for Capital Expenditure	-	0.15	17.58	4.49	-	22.22
Advance from Customers	-	-	-	-	-	-
Deposits from Customers/Contractors/suppliers	1.16	0.29	[illegible]	0.13	-	8.36
Trade payables	32.56	-	-	-	-	32.56
Total	261.26	0.44	24.36	62.55	3,641.96	3,990.57

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 2019 and for the comparative year ended 31st March 2018.

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 ₹ 7.45 crore as at 31 March 2019 (31st March 2018: 100.10 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.

Capital management

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

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

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40 B) Accounting classifications and fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the Financial Statements:

As at 31 March 2019, the Company held the following financial instruments carried at fair value on the statement of financial position:

₹ Crore

Particulars	Carrying amount	Fair value		
	31 March 2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans	0.08	-	-	-
Current				
Trade receivables	-	-	-	-
Cash and cash equivalents	7.45	-	-	-
Other Bank Balances	276.64	-	-	-
Loans	0.02	-	-	-
Other financial assets	85.22	-	-	-
Total	**369.41**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,705.18	-	-	-
Other financial liabilities	0.05	-	-	-
Current				
Trade payables	23.93	-	-	-
Other financial liabilities	142.17	-	-	-
Total	**3,[illegible]71.33**	-	-	-

As at 31 March 2018, the Company held the following financial instruments carried at fair value on the statement of financial position:

₹ Crore

Particulars	Carrying amount	Fair value		
	31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans	0.06	-	-	-
Current				
Trade receivables	24.64	-	-	-
Cash and cash equivalents	100.10	-	-	-
Other Bank Balances	-	-	-	-
Loans	-	-	-	-
Other financial assets	190.90	-	-	-
Total	**315.71**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,699.89	-	-	-
Other financial liabilities	0.05	-	-	-
Current				
Trade payables	32.56	-	-	-
Other financial liabilities	258.06	-	-	-
Total	**3,990.57**	-	-	-

Cash and other short-term receivables, and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of non-current financial assets (such as security deposits) are considered to be same as their carrying values, as the impact of fair valuation is not material.

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40-C Changes in accounting policies and disclosures

New and amended standards and interpretations

[illegible]

[illegible]

Ind AS 115 Revenue from Contracts with Customers

[illegible]

[illegible]

[illegible]

[illegible]

On 1 April 2018, the effect of new standard on the company is due to classification, hence, the impact on the Company's retained earnings as at 1 April 2018 is Nil.

Leftover LNG stock- Non cash consideration

Before adoption of IND AS 115, the leftover system usage gas of the LNG quantity is recognised as inventory with a corresponding credit in R&M expenses. Under IND AS 115, the fair value of such non-cash consideration is included in the revenue.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

Statement of profit and loss for the year ended 31 March 2019

(₹ Crore)

		31-Mar-19	
	Ind AS 115	Previous Ind AS	Increase / (decrease)
Revenue from contract with customer	[illegible]	295.65	[illegible]
Other income	[illegible]	6.20	
Total Revenue	[illegible]	301.85	[illegible]
Depreciation and amortisation expenses	93.58	[illegible]	
Employee benefits expenses	[illegible]	[illegible]	-
Employee Cost Recoupment	[illegible]	21.93	
Other expenses	[illegible]	144.33	[illegible]
Finance Cost	[illegible]	312.71	
Impairment of non-current assets	(0.35)	[illegible]	
Total Expenses	605.86	[illegible]	[illegible]
Profit before tax	(271.17)	(271.17)	
Tax expenses			
Current tax			
Current Year			
- Earlier Years			
Deferred tax charge/ (credit)	81.32	[illegible]	-
Profit for the period	(352.49)	(352.49)	
Other Comprehensive income			
Total Comprehensive Income	(352.49)	(352.49)	-
Earnings per share (₹)			
- Basic, profit for the year attributable to ordinary equity holders of the parent	(5.02)	(5.02)	
- Diluted, profit for the year attributable to ordinary equity holders of the parent	(4.44)	(4.44)	

41 Disclosure as per Ind AS 19 'Employee Benefits' - KLPL own cadre employees

(i) **Defined Contribution Plan**

a) **Provident Fund ***

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

b) **Gratuity***

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

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

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

(ii) **Other Long Term Employee Benefit Plan**

a) **Leave**

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

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

Company as on 31st March 2019 has 3 employees on its payroll. Liability of ₹ 0.04 crores (Previous year 0.06 crores) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

Konkan LNG Private Limited

Notes forming part of Financial Statements

[illegible]

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2019

Amounts in INR

Particulars	Gratuity		Leave encashment	
	2018-19	2017-18	2018-19	2017-18
[illegible]	1 [illegible]		1,1 357.00	
[illegible]	[illegible]	-	45,940.00	
[illegible]	[illegible]		[illegible] 776.00	
Total expenses included in employee benefit expense	[illegible]		[illegible].00	
[illegible]	[illegible]			

Amount recognized in Other Comprehensive Income for the year ended 31st March, 2019

Amounts in INR

Particulars	Gratuity	
	2018-19	2017-18
[illegible]		
[illegible]		
[illegible]		
Recognized in other comprehensive income	-	

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2019 and 31st March, 2018 are as follows:

Amounts in INR

Particulars	Gratuity		Leave encashment	
	2018-19	2017-18	2018-19	2017-18
Benefit obligation at the beginning of the year	[illegible]	-	[illegible]92,774.00	
Current service cost	[illegible]	-	1 13,357.00	
Interest cost	[illegible]		[illegible] 940.00	
Benefits paid		-	-	
Actuarial (gain)/ loss on obligations	[illegible]		[illegible]	
Defined benefit obligation at the end of the year	[illegible]		[illegible]	
	[illegible]		[illegible]	

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

Amounts in INR

Particulars	Gratuity		Leave encashment	
	2018-19	2017-18	2018-19	2017-18
Discount rate (in %)	[illegible]		7.75%	
Salary escalation (in %)	[illegible]		6.50%	

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Gratuity Plan	31-Mar-19		31-Mar-19	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation (in INR)	88423.00	[illegible]	[illegible]	[illegible]1.00

Leave encashment	31-Mar-19		31-Mar-19	
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation (in INR)	97[illegible]68.00	[illegible]	[illegible]	[illegible]194.00

History of experience adjustment is as follows:

Amounts in INR

Particulars	Gratuity	
	31-Mar-19	31-Mar-18
Present value of obligation	[illegible]	
Experience adjustments Gain (Loss)	[illegible]	

Particulars	Leave encashment	
	31-Mar-19	31-Mar-18
Present value of obligation	9,67,110.00	
Experience adjustments Gain/(Loss)	[illegible]	

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42 Disclosure as per Ind AS 19 'Employee Benefits' - Employees' on secondment from GAIL(India) Limited

A. Defined Benefits Plan

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.

43 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

a) Ind AS 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods. The Company is still evaluating the method to be adopted for the application of new lease standard.

b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The Company is evaluating requirements of the amendment and the effect on the financial statements is being evaluated.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

Company does not expect any impact of the amendment on its financial statements in FY 2019-20.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Company does not expect any impact of the amendment on its financial statements in FY 2019-20.

44 Disclosure with respect to demerger scheme

In accordance with the terms of scheme of arrangement ("Demerger Scheme") under sections 230 to 232 of the Companies Act, 2013, approved by Hon'ble National Company Law Appellate Tribunal ("NCLAT"), New Delhi Bench vide order letter dated February 28, 2018, the LNG undertaking of the Ratnagiri Gas and Power Private Limited("transferor company") has been demerged and transferred to Konkan LNG Private Ltd. ("transferee company") on going concern basis with effect from January 1, 2016, the appointed date. The aforesaid scheme has become effective from March 26, 2018 and necessary relevant documents has been filed with Registrar of Companies Now, the Company operates LNG terminal.

Pursuant to the NCLAT order and as per scheme:

a) Company has transferred assets and liabilities pertaining to the LNG undertaking at the respective carrying amounts as appearing in the books of the transferor company as on appointed date.

b) The excess of book value of assets over book value of liabilities amounting to ₹ 5423.[illegible] crores is adjusted by reduction from share capital of transferor company in the scheme of demerger.

(a) In consideration of assets and liabilities, the equity share capital of ₹ 547.97 crores has been issued to the existing shareholders of the transferor company by transferee company in pursuant to scheme of demerger .

In the view of the above,
(i) Assets and Liabilities of LNG business undertaking as on January 1, 2016 are as under:

		Amount in ₹ crores
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital		-
Reserves and surplus		-
	Sub-total	-
Non-current liabilities		
Long-term borrowings		2,528.56
Other long term liabilities		7.87
Long-term provisions		0.27
	Sub-total	2,536.70
Current liabilities		
Short Term Borrowings		37.50
Trade payables		23.28
Other current liabilities		852.53
Short-term provisions		80.00
	Sub-total	993.31
Total Assets (A)		**3,530.01**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets		2,803.27
Intangible assets		-
Capital work-in-progress		1,136.12
Non-current investments		-
Long-term loans and advances		2.08
Other non-current assets		-
	Sub-total	3,941.47
Current assets		
Inventories		20.51
Trade receivables		-
Cash and bank balances		57.51
Short-term loans and advances		24.37
Other current assets		34.12
	Sub-total	136.51
Total liabilities (B)		**4,077.98**
Net assets aquired during the scheme of arrangement (A-B), as explained in (a) above		(547.97)

Increase of Equity shares of transferee company are as under:
made after appointed date, as explained in (b) above

	547.97
	547.97

45 The Board of Directors of the RGPPL in its 98th meeting held on July 20, 2016 approved Business Plan and 'Demerger Scheme' (hereinafter referred as 'scheme') of LNG Terminal of the company with "Appointed Date as January 1, 2016" to a newly incorporated wholly owned subsidiary company of RGPPL i.e. "Konkan LNG Private Limited" ("KLPL"). The Scheme was filed with the Delhi High Court for its approval. The Delhi High Court called the meeting of stakeholders of RGPPL and KLPL. In the presence of respective Chairpersons of the meetings appointed by the Delhi High Court, Shareholders, secured creditors and unsecured creditors of RGPPL & Shareholders of KLPL had consented to the demerger scheme. The Business Plan was also approved by all the Lenders which envisages movement of Loan as under:

(₹ in crores)

Sl No	Name of Lender	Total Debt including interest as on 31.12.2015	After Demerger		
			RGPPL Sustainable	RGPPL Unsustainable	KLPL Sustainable
1	IDBI	2,137.33	436.69	822.88	877.75
2	SBI	1,668.54	340.97	642.33	685.24
3	ICICI	1 426.56	297.43	543.28	585.85
4	IFCI	433.58	88.21	167.3	178.07
5	Canara Bank	359.71	73.94	138.05	147.73
6	GPICL*	1 874.89	244.34	860.57	769.98
7	PFC	1,006.14	418.42	522.27	65.45
	Total	8.906.75	1.900.00	3.696.68	[illegible]

* The sanction letter/agreement is yet to be entered

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In view of notification of Ministry of Corporate Affairs, the second motion petition of demerger case was filed with National Company Law Tribunal (NCLT). The NCLT vide its order dated 16th August. 2017, closed the petition on compliance issues and granted liberty to RGPPL & KLPL to revive the Petition as and when compliances are effected.

An appeal was filed with National Company Law Appellate Tribunal (NCLAT) against the impugned order of the NCLT. The NCLAT has approved the Scheme vide its order dated February 28, 2018. The scheme was made effective from March 28, 2018 on filing relevant documents with Registrar of Companies.

As per the approved scheme and Business Plan of RGPPL, Loan (including interest liability) of ₹ [illegible] crore as on appointed date of 1st January, 2018 has been transferred by banks and financial institutions as follows:

Loan Transferred to Konkan LNG Private Limited - ₹ [illegible] crores

The Konkan LNG Private Limited's ("KLPL") and Ratnagiri Gas and Power Private Limited ("RGPPL") has recognised loan liability accordingly with effect from appointed date i.e. 1st January, 2018.

For and on behalf of the Board of Directors

(Vikas Aggarwal)
Company Secretary

(Alok Kr. Jain)
Chief Finance Officer

(Pankaj Patel)
Managing Director
DIN - 07178888

(Manoj Jain)
Chairman
DIN - 07556033

As per our report of even date
For Bajaj & Associates
Chartered Accountants
FRN - 04649N

ANUJ BAJAJ
M.No.:086937
FRN:04649N

(Anuj Bajaj)
Partner
Membership No - 086937

Place: New Delhi
Date: 11/6/2019

BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KONKAN LNG PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of Konkan LNG Private Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Konkan LNG Private Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 6/08/2019