KONKAN LNG PRIVATE LIMITED
Registered Office: 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066
CIN: U11100DL2015PTC288147 **E-mail:** vaggarwal@gail.co.in
Tel.: +91-120-4148900, Fax: +91-120-4148913

NOTICE

Notice is hereby given that 3rd Annual General Meeting of the members of Konkan LNG Private Limited will be held on **Thursday, the 27th December, 2018 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, 2018, 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, 2018, 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, 2018; 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 2018-19."

SPECIAL BUSINESS

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

3. **To appoint Shri Manoj Jain (DIN 07556033) 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 Manoj Jain (DIN 07556033) who was nominated as a Director by GAIL (India) Limited and appointed as Additional Director by the Board of Directors of the Company w.e.f. 23.04.2018, be and is hereby appointed as the Director of the Company."

4. **To appoint Shri Praveen Saxena (DIN 07944144) 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 Praveen Saxena (DIN 07944144) 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. 23.04.2018, be and is hereby appointed as the Director of the Company."

5. **To appoint Shri Aloke Sengupta (DIN 00064934) 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 Aloke Sengupta (DIN 00064934) who was nominated as a Director by IDBI Bank Limited and appointed as Additional Director by the Board of Directors of the Company w.e.f. 23.04.2018 be and is hereby appointed as the Director of the Company."

6. **To appoint Shri Bipin Shrimali (DIN 03272135) 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 Bipin Shrimali (DIN 03272135) who was nominated as a Director by MSEB Holding and appointed as Additional Director by the Board of Directors of the Company w.e.f. 18.05.2018 be and is hereby appointed as the Director of the Company."

7. **To appoint Shri A K Garg (DIN 06823904) 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 A K Garg (DIN 06823904) 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. 18.06.2018 be and is hereby appointed as the Director of the Company."

8. **To appoint Shri Neeraj Vyas (DIN 07053788) 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 Neeraj Vyas (DIN 07053788) who was nominated as a Director by State Bank of India and appointed as Additional Director by the Board of Directors of the Company w.e.f. 19.09.2018 be and is hereby appointed as the Director of the Company."

9. **Ratification of remuneration of cost auditors of the Company:**

"**RESOLVED THAT** pursuant to the provisions of section 148, 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 Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the various units of the Company for the Financial Year 2017-18, amounting to Rs.1,20,000/- plus applicable taxes and out of pocket expenses etc. be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT consent of the members be and is hereby given for authorizing the Board of Directors of the Company to decide and fix the remuneration of the Cost Auditor(s) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the various units of the Company for the Financial Year 2018-19."

By order of the Board of Directors

(Vikas Aggarwal)
Company Secretary

Dated: 04.12.2018
Place: New 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. 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 2nd Annual General Meeting held on 25.09.2017, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2017-18. Accordingly, the Board of Directors in its 22nd Board Meeting held on 27.09.2018 fixed audit fee of Rs. 4,25,000/- (GST, TA/DA and out of pocket expenses extra as per actuals) for the Financial Year 2017-18.

9. In exercise to the power conferred under Section 139(5) of the Companies Act, 2013, Comptroller & Auditor of General of India vide its letter dated 14.08.2018, has appointed M/s S. Bajaj & Associates, Chartered Accountant, New Delhi as Statutory Auditor of the Company for the year 2018-19. Accordingly, the Members may authorise the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2018-19.

10. 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 Manoj Jain **(56 years)** was nominated as Chairman of your Company by GAIL (India) Limited vide its letter dated 06.04.2018. He was appointed as an Additional Director w.e.f. 23.04.2018 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 Manoj Jain, a Mechanical Engineering Graduate and MBA in Operations Management possesses rich and diverse experience encompassing more than 32 years with GAIL (India) Ltd. in the areas of Projects, O&M, Pipeline Integrity Management and Marketing which has allowed him to gain insight and knowledge across multiple business units and functional areas.

Before being appointed as Director (Business Development), Shri Manoj Jain was responsible for Gas Marketing activities in his role as Executive Director (Marketing-Gas), GAIL. Sh. Jain also spearheaded the installation and commissioning of the Rs. 10,000 Crore grassroots Petrochemical complex at Lepetkata Assam, as Chief Operating Officer of Brahmaputra Cracker and Polymer Ltd., (BCPL) which has been one of the fastest projects ever implemented in the North East of its size and magnitude.

Earlier, Shri Jain also worked in Operation & Maintenance at the Corporate Level for a number of years and his experience includes managing logistics of Gas Business with a perspective of Operation and Management of all pipelines of company and in the process played a significant role in establishing the National Gas Management Centre (NGMC) and systems and procedures for transmission and marketing of comingled gases.

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

Shri Manoj Jain holds Nil equity shares of the Company.

Shri Manoj Jain 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	GAIL (India) Limited	-	-

2	GAIL Global (USA) Inc.	-	-
3	GAIL Global (USA) LNG LLC	-	-

Shri Manoj Jain was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Manoj Jain 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 Praveen Saxena **(55 years)** was nominated as Director by NTPC Limited vide its letter dated 17.04.2018. He was appointed as an Additional Director w.e.f. 23.04.2018 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 Praveen Saxena is General Manager, Business Development, NTPC Limited. Shri Praveen Saxena is Bachelor of Engineering (Mechanical), National Institute of Technology, Durgapur, India and Post Graduate Diploma in Business Management (Finance & Marketing) Management Development Institute, Gurgaon, India.

He has about 32 years' experience in the Indian Power sector. Has been with NTPC Limited, India's biggest power utility with about 52 Giga watt of installed capacity under its management control- in coal, gas, hydro, solar and wind spaces. He was instrumental in setting up of NTPC's overseas project development investments in SAARC region namely Bangladesh and Sri Lanka. Has also had a stint at Colombo as Managing Director of 50:50 Joint Venture company between NTPC and Ceylon Electricity Board. Has also been associated with the Asia's largest integrated 2000 MW Gas based plant/ 5 MMTPA LNG Terminal at Dabhol in Maharashtra, played a lead role in financial restructuring and revival mothballed facilities left abandoned by overseas developers.

Shri Praveen Saxena is currently associated with the Business Development efforts of NTPC to supplement its own capacity addition plans with forays in new business areas and growth through inorganic routes. Ongoing initiatives include looking at acquisition of stressed assets, acquisition of underperforming assets of state utilities as well finalizing options and strategy for NTPC's entry into electric vehicle charging space, water desalination, floating solar plants, increasing NTPC's global footprints and cross border power trade etc.

Shri Praveen Saxena holds Nil equity shares of the Company.

Shri Praveen Saxena 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	Audit Committee	Member
2	NTPC Electricity Supply Company Limited	-	-

Shri Praveen Saxena was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Praveen Saxena 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

Shri Aloke Sengupta **(59 years)** was nominated as Director by IDBI Bank Limited vide its letter dated 07.04.2018. He was appointed as an Additional Director w.e.f. 23.04.2018 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 Aloke Sengupta has over 5 years industrial experience and approximately 30 years of experience in Corporate Banking, Project Financing, Infrastructure Financing, Syndication, Retail Banking, Recovery of Stressed Assets, Corporate Strategy and Planning. He is currently heading the Centralised Operations of IDBI Bank Ltd. In the initial period of his career at IDBI, he was handling some active schemes of erstwhile IDBI such as Technology Up-gradation Scheme for Capital Goods Industry, Energy Conservation & Pollution Control Initiatives and Venture Capital Finance. He also headed an IDBI branch in Shillong in Meghalaya and later the Main Branch at New Delhi during his career. Later, he was Regional Head (North) of Infrastructure Corporate Group and prior to that was for over 10 years into Project Finance and

Infrastructure Finance at the Corporate Office. Aloke is a B.Tech. in Metallurgical Engineering from the Institute of Technology, Benaras Hindu University, now rechristened as IIT-BHU. His Industrial Experience includes Design and Fabrication Engineering in Larsen and Toubro Ltd. and Mazagon Dock Ltd. prior to joining IDBI.

Shri Aloke Sengupta holds Nil equity shares of the Company.

Shri Aloke Sengupta 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	Audit Committee	Member

Shri Aloke Sengupta was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Aloke Sengupta 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. 6

Shri Bipin Shrimali **(55 years)** was nominated as Director by MSEB Holding Company Limited vide its letter dated 17.05.2018. He was appointed as an Additional Director w.e.f. 18.05.2018 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 Bipin Shrimali is at rank of Principal Secretary in Govt. of Maharashtra. Shri Bipin Shrimali took over as the Chairman & Managing Director of Maharashtra State Power Generation Company Ltd. in January 2015. Prior to this, he was Chairman & Managing Director of Maharashtra State Electricity Transmission Company Ltd. He had also held the additional charge of the post of Principal Secretary Energy, Government of Maharashtra from May 2016 to Feb. 2017.

Shri Bipin Shrimali is B.E. (Mechanical) and an Indian Administrative Service Officer (I.A.S.) of 1992 batch. He has served as Vice Chairman & Managing Director of Maharashtra State Road Development Corporation (MSRDC); Chief Officer of MHADA; Collector of Junagadh, Gujarat; Municipal Commissioner, Junagadh, Gujarat; Director of Information, Department of Information & Broadcasting, Gandhinagar, Gujarat; Collector of Nandurbar district, Maharashtra and CEO, Zilla Parishad, Beed, Maharashtra.

Shri Bipin Shrimali holds Nil equity shares of the Company.

Shri Bipin Shrimali 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	U C M Coal Company Limited	-	-
2	Mahaguj Collieries Limited	-	-
3	Maha Tamil Collieries Limited	-	-
4	Maharashtra State Power Generation Company Limited	-	-
5	MSEB Holding Company Limited	-	-
6	Ratnagiri Gas and Power Private Limited	-	-

Shri Bipin Shrimali was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Bipin Shrimali 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. 7

Shri Arun Kumar Garg **(59 years)** was nominated as Director by NTPC Limited vide its letter dated 14.06.2018. He was appointed as an Additional Director w.e.f.

18.06.2018 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 Arun Kumar Garg is Executive Director of NTPC, currently on secondment to RGPPL as Managing Director, RGPPL. Sh. Garg is B. Sc. Engg Electrical from N.I.T. Kurukshetra, M.Tech (Power Generation) from I.I.T. Delhi and PG diploma in Management from IGNOU.

He has 38 years of experience at different levels in NTPC. He joined NTPC in 1980 as Vth Batch Executive Trainee and worked at Badarpur Thermal Power Station and at Faridabad Gas Plant in Electrical Maintenance for about 22 years. He also worked as DGM (Operation Services) in NCR HQ NOIDA and as AGM (OS-SIIS) in Corporate Office during 2002-2012. During this period, he was instrumental in implementation of ABT operation in NTPC, implementation of SAP in NTPC operations and in MIS and strategic operations of NTPC. MD, RGPPL is his second stint in RGPPL. Earlier During 2012-2015, he worked as Business Unit Head of RGPPL and also as MD, RGPPL. Prior to joining RGPPL now, he was CEO – NVVN, a wholly owned subsidiary of NTPC, doing business in Power Trading, for two years. He has worked as GM (Operation Services) in Western Region at Raipur during 2015-16.

Shri Arun Kumar Garg is interested in this resolution to the extent of his appointment as a Director. The relatives of Shri Praveen Saxena may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Shri Arun Kumar Garg holds Nil equity shares of the Company.

Shri Arun Kumar Garg 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 Arun Kumar Garg was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

Shri Arun Kumar Garg 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. 8

Shri Neeraj Vyas **(60 years)** was nominated as Director by State Bank of India vide its letter dated 18.09.2018. He was appointed as an Additional Director w.e.f. 19.09.2018 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 Neeraj Vyas is Senior Banking Professional with over 35 years of experience in the Indian Banking Industry across a range of diverse functions such as Retail Banking, Commercial Banking, Product Development, Human Resources and Management Information System (MIS). Superannuated as Deputy Managing Director and Chief Operating Officer (COO) of State Bank of India on 30th June 2018.

Shri Neeraj Vyas holds Nil equity shares of the Company.

Shri Neeraj Vyas 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	-	-	-

Shri Neeraj Vyas was not on the Board of KLPL during Financial Year 2017-18, therefore, details of Board meeting(s) attended during the year by him is not applicable.

The Board approved payment of sitting fee of Rs. 5,000/- to Directors nominated by Financial Institution(s) and Lender(s) who are not in regular employment in any organization, on the Board of the KLPL, for attending each meeting of the Board of Directors or Committee thereof in addition to reimbursement of incidental expenses thereto. As Shri Neeraj Vyas is not in regular employment, he is being paid Rs. 5,000/- as sitting fee.

Shri Neeraj Vyas 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. 9

The Board of Directors of your Company approved the appointment and remuneration of M/s SDM & Associates as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2017-18.

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 payable to the Cost Auditors during the financial year 2017-18 for the services rendered by them. Consent of the members is also sought for authorizing the Board to approve remuneration payable to the Cost Auditors for the Financial Year 2018-19.

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 **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 ***Thursday, the 27th December, 2018 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, 2018 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 2018-19		
SPECIAL BUSINESS			
3	Approval for appointment of Shri Manoj Jain as Director		
4	Approval for appointment of Shri Praveen Saxena as Director		
5	Approval for appointment of Shri Aloke Sengupta as Director		
6	Approval for appointment of Shri Bipin Shrimali as Director		
7	Approval for appointment of Shri A K Garg as Director		
8	Approval for appointment of Shri Neeraj Vyas as Director		
9	Approval for ratification of remuneration of the Cost Auditors for FY 2017-18 and authorization to the Board of Directors to fix the remuneration for FY 2018-19		

Signed this............... day of......... 2018

Affix Revenue Stamp Re.1/-

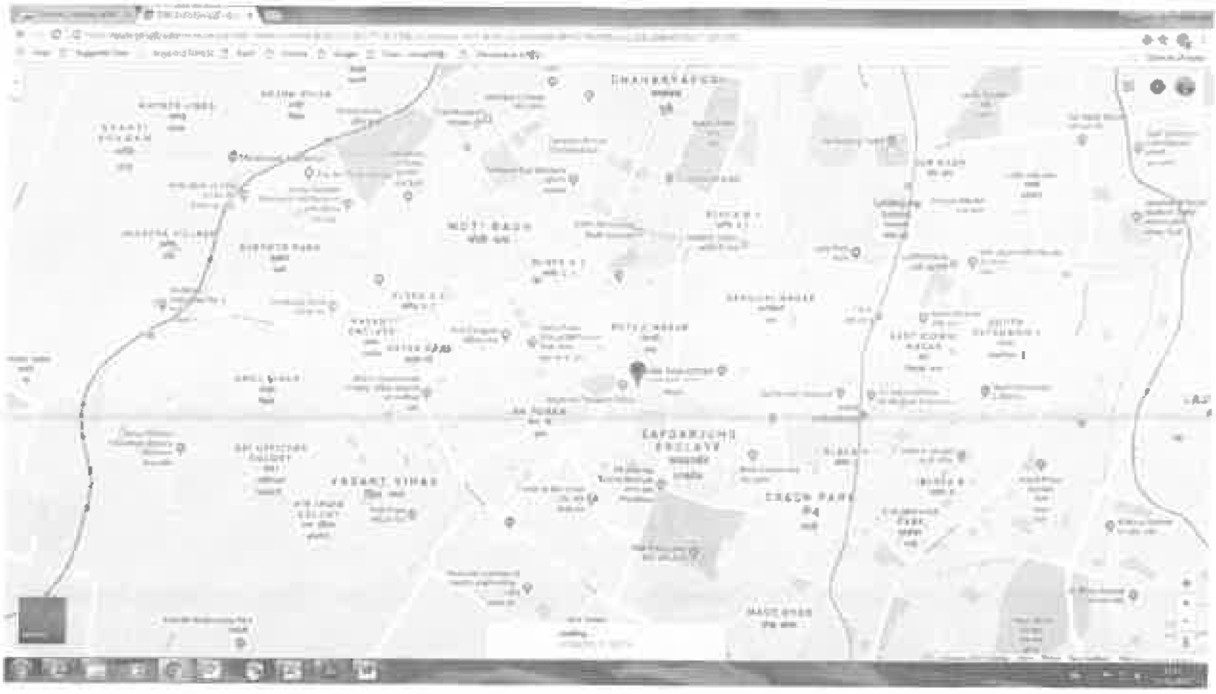
Signature of shareholder

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



DIRECTORS' REPORT 2017-18

Dear Members,

On behalf of the Board of Directors of your Company, we are delighted to present the 3rd Directors' Report of your Company, along with Audited Financial Statements for the financial year 2017-18.

DEMERGER IMPLEMENTATION

In order to facilitate the transfer of LNG undertaking pursuant to Demerger Scheme of Ratnagiri Gas and Power Private Limited (RGPPL), Board of Directors of RGPPL approved the incorporation of your Company as its wholly owned subsidiary in December, 2015 with paid-up share capital of Rs. 1.00 Lakh.

Demerger Scheme of RGPPL was approved by NCLAT vide order dated 28th February, 2018 with Appointed Date as 1st January, 2016 thereby transferring the LNG undertaking from RGPPL to your Company.

Demerger scheme was made effective from the date of filing e-form INC 28 with RoC and the same was filed by your Company on 26.03.2018. Accordingly, LNG business and all its associated assets and liabilities have been transferred to your Company by RGPPL, with mirror shareholding pattern as of RGPPL.

In compliance with the Demerger Scheme approved by NCLAT, the authorized share capital of your Company was increased to Rs.5,000 Crore comprising of 500 Crore equity shares of Rs. 10/- each. Further, existing issued/ paid-up equity share capital of the RGPPL stand reduced by Rs.547,97,00,000/- consisting of 54,79,70,000 equity shares of Rs.10/- each and equity share capital of Rs.547,97,00,000/- consisting of 54,79,70,000 equity shares of Rs.10/- each was alloted by your Company to each members of RGPPL whose name was recorded in the register of member RGPPL as on the Record Date i.e. 05.06.2017 in the ratio of 547,97,00,000/3820,27,24,150. Shareholding pattern of your Company on 31.03.2018, after allotment of said equity shares was as under:

S. No.	Name of Shareholder	Total paid-up Equity Share Capital (in Rs. Crore)	% of holding
1	GAIL (India) Ltd	139.75	25.503
2	NTPC Ltd.	139.75	25.503
3	MSEB Holding Co.	74.05	13.514
4	IDBI Bank Limited	69.09	12.608
5	SBI	54.99	10.035
6	ICICI Bank	48.84	8.913
7	Canara Bank	9.70	2.152
8	IFCI Ltd	11.79	1.770
9	RGPPL	0.01	0.002
10	Pankaj Patel (holding one share as RGPPL nominee)	0.00	0.000
	Total	**547.98**	**100.000**

FINANCIAL HIGHLIGHTS

Your Company was wholly-owned subsidiary of RGPPL till 25.03.2018 and, thereafter, became Joint Venture of Companies (like GAIL, NTPC etc.) 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 2017-18 are as under:

(Rs. in Crores)

Particulars	**2017-18**	**2016-17***
Revenue from Operation (Net of Taxes)	317.10	266.69
Other Income	0.15	4.75
Total Revenue	**317.25**	**271.44**
Operational Expenses	159.66	150.82
Finance Cost	283.96	309.62
Depreciation and amortization expenses	110.38	116.08
Impairment of non-current assets	509.85	243.80
Total Expenses	**1063.85**	**820.32**
(Loss) Profit Before Tax (PBT)	**(746.60)**	**(548.88)**
Deferred Tax Credit	(652.69)	-
(Loss) Profit for the period	**(93.91)**	**(548.88)**
Earning Per Equity Share		
Basic (in Rs.)	(104.13)	(5,48,880.09)
Diluted (in Rs.)	(1.74)	(10.02)

** Financial Statement for FY 2016-17 has been restructured/recast pursuant to implementation of demerger scheme.*

The details of Operating Expenses are as follows:

(Rs. in Crores)

Particulars	**FY 2017-18**	**FY 2016-17**
Power Charges	15.78	14.93
Repairs & maintenance	58.24	73.51
Insurance	11.73	12.81
Employee Benefit expenses	19.89	15.95
Other expenses	54.02	33.62
Total Operating Expenses	**159.66**	**150.82**

CAPITAL STRUCTURE

With the approval of shareholders in their meeting held on 16.10.2018, the Capital Clause of Memorandum of Association of the Company was amended and Authorised Share Capital of the Company of Rs.5000,00,00,000 was 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 2017-18 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

Equity Shares

On 26.03.2018, your Company has allotted 54,79,70,000 equity shares of Rs.10/- each pursuant to demerger scheme approved by NCLAT.

Further, 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 will be called by the Company in one or more tranches as and when required.

Shareholding pattern of your Company on 26.11.2018, 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 Capital (in Rs. Crore)	% of holding as per total paid-up share capital (Equity +Preference Shares)
GAIL (India) Ltd.	282.76	40.921	75.60	46.748
NTPC Ltd.	139.75	20.225	-	18.230
MSEB Holding Co. Ltd.	74.05	10.717	-	9.660
IDBI Bank Limited	69.09	9.999	-	9.013
State Bank of India	54.99	7.958	-	7.173
ICICI Bank	48.84	7.068	-	6.371
Canara Bank	9.70	1.404	-	1.265
IFCI Ltd.	11.79	1.707	-	1.538
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	75.60	100.000

AMOUNTS TRANSFERRED TO RESERVES

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

As on 31.03.2018, accumulated losses stood at Rs. 628.78 crores.

DIVIDEND

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

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. The said framework agreement has been assigned to your Company.

Due to incomplete breakwater wall, 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 2017-18, LNG Terminal received 17 LNG cargo and re-gasified 5,52,62,867 MMBTU of the LNG.

BREAK WATER STATUS

GAIL (Owners' Engineer) floated the tender and bid of two bidders were found to be Techno-Commercially acceptable. GAIL forwarded its recommendation for award of work to L-1 bidder on 15.09.2017. At that time RGPPL's demerger was under process in NCLAT and RGPPL was not having funds to tie up for award of job. In January, 2018, your Company came to know that leader of the consortium i.e. Essar Projects (India) Limited (EPIL) was referred to NCLT under IBC by lenders of EPIL. Therefore, work could not be awarded to L-1 bidder. Interim Resolution Professional (IRP) was also appointed by NCLT to conduct Insolvency Resolution Process of EPIL.

GAIL submitted its revised recommendation as per which bidder itself is not in a position to assure smooth execution of the order and has informed the anticipated risk in case of award of tender on consortium of M/s Essar Projects (India) Limited (now M/s EPC Construction) and M/s Gayatri Projects Ltd. and intimated that it might not be prudent to proceed with award.

Accordingly, your Company cancelled tender for completion of Balance Works of Breakwater at Dabhol. Your Company again appointed GAIL as Owner's Engineer and re-tendering of completion of Balance Works of Breakwater at Dabhol by GAIL is under progress.

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

As on 31.03.2018, 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. The employee relations environment during the year remained cordial.

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

Transfer of LNG undertaking by RGPPL to your Company pursuant to demerger scheme.

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

The Demerger Scheme of RGPPL was approved by NCLAT vide order dated 28th February, 2018 with Appointed Date as 1st January, 2016 thereby transferring the LNG undertaking from RGPPL to your Company.

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 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.

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 during June, 2018. 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 June, 2018. 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 2017-18, 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
- Shri Arun Kumat Garg, NTPC nominee Director w.e.f. 18.06.2018
- Shri Neeraj Vyas, State Bank of India Nominee Director w.e.f. 19.09.2018

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)

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- 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)

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, 2018, 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 2017-18, 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 2017-18.

Review and comments of CAG, if any, on the Company's Financial Statements for the financial year ending March 31, 2018, forms part of Financial Statement.

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Internal Auditor

Pursuant to approval of Demerger Scheme of RGPPL by NCLAT and filing of e-form INC 28 with RoC, KLPL is carrying out LNG regasification business w.e.f. 26.03.2018 and is required to get the internal audit done for FY 2018-19 in terms of companies Act 2013. However, Internal Audit for FY 2017-18 has also been conducted by RGPPL for LNG block too.

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 SDM & Associates as Cost Auditors for Financial Year 2017-18. Your Company is maintaining cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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 has got Voluntary Secretarial Audit for 2017-18 from M/s Tarun Saini & Associates.

There are no qualifications by the secretarial auditors for the FY 2017-18.

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.***

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.

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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: New Delhi
Date: 04/12/2018

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Annexure-A

MANAGEMENT DISCUSSION AND ANALYSIS

LNG Industry Outlook

International trade in LNG continues to be one of the most vibrant segments of the world's natural gas value chain, growing in 2017 by 35.2 MT to 293.1 MT in global trade. That represents growth of 12% and comes as projects in Australia and the United States bring new capacity on line and Asian markets continue to grow. China and South Korea led Asian growth with additional demand of 12.7 MT and 4.9 MT, respectively. China has focused on aggregate energy demand toward natural gas and away from coal in its fight against air pollution. Further, FSRUs will make up for a significant part of the total global import capacity in the coming years.

Non-long-term trade (which includes "spot market" activity) increased yet again, reaching over 88 MT in 2017 and accounted for 30% of total gross LNG trade. U.S. shale gas continues to moderate North American natural gas prices through technology and efficiency improvements, which translates into lower U.S. feedstock costs. Global LNG prices have seen a considerable rebound. After falling to $5.28/MMBtu in August 2017, landed Northeast Asian spot prices reached an average $9.88/MMBtu by January, 2018 owing to the effects of a cold winter and strong demand from China due to environmental regulations.

The prices continue to hold strong in mid-2018 as well with JKM rising to $ 10/mmbtu levels. However, there are 92 MTPA of liquification capacity under construction world-wide, and it is expected about one-third to come online during 2018 this year. FID activity globally remains low in comparison to previous years with only one project reaching FID. The higher seasonal demand indicates that the global LNG market can remain balanced – or even tight – in the winters as new LNG export capacity ramps up.

Thus far, the global market is absorbing new supply with minimal distortion, as new buyers and existing markets alike demonstrate a high need for natural gas to meet growing energy demand. The need for cleaner fuels is a key part of this trend. Rising penetration of renewable energy will expand LNG's role in providing flexible power generation to balance the electricity grid in many major economies. The use of LNG in the industrial and transport sectors will push up gas demand, particularly in Asia where environmental concerns are on the rise.

Indian LNG demand is up by 20% and Chinese LNG demand is up 50% during 1st half of 2018. In South and Southeast Asia, LNG demand will be primarily driven by power demand growth and a reduction in local gas production. However the incremental supply during 2018 and following years may impact the demand- supply balance going and moderate the LNG prices.

LNG Import Terminals

There is a push in India to develop more LNG Import Terminals. The nameplate capacity of the 4 operating terminals is about 30 MMTPA. Three Terminals are under construction and are of 5 MMTPA each, while one is an expansion of 2.5 MMTPA at the Dahej Terminal of PLL. The rest are under planning stage.

LNG Import Terminal Status

S. No.	TERMINAL	DEVELOPERS	CAPACITY (MMTPA)
	Existing Terminal		
1	Dahej	Petronet LNG Limited	15.0
2	Hazira	Royal Dutch Shell, Total Gaz Electricite	5.0
3	Dabhol	Konkan LNG Private Limited	5.0
4	Kochi	Petronet LNG Limited	5.0
	TOTAL EXISTING		**30.0**
	UNDER CONSTRUCTION		
1A	Dahej Expansion Phase III B	Petronet LNG Limited	2.5
5	Mundra	GSPC, Adani	5.0

6	Ennore	Indian Oil Corp, TIDCO	5.0
7	Dhamra	Adani	5.0
	TOTAL UNDER-CONSTRUCTION		**17.5**

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

The capacity of RLNG terminals in India is expected to increase from 30 MMTPA in 2017-18 to 83 MMTPA in 2029-30 assuming all the existing and planned terminals in India would materialize.

LNG in India Review 2017

The balance between domestic gas and R-LNG consumption was evenly divided with R-LNG accounting for 51% of the gas consumed in the country and 49% by domestic gas. The sector wise consumption for domestic gas and R-LNG is shown below.

Domestic and R-LNG consumption for 2017 MMSCM			
Sectors	**Domestic gas consumption**	**R-LNG consumption**	**Total Consumption (Domestic gas +RLNG)**
Fertilizer	19.28	20.60	39.87
Power	25.87	7.03	32.89
City Gas	12.48	10.01	22.49
Other Industries	12.47	33.92	46.39
Total	**70.10**	**71.56**	**141.65**

* **Source: PPAC**

NATURE OF BUSINESS

Your Company was incorporated in the year 2015 with the aim to facilitate the transfer of LNG undertaking pursuant to Demerger Scheme of RGPPL.

Demerger Scheme of RGPPL was approved by NCLAT vide order dated 28th February, 2018 with Appointed Date as 1st January, 2016 thereby transferring the LNG undertaking from RGPPL to your Company.

OUTLOOK ON OPPORTUNITIES

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.

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 planned 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 to identify various risks associated to your Company's business and to mitigate them and protect value to the organization and its stakeholders. The risks will be evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages by the Senior Management of the company.

In the changing business scenario, business risk and their mitigation plans will be re-assessed on regular basis. Your Company endeavours to pro-actively initiate measures towards maintaining financial stability from its business operations.

FUTURE OUTLOOK

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

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 18.90% from Rs. 266.69 crores during 2016-17 to Rs. 317.10 crores in 2017-18.

- **Profit/ Loss Before Tax (PBT)**
  Loss increased by 36% which stood at Rs. 746.60 crores during 2017-18 from Rs. 548.88 crores in 2016-17.

Based on the impairment study, company has provided Impairment Loss of ₹ 509.85 Crore as against Previous Year ₹ 243.80 crore.

As on 31.03.2018, accumulated losses stood at Rs. 628.78 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 Internal Control System is designed to ensure that all financials and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets and compliance with statutory requirements.

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. In addition, it also ensures compliances of all applicable laws and regulations, optimum utilisation and protection 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 31.03.2018, 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, 2018, there were 2 (two) Directors on the Board. The composition and attendance record of the Company's Board of Directors w.r.t. Board meetings are as follows:

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Name and Designation of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorships Held in other Public Limited Companies	Membership/ Chairmanship in Committees of the Board of other Companies
Part-Time (Promoter -Nominee) Directors				
Shri Pankaj Patel	7	Yes	-	NIL
Shri Ashok Kumar Juneja	7	Yes	-	NIL

Notes: 1. During the financial year 2017-18, 7 (seven) Board meetings were held.

2. 2nd Annual General Meeting of the Company was held on 25.09.2017.

3. 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 and based on the latest disclosures received from the Director(s).

Details of Board Meetings

During 2017-18, 7 (Seven) meetings of the Board were held, the details of which are as below:

S. No.	Date of Board Meeting(s)
1.	**06.06.2017**
2.	**14.08.2017**
3.	**30.08.2017**
4.	**23.09.2017**
5.	**28.12.2017**
6.	**15.01.2018**
7.	**23.03.2017**

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 2016-17, therefore, your Company is not required to constitute Corporate Social Responsibility (CSR) Committee.

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.

5. General Body Meetings

Forthcoming AGM: Date, Time and Venue

The 3rd Annual General Meeting of the Company (AGM) is scheduled on 27th December, 2018 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 two AGMs are as follows:

Year	2015-16	2016-17
AGM	1st	2nd
Date and Time	16th September, 2016 at 12:00 Noon	25th September, 2017 at 4:00 P.M.
Venue	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.

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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 2018, 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 2018, together with the comparative period data as at and for the year ended 31st March 2017, 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. 31 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, 2018**

Name of Shareholder	% of the total paid up capital of the Company
GAIL (India) Ltd.	25.503
NTPC Ltd.	25.503
MSEB Holding Co. Limited	13.514
IDBI Bank Limited	12.608
SBI	10.035
ICICI Bank	8.913
Canara Bank	2.152
IFCI Ltd	1.770
RGPPL	0.002
Shri Pankaj Patel (holding one share as RGPPL nominee)	0.000
Total	**100.000**

10. **Dematerialization of Shares and Liquidity**

Your Company had 10 shareholders, out of which 9 shareholders were holding equity shares in demat mode and 1 shareholders were holding equity shares in physical mode. ISIN of your Company's equity shares is INE00LT01016 and 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.

Annex-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 replaced with LED Lights leading to saving of electrical energy. 2. Approval taken & indent raised for procurement of 3 star BEE rating 25 no. 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	-

(b) Technology absorption

(i)	the efforts made towards technology absorption	1. Feasibility study under progress for Providing shore power supply to tug boats instead of using HSD fuel in tug boats. 2. CCTV system up gradation inside plant. 3. Projector in LNG conference room upgraded to LED display screen.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	1. Opting shore power supply to tug boats is an eco friendly step and will also lead to saving of fossil fuel. 2. CCTV system (13 no. CCTVs) up gradation helped round the clock surveillance in LNG terminal.
(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	-

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	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	2017-18
Foreign Exchange Earnings*	-
Foreign Exchange Outgo*	-

* Prior to demerger, records were maintained by RGPPL and the said amount could not segregated for KLPL.

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Annex-D

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 2017-18.

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 - Purchase of Power and Sharing of common facility with RGPPL

c. Duration of the contracts / arrangements/transactions – Contract is under formulation .

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

   i. KLPL purchased power from RGPPL and transaction value for FY 2017-18 is Rs. 15.78 crores

e. Date(s) of approval by the Board, if any - Not applicable, since the 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)
Chairman
DIN: 07556033

Place: New Delhi
Dated: 04/12/2018

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FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
[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.	-	9,999	9,999	99.99	27,95,04,528	-	27,95,04,528	51.006	100
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	1	1	.01	-	-	-	.00	0
Sub Total A(1):-	-	10,000	10,000	100.00*	27,95,04,528	-	27,95,04,528	51.006	100
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)	-	10,000	10,000	100.00*	27,95,04,528	0	27,95,04,528	51.006	100
* 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	-	-	-	-	-	-	-	-	-

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a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	19,44,11,603	-	19,44,11,603	35.478	100
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**	**100**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	7,40,53,869	10,000	7,40,63,869	13.516	100
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	-	-	-	-	-	-	-	-	-

iii) HUFs	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	0.0%	7,40,53,869	10,000	7,40,63,869	13.516	100
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	26,84,65,472	10,000	26,84,75,472	35.613	100
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,000	10,000	100	54,79,70,000	10,000	54,79,80,000	99.998	99.998

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	-	-	-	139752264	25.503	-	100
2	NTPC Limited	-	-		139752264	25.503		100
	Total	-	-	-	27,95,04,528	51.006	-	100

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 (31-03-17 to 31-03-18)	
	No of Shares at the Beginning (31-03-17) /end of the Year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
GAIL (India) Limited	-	-	31.03.2017				
	139752264	25.503	26.03.2018	139752264	Demerger scheme	139752264	25.503
NTPC	-	-	31.03.2017				

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Limited							
	139752264	25.503	26.03.2018	139752264	Demerger scheme	139752264	25.503
Total	-	-	31-Mar-2018	27,95,04,528		27,95,04,528	51.006

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
2	IDBI Bank Limited	-	-	6,90,91,518	12.608
3	State Bank of India	-	-	5,49,88,167	10.035
4	ICICI Bank	-	-	4,88,41,874	8.913
5	Canara Bank	-	-	1,17,91,990	2.152
6	IFCI Ltd	-	-	96,98,054	1.770
7	RGPPL	9,999	99.99	9,999	0.002
8	Shri Pankaj Patel*	1	0.01%	1	0.000

* 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	3310.07	11.20	-	3321.27
ii) Interest due but not paid	379.54	-	-	379.54
iii) Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	**3,689.61**	**11.20**	**-**	**3700.81**
Change in Indebtedness during the financial year				0
i) Addition/(Reduction) in Principal	389.82	(11.09)	-	378.73**
ii) Addition/(Reduction) in Interest due but not paid	(152.12)	-	-	(152.12)
iii) Addition/(Reduction) in Interest accrued but not due	-	-	-	0
Indebtedness at the end of the financial year				0
i) Principal Amount	3699.89	0.11	-	3700.00
ii) Interest due but not paid	227.42	-	-	227.42
iii) Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	**3,927.31**	**0.11**	-	**3927.42**

** Financial Statement for FY 2016-17 has been restructured/recast pursuant to implementation of demerger scheme.*

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

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
				Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act**	-	-	-

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	-	-	-
Fee for attending board committee meetings	-	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total (2)	-	-	-
Total (B)=(1+2)	-	-	-
Total Managerial Remuneration	-	-	-
Overall Ceiling as per the Act	-	-	-

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

S. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	N.A.	N.A.	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	NIL	NIL	NIL	NIL

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(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					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annex- F

TARUN SAINI & ASSOCIATES
COMPANY SECRETARIES
119/127, Vardhman Star Citi Mall, Sec-7, Dwarka, New Delhi-110075
Mobile: +91-9899977756, E-Mail-cs.saini2010@gmail.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{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, 2018 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, 2018 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**

TARUN SAINI & ASSOCIATES NEW DELHI COMPANY SECRETARIES

(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**

(vi) We relied on periodic compliance certificates submitted to the Board with regard to Compliances/processes/ systems under other applicable Laws to the Company.

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.

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

TARUN SAINI & ASSOCIATES NEW DELHI COMPANY SECRETARIES

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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.

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,

TARUN SAINI & ASSOCIATES NEW DELHI COMPANY SECRETARIES

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

Place: New Delhi
Date: 20.07.2018

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.

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"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,

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

Place: New Delhi
Date: 20.07.2018

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

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **M/s. KONKAN LNG PRIVATE LIMITED. ("the company")**, which comprise the Balance Sheet as at March 31,2018, the Statement of Profit and Loss (including other compressive income), Cash Flow Statement and Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial statement.")

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial statements that give a true and fair view of the financial position, financial performance including other comprising Income, cash flows and changes in Equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Losses (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of matters

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

a) The demerger scheme has been approved by Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 28, 2018. The effective date of scheme is March 26, 2018 whereas the appointed date is January 1, 2016. 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 from appointed date. The financial statement has been prepared giving effect of the demerger scheme. (Refer Note No. 43 of Ind AS financial statement)

b) Previous year figures have been restated by consolidating standalone financial statement (before demerger) with the carve-out financial statement of demerged undertaking from the consolidated financial statements of M/s Ratangiri Gas & Power Private Limited based on the special purpose financial statements for effective comparison as the demerged scheme has been made effective from 26th March, 2018 with appointed date as 1st January, 2016. These consolidate figures has been considered as opening balances which are unaudited for the preparation of Ind As Financial Statement of the concerned year. (Refer note no. 27 & 43 of Ind AS financial statement)

S. BAJAJ & ASSOCIATES Chartered Accountants NEW DELHI

c) The Canara bank, one of the lenders of the company (3.99% of outstanding as on 31.03.2018), 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. It has issued the Re-call notice dated 07.09.2018 and demanded Rs. 176.27 cr + interest @ 16.25% p.a. w.e.f. 31.08.2018. As per company, payable is Rs. 147.73 cr against principle and Rs. 23.25 Cr towards interest outstanding as on 31.03.2018 for the period from 01.01.2016 to 31.03.2018. The company has paid an amount of Rs. 23.25 Cr towards interest outstanding as on 31.03.2018 in the month of October, 2018. The company is also paying due interest (excluding penal interest) on loan amount w.e.f. 01.04.2018 till date regularly. In lenders meeting dated 19.10.2018, it was decided that Canara Bank will once again approach RBI for upgradation of Its Account and in case issue is not resolved then other lenders may take over the loan of Canara Bank by complying RBI guidelines for purchase/sale of Non performing Financial Assets. (Refer note no. 15 of Ind AS financial statement)

Our opinion is not modified in respect of aforesaid matters.

Other matters

a) The company has adopted an accounting policy in respect of materiality of prior period items to be accounted for and disclosed in terms of Ind AS 8, considering a minimum benchmark of Rs.100 crores for identification of material prior period errors for retrospective restatement and Rs.10 crores for identification of material prior period errors at transaction level for each line item disclosed in the notes for revenue and expenses. Considering the revenue as well as expenditure level of the entity, the benchmark so adopted is too high. Particularly, schedule III division II under the companies Act 2013 provides separate disclosure of any item of expenditure and income which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher. The policy needs a review.

Our opinion is not modified in respect of aforesaid matters.

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 Act, we give in "**Annexure A**" the statement of the matters specified in paragraphs III and IV of the Order.

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

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except the prime / source documents which are not in the possession of the company for the period beginning from 1st January, 2016 (appointed date) till 26th March, 2018 due to demerger scheme as the demerger undertaking was operated by demerged company.

c) The Balance Sheet, the Statement of Profit and Loss including other compressive income, the Cash Flow Statement and statement of changes in equity, dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.

f) With reference to the Ind AS financial statement of the company and operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** and

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. According to information's and explanations provided to us, the company has disclosed the impact of pending litigations on his financial position in its Ind AS financial statements. (Refer note no. 29 & 30 of Ind AS financial statement)

   ii. According to information's and explanations provided to us, 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

   iv. The disclosure in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018. However, amounts as appearing in the audited financial statements for the period ended 31st March, 2017 have been disclosed.

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: 15th November, 2018

(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, 2018)

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 except not in a proper manner.

(b) Property, plant and equipment's have been physically verified by the management of demerged company 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 (Refer Note No. 3 of Ind AS financial statements)

(ii) (a) Physical verification of inventory has been conducted by the management of demerged 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.

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(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. 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, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate have generally been regularly deposited with the appropriate authorities. There is TDS payable of Rs 1,43,51,510/- undisputed statutory dues as on last date of financial year concerned for a period of more than six months from the date of payable as per the books of account as same has been settled late.

(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.

(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 23.25 crores towards interest for the period 1/1/2016 to 31/3/2018. (Refer Note No. 15 of Ind AS 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. 15 of Ind A 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 Ind AS 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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(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, in terms of demerger scheme equity shares worth Rs 547.97 crores having share value of Rs 10 each has been allotted to the existing shareholders of demerged company.

(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

Place of Signature: New Delhi
Date: 15th November, 2018

(ANUJ BAJAJ)
Partner
M.No. 086937

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, 2018, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 with reference to financial statement 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 with reference to Ind AS financial statement (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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2018, 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

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Note on Audit of Internal Financial Controls with reference to Ind AS financial statement issued by the Institute of Chartered Accountants of India subject to-

That we were unable to perform the procedure during the year concerned as the demerger scheme became effective at the end of the year i.e. 26.03.2018. However, the limited review of matrix study of demerged company has been performed.

Other Matters

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

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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

Place of Signature: New Delhi
Date: 15th November, 2018

(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 2017-18 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 clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to information and explanation given to us, Lease Deed of Land having Total Area of 451.065Acres LNG terminal site at Village Anjanwel, Guhager, Distt. Ratnagiri, Maharashtra is not in the name of the company acquired under Demerger Scheme.
2) Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	According to information and explanation given to us, no such Cases during the year 2017-18
3) Whether proper records are maintained for inventories lying with third parties and assets received as gifts/grant(s) from the Government or other authorities.	According to information and explanation given to us, there is no inventory lying with third parties and assets received as gifts/grant(s) from the Government or other authorities.

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

Place of Signature: New Delhi
Date: 15th November, 2018

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(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, 2018 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: 15th November, 2018

(ANUJ BAJAJ)
Partner
M.No. 086937

KONKAN LNG PRIVATE LIMITED

ANNUAL ACCOUNTS
FOR THE YEAR 2017-18

KONKAN LNG PRIVATE LIMITED
DELHI

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

(₹ Crore)

Particulars	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	2,025.20	2,481.66
Capital work-in-progress	5	908.12	1,066.52
Intangible assets	4	0.00	0.00
Investment in subsidiary			
Financial Assets			
-Loans	6	0.06	0.06
Other Non Current Assets	7	4.81	4.81
Deferred tax assets	35	652.69	-
Subtotal (A)		3,590.88	3,553.05
Current Assets			
Inventories	8	77.09	52.12
Financial Assets			
-Trade Receivables	9	24.64	-
-Cash and cash equivalents	10A	100.10	20.79
-Other bank balances	10B	-	36.73
-Other financial assets	11	190.90	165.40
Other Current Assets	12	22.83	18.28
Subtotal (B)		415.56	293.32
Total Assets (A+B)		4,006.44	3,846.37
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	547.98	0.01
Other Equity	14	(628.78)	13.10
Total equity (C.)		(80.80)	13.11
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	15	3,699.89	3,310.07
Other Financial Liabilities	16	0.05	8.08
Provisions	17	0.06	3.12
Subtotal (D)		3,700.00	3,321.27
Current Liabilities/Provisions			
Financial Liabilities			
Trade Payable	18	54.72	6.65
Other Financial Liabilities	19	235.90	407.05
Other Current Liabilities	20	16.55	18.29
Provisions	21	80.07	80.00
Subtotal (E)		387.24	511.99
Significant accounting policies	2		
Total Equity and Liabilities (C+D+E)		4,006.44	3,846.37

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 - 07178838

(Manoj Jain)
Chairman
DIN - 07556033

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

(ANUJ BAJAJ)
Partner
Membership No - 086937

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date : 15.11.2018

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ Crore)

Particulars	Note	March 31, 2018	March 31, 2017
I. Revenue from Operations	22	317.10	266.69
II. Other Income	23	0.15	4.75
III Total Revenue (I+II)		317.25	271.44
Depreciation and amortization expenses	3,4	110.38	116.08
Employee benefits expenses	24	19.89	15.95
Other expenses	25	139.77	134.87
Finance Cost	26	283.96	309.62
Impairment of non-current assets	3,4,5	509.85	243.80
IV. Total Expenses		1,063.85	820.32
V. Profit before Tax (III - IV)		(746.60)	(548.88)
VI. Tax Expenses			
Current tax			
- Current Year		-	-
- Earlier Years		-	-
Deferred tax charge/ (credit)	35	(652.69)	-
VII. Profit for the Period (V-VI)		(93.91)	(548.88)
Other Comprehensive Income		-	-
Total comprehensive income (VII+ X)		(93.91)	(548.88)
Earning per equity share	38		
(1) Basic		(104.13)	(5,48,880.09)
(2) Diluted		(1.74)	(10.02)

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

In terms of our report attached
For S Bajaj & Associates
Chartered Accountants
Firm Reg. No.04640N

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(ANUJ BAJAJ)
Partner
Membership No - 086937

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date : 15.11.2018

Konkan LNG Private Limited
CIN: U11100DL2015PTC286147

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

(₹ Crore)

Particulars	March 31, 2018	March 31, 2017
Operating activities		
Profit before tax	(746.60)	(548.88)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization of property, plant and equipment and intangible assets	110.38	116.08
Finance income (including fair value change in financial instruments)	(0.01)	(0.02)
Rental income	(0.02)	-
Finance costs (including fair value change in financial instruments)	281.87	309.62
Impairment of assets	509.85	243.80
Cash flow from operating activities before working capital changes	155.47	120.60
Working capital adjustments:		
Increase / (Decrease) in Current Liabilities:		
Trade Payables	48.07	6.65
Other Financial Liabilities	(171.15)	288.17
Other non Financial Liabilities	(8.02)	17.44
Provisions	(2.99)	0.03
Other current liabilities	(1.74)	-
(Increase)/ Decrease in Current Assets:		
Inventories	(24.97)	(23.33)
Trade Receivables	(24.64)	
Other current financial assets		(114.71)
Other non current financial assets	(0.00)	0.01
Other current financial assets	(25.50)	-
Other current and non current assets	(4.55)	3.52
Cash flow from operating activities after working capital changes	(60.03)	298.37
Income tax (paid)/ Refund	-	-
Net cash flows from operating activities (A)	(60.03)	298.37
Investing activites		
Purchase of property, plant and equipment, intangible assets(including capital work in progress)	(5.38)	11.23
Rental income	0.02	-
Sale/(Purchase) of investments (FDR)	36.73	-
Interest received (finance income)	0.01	0.01
Net cash flows used in investing activities (B)	31.39	11.24
Financing activities		
Interest paid	(281.87)	(309.62)
Proceeds from long term borrowings	389.82	-
Net cash flows from/(used in) financing activities (C)	107.95	(309.62)
Net increase in cash and cash equivalents (A+B+C)	79.31	(0.01)
Cash and cash equivalents at the beginning of the year	20.79	20.80
Cash and cash equivalents at year end	100.10	20.79

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, 2018	March 31, 2017
Balances with banks:		
- Current accounts	100.10	0.05
- Deposits with original maturity less than three months	-	20.74
Cash on hand		
Balances per statement of cash flows	100.10	20.79

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

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

(ANUJ BAJAJ)
Partner
Membership No - 086937

KONKAN LNG PRIVATE LIMITED
DELHI

Place : New Delhi
Date : 15.11.2018

Konkan LPG Private Limited
STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

Particulars	Number (in crores)	(₹ Crore) Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2017	0.00	0.01
Issue of share capital	54.80	547.97
As at 31 March 2018	54.80	547.98

* 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) 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	(628.78)	(628.78)

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

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

(ANUJ BAJAJ)
Partner
Membership No - 086937

S. Bajaj & Associates NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date : 13.11.2018

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 NCLT 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 business of extraction of crude petroleum and natural gas [including liquefaction/ regasification of natural gas for purposes of transport and the production, at the mining site, of hydrocarbons from oil or gas field gases] 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 are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. These are the companies First IND AS complied financial statements and IND AS 101 "First Time adoption of Indian Accounting Standards" has been applied.

These Financial Statements were authorized for issue by Board of Directors on November 15, 2018.

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.

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.

KONKAN LNG PRIVATE LIMITED DELHI

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 equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	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.

KONKAN LNG PRIVATE LIMITED DELHI

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. Amortisation

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.

KONKAN LNG PRIVATE LIMITED
DELHI

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.

DELHI

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

5. 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.

KONKAN LNG PRIVATE LIMITED
DELHI

8. Revenue

a. Revenue from Regasification

Company's revenues arise from charges collected from customers for regasification of LNG and other income. Regasification charges are accounted for net of service tax/GST.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

DELHI

b. Other income

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 .

The liability for employees' benefit of employees seconded by the promoter organisations 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.

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.

DELHI

KONKAN LNG PRIVATE LIMITED DELHI

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.

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.

NEW DELHI

KONKAN LNG PRIVATE LIMITED DELHI

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 presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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'.

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KONKAN LNG PRIVATE LIMITED
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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

• 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.

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.

KONKAN LNG PRIVATE LIMITED DELHI

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 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 service tax/GST.

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.

S. BAJAJ & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

KONKAN LNG PRIVATE LIMITED DELHI

Notes forming part of Financial Statements

Note 3 - Property, plant and equipment

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss As on 31.03.18	Impairment Loss As on 31.03.17	NET BLOCK	
	01.04.2017	Addition	Ded./Adj.	31.03.2018	01.04.2017	Addition	Ded./Adj.	31.03.2018			As on 31.03.2018	As on 31.03.2017
TANGIBLE ASSETS												
Land : (including development expenses)												
Leasehold	-	1.75	-	1.75	-	0.02	-	0.02	-	-	1.72	-
Roads,bridges, culverts & helipads	-	0.07	-	0.07	-	0.06	-	0.06	-	-	0.00	-
Plant and machinery(including associated civil works)	3,148.22	3.67	-	3,151.89	496.47	110.08	(0.11)	606.66	522.17	170.31	2,023.07	2,481.45
Office equipment	0.16	0.14	-	0.30	0.05	0.07	-	0.12	0.03	0.01	0.14	0.10
EDP, WP machines and satcom equipment	0.15	0.34	-	0.49	0.11	0.13	-	0.23	0.04	0.00	0.22	0.04
Communication Equipments	0.08	0.02	-	0.09	0.01	0.01	-	0.03	0.01	0.00	0.05	0.07
Total	3,148.61	5.98	-	3,154.59	496.64	110.38	(0.11)	607.13	522.26	170.32	2,025.20	2,481.65

Note 4 - Intangible assets

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss As on 31.03.18	Impairment Loss As on 31.03.17	NET BLOCK	
	01.04.2017	Addition	Ded./Adj.	31.03.2018	01.04.2017	Addition	Ded./Adj.	31.03.2018			As on 31.03.2018	As on 31.03.2017
INTANGIBLE ASSETS												
Software	0.01	-	-	0.01	0.01	0.00	-	0.01	-	0.00	0.00	0.00
Total	0.01	-	-	0.01	0.01	0.00	-	0.01	-	0.00	0.00	0.00
Grand Total	3,148.62	5.98	-	3,154.60	496.66	110.38	(0.11)	607.15	522.26	170.32	2,025.20	2,481.66

*- The Company has carried out the impairment study of its assets during the year through independent expert after considering the demerger scheme of RGPPL approved by its Board of Directors (Refer Note 36)
Pursuant to Demerger Scheme Assets/Accumulated Depreciation pertaining to LNG Undertaking is transferred to Konkan LNG Private Limited. Balance related to LNG undertaking has been adjusted to give effect of Demerger . (Refer Note 43)

Leasehold land value of ₹ 1.75 crores(gross value ₹ 3.22 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 pledged as security for borrowings. (Refer Note 15)

Note 5 - Capital work-in-progress

(₹ Crore)

Particulars	As at 01.04.2017	Additions	Deductions/ Adjustments#	Impairment Loss as at 31.03.2018	Impairment Loss as at 31.03.2017	As at 31.03.2018
Plant and equipment - Owned	1,140.00	6.26	6.74	231.40	73.49	908.12
Total	1,140.00	6.26	6.74	231.40	73.49	908.12

*- The Company has carried out the impairment study of its assets during the year through independent expert after considering the demerger scheme of RGPPL approved by its Board of Directors (Refer Note 36)
Pursuant to Demerger Scheme Capital Work in Progress pertaining to LNG Undertaking is transferred to Konkan LNG Private Limited
Carrying amount of assets are pledged as security for borrowings. (Refer Note 15)

KONKAN LNG PRIVATE LIMITED DELHI

Note 6 - Non Current Financial Assets - Loans (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Loan to employees#		
- Secured	0.05	0.00
- Unsecured, Considered good	0.01	0.06
Total	0.06	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, 2018	As at March 31, 2017
Capital advances:		
Unsecured	1.75	1.75
MAT Credit Entitlement	3.06	3.06
Total	4.81	4.81

Note 8 - Inventories (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Stores and spares:		
Stores and spares*	77.09	51.97
Others	-	0.15
Total	77.09	52.12

* Includes LNG stock of ₹ 64.58 crore (Previous year ₹ 38.59 crore) which has been valued at Net Realisable Value.
Carrying amount of inventories are pledged as security for borrowings. (Refer Note 15)

S.R. BATLIBOI & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Note 9- Trade receivables

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Trade receivables (Considered good, unless otherwise stated)	24.64	-
Other than related parties - Unsecured		
Considered good	-	-
Total	24.64	-

Carrying amount of trade receivables are pledged as security for borrowings. (Refer Note 15)

Note 10 - Cash and Bank balances

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
A. Cash & cash equivalents:		
Balances with banks:		
- Current accounts	100.10	0.05
- Deposits with original maturity less than three months #	-	20.74
Cash on hand	-	-
(A)	100.10	20.79
B. Other bank balances #		
Deposits with original maturity of more than 3 months but less than 12 months	-	16.21
Margin against Bank Guarantee*	-	20.52
(B)	-	36.73
Total (A+B)	100.10	57.52

* Margin of ₹ Nil (Previous Year ₹ 20.52 crore) is with IDBI Bank Limited, Mumbai, for furnishing Bank Guarantee of ₹ 80 crore (Previous Year ₹ 80 crore) to Customs Department {Refer Note No. 30(a)(1)}.

During the year while transferring the balances as on 26.03.2018, RGPPL has transferred these deposits to Power block from LNG Block adjusting against the payable to KLPL.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Note 11 - Current Financial Asset

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	31.27	23.14
Other loans:		
- Security deposits		
- Unsecured, Considered Good	0.03	0.25
Interest accrued on term deposits and others	0.00	-
- Loan to employees		
- Unsecured, Considered good	0.00	0.03
Other Advances	-	-
Receivable from RGPPL	159.59	141.98
Total	190.89	165.40

* 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, 2018	As at March 31, 2017
Advances to contractors and suppliers (Unsecured)	0.02	2.96
Other advances		
Secured	-	-
Unsecured	15.73	0.12
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
Entry tax receivable	-	10.00
CENVAT Receivable	-	0.04
GST Receivable	1.37	-
TDS Recoverable	0.54	-
Claims recoverables:		
Unsecured considered good	0.11	1.10
Prepaid expenses and others	5.06	4.07
Total	22.83	18.28

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Konkan LNG Private Limited
Notes to Financial Statements for the year ended March 31, 2018

Note 13 - Equity share capital (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Share capital		
Authorised		
500,00,00,000 shares of par value of 10/- each	5,000.00	0.01
(Previous year 10,000 Equity shares of Rs. 10 each)		
	5,000.00	0.01
Issued, subscribed and fully paid up		
54,79,80,000 shares of par value of 10/- each	547.98	0.01
(previous year 10,000 shares of par value of 10/- each)		
Total	547.98	0.01

(a) Movements in equity share capital (in Crores)

	As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	0.00	0.01	0.00	0.01
Add: Increase during the year	54.80	547.97	-	-
At the end of the year	54.80	547.98	0.00	0.01

(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, 2018		As at March 31, 2017	
Equity Shares	No of Shares	Percentage	No of Shares	Percentage
Ratnagiri Gas and Power Pvt. Ltd.	-	-	9,999	99.99%
NTPC Limited	13.98	25.51%	-	-
GAIL (India) Limited	13.98	25.51%	-	-
MSEB Holding Company Limited	7.40	13.51%	-	-
IDBI Bank Limited	6.91	12.61%	-	-
State Bank of India	5.50	10.03%	-	-
ICICI Bank Limited	4.88	8.91%	-	-

Note 14 - Other equity (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Share capital pending allotment*		
As per last Financial Statements	547.97	547.97
Less: Alloted during the year	547.97	-
Sub-total (a)	-	547.97
Retained earnings		
As per last Financial Statements	(534.87)	14.01
Profit / (loss) for the year / period	(93.91)	(548.88)
Sub-total (b)	(628.78)	(534.87)
Total(a+b)	(628.78)	13.10

*Pursuant to demerger scheme as explained in Note No. 43 , 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)
NTPC Limited	25.51%	13.98
GAIL (India) 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 15 - Borrowings

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Non current borrowings			
Term loans - Secured			
From Banks (Rupee Term Loan):			
IDBI Bank Limited		1,028.13	877.75
ICICI Bank Limited		682.30	585.85
State Bank of India		789.04	685.24
Canara Bank*		147.73	147.73
	(A)	2,647.20	2,296.57
From Others (Rupee Term Loan):			
Power Finance Corporation Limited		76.00	65.45
IFCI Limited		206.70	178.07
Gas & Power Investment Company Limited (GPICL)		769.98	769.98
	(B)	1,052.69	1,013.50
	Total (A+B)	3,699.89	3,310.07

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 ₹ 3699.89 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 Appellate Tribunal and business plan of demerged company as on appointed date of 1st January 2016. (Refer Note No. 43) and ₹ 389.82 cr (Rupee Term Loan-II) is additional loan obtained during the year.

The Term Loans are extended to Company by Lenders under consortium. 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 (8.80%), ICICI Bank Limited (8.20%), State Bank of India (8.00%) and Canara Bank (8.45%) carrying interest at their respective MCLR.
Term Loans of IFCI Limited, Power Finance Corporation Limited and GPICL carrying interest at IDBI MCLR @ 8.80%.
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 31.03.2018), 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. It has issued the Re-call notice dated 07.09.2018 and demanded Rs. 176.27 cr + interest @ 16.25% p.a. w.e.f. 31.08.2018. As per company, payable is Rs. 147.73 cr against principle and Rs. 23.25 cr towards interest outstanding as on 31.03.2018 for the period from 01.01.2016 to 31.03.2018. The company has paid an amount of Rs. 23.25 cr towards interest outstanding as on 31.03.2018 in the month of october, 2018. The company is also paying due interest (excluding penal interest) on loan amount w.e.f. 01.04.2018 till date regularly. In lenders meeting dated 19.10.2018, it was decided that Canara Bank will once again approach RBI for upgradation of its Account and in case issue is not resolved then other lenders may take over the loan of Canara Bank by complying RBI guidelines for purchase/sale of Non performing Financial Assets.

Note 16 - Other Non Current Financial Liabilities

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Payable for capital expenditure		0.05	8.08
	Total	0.05	8.08

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KONKAN LNG PRIVATE LIMITED DELHI

Note 17 - Long term provisions (₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Provision for employee benefits			
As per Last Balance Sheet		0.06	0.03
Add: Additions/Adjustments during the year		-	0.03
Less: Amount paid during the year		-	-
		0.06	0.06
Provision for others (Minimum Alternate Tax)			
As per Last Balance Sheet		3.06	3.06
Add: Additions/Adjustments during the year		-	-
Less: Amount paid/Adjustments during the year		3.06	-
	(B)	-	3.06
	Total	0.06	3.12

Note 18 - Trade Payables (₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Trade payables		34.62	6.15
Trade payables to related parties		20.10	0.50
	Total	54.72	6.65

Note 19 - Other financial liabilities (₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Other financial liabilities at amortised cost:			
Deposits/Retention Money from Customers/contractors/others		8.36	3.43
Interest accrued and due on borrowings*		227.42	379.54
Payable for capital expenditure		-	14.98
Expenses payable and other liabilities		0.12	9.10
	Total	235.90	407.05

* Refer note 15

Note 20 - Other current liabilities (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Tax deducted at source and other statutory dues	16.55	18.29
Total	16.55	18.29

Note 21 - Current provisions (₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Provision for custom duty @	80.00	80.00
Provision for audit fees	0.07	-
Total	80.07	80.00

@ - 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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Konkan LPG Private Limited
Notes to Financial Statements for the year ended March 31, 2018

(₹ Crore)

Note 22- Revenue from Operations

	As at March 31, 2018	As at March 31, 2017
Regasification charges	317.10	266.69
Total	317.10	266.69

(₹ Crore)

Note 23- Other Income

	As at March 31, 2018	As at March 31, 2017
Interest income from:		
- Loan to employees	0.01	0.01
- Term deposit - Banks	-	-
Other non-operating income		
Sale of scrap	0.09	0.25
Rent	0.02	0.04
Recoveries from contractors & Others	0.03	4.45
Total	0.15	4.75

(₹ Crore)

Note : 24- Employee Benefit expense

	As at March 31, 2018	As at March 31, 2017
Salaries and wages	19.08	15.05
Contribution to provident and other funds	0.15	0.16
Staff welfare expenses	0.66	0.74
Total	19.89	15.95

In respect to disclosure of employee benefits as per Ind AS-19, refer Note No. 39

(₹ Crore)

Note : 25 Other Expenses

	As at March 31, 2018	As at March 31, 2017
Administration & Other Expenses:		
Power charges	15.78	14.93
Consumption of Stores	0.17	0.15
Repairs & maintenance:		
-Buildings	0.50	1.10
-Plant & machinery	57.67	72.27
-Others	0.07	0.14
Insurance	11.73	12.81
Rates and taxes	37.03	20.01
Water cess & environment protection cess	0.07	0.86
Training & recruitment expenses	0.01	0.02
Communication expenses	0.17	0.12
Travelling expenses	0.38	0.30
Payment to auditors (refer details below)	0.08	0.00
Advertisement and publicity	0.18	0.11
Security expenses	7.94	7.53
Entertainment expenses	0.09	0.03
Expenses for guest house	0.70	0.47
Less : Recoveries	(0.02)	(0.10)
Education expenses	0.08	0.09
Community development and welfare (CSR) expenses	0.19	0.16
Books and periodicals(CY: ₹ 6552 and PY: ₹ 16568)	0.00	0.00
Professional charges and consultancy fees	3.19	0.59
Legal expenses	0.18	0.03
EDP hire and other charges	0.06	0.08
Printing and stationery	0.01	0.01
Hiring of vehicles	0.64	0.67
Bank charges	2.77	1.84
Net loss in foreign currency transactions & translations	0.01	-
Miscellaneous expenses	0.10	0.66
Brokerage & Commission	0.02	-
Total	139.77	134.87

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KONKAN LNG PRIVATE LIMITED DELHI

Payment to Auditors

(₹)

Particulars	March 31, 2018	March 31, 2017
As auditors (Inclusive of Service Tax)		
Statutory Audit Fee	4,25,000	23,000
Fee for Tax Audit (current year)	1,25,000	-
Fee for Tax Audit (earlier years)	2,50,000	-
Out of Pocket Expenses	-	6,242
Total	8,00,000	29,242

Note : 26 Finance Costs

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Interest on rupee term loans	281.87	309.62
Others*	2.09	-
Total	283.96	309.62

* This includes payment of upfront fee for obtaining Rupee Term Loan-II as per revised business plan amounting to Rs. 1.07 crores. The same has been charged to revenue in the first year of loan itself, amount being insignificant.

Notes forming part of Financial Statements

27 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. The previous year figures (before demerger) have been consolidated with the carved out figures of LNG undertaking of RGPPL (demerged undertaking) as per the special purpose financial statements prepared by RGPPL as per Ind AS. The demerger scheme has become effective 26.03.2018 with appointed date of 01 01.2016 as per note no. 43.

28 a) The Company has a system of obtaining annual confirmation of balances from Lenders and other parties. 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 on annual basis. 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.

29 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. Some of the employees may pertain to LNG block.

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

(a) Contingent Liabilities

(a) Contingent Liabilities

1 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 and provision made for the same pending ascertainment of exact amount. MoP is pursuing with MoF for requisite waiver. Based on final view from GoI, provision shall be dealt.

2 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. Matter was under arbitration as on 31.03.2018.
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 with an advance payment of Rs. 4.81 crores

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.

3 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. Based on this request, MMB has deferred the demand of interest till decision by their Board in this regard.

4 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 the company has to incur any expenditure towards supply of water, then as per the clause 5.13 of Power Purchase Agreement signed with MSEDCL, the company has the right to claim reimbursement of the same towards water supply cost. This is common for RGPPL and KLPL and the amount pertaining to KLPL is not ascertainable at this stage.

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5 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.

6 Work order no. RGPPL/HQ/C&M/BOG COMPRESSOR/DLOA/112/2013/SD dated 03.05.2013 was awarded to M/s Savair Energy Limited for Procurement and installation of additional Boil Off Gas (BOG) Booster Compressor and associated works at RGPPL-LNG terminal project for a lump-sum contract value of Rs 29,33,33,331 by RGPPL. The work was not completed by the contractor and has initiated arbitration against RGPPL. Claims and counter claims were filed by claimant M/s Savair Energy Limited and respondent M/s Konkan LNG Pvt. Ltd. Against the arbitration case filed by M/s Savair Energy limited, Arbitrator has passed its order dated 15.10.2018 directing claimant M/s Savair Energy Limited to pay Rs 40,82,926 along with interest @ 9% p.a. to respondent M/s Konkan LNG Pvt. Ltd. after adjusting all the claims and counter claims.

An advance against capital works to M/s Savair Energy Limited amounting Rs 1,74,88,000/- is appearing under Note - 8 to Balance Sheet as on 31.03.2018. Both the parties have right to file appeal against the arbitration order dated 15.10.2018 within 4 months from the date of order. As the period of four months has not been passed, decision whether to file to appeal is under consideration by management.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ 25.00 crores (Previous Year ₹ 43.10 crores).

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

a) List of Related parties:

i) Key Management Personnel (KMP):

Shri A K Juneja	Director
Shri Pankaj Patel	Director
Shri Ankit Jain	Company Secretary

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ii) Entity having the joint control over the entity:

NTPC Limited

GAIL (India) Limited

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

Ratnagiri Gas And Power Private Limited

iv) Others

Utility Powertech Limited

b) Transactions with related parties are as follows:

(i) Remuneration to the key management personnel is ₹ 0.57 cr. (Previous Year ₹ 0.33 cr) and amount of dues outstanding to the company as on 31st March 2018 are Nil (Previous Year - Nil)

₹ in Crore

Remuneration to key management personnel	Current Year	Previous Year
Shri A K Juneja	Nil	Nil
Shri Pankaj Patel	0.57	0.33
Shri Ankit Jain	Nil	Nil

i)Transactions with post employment benefit plans:

₹ in Crore

Name of the company / Person	Nature of transaction	Current Year	Previous Year
RGPPL Employees Gratuity Fund Trust*	Insurance Premium	0.41	0.01

* This is the total contributed by RGPPL for both power and LNG segments. For company, the amount is not ascertainable.

ii)Transactions with others:

₹ in Crore

Name of the company / Person	Nature of transaction	Current Year	Previous Year
GAIL (India)Limited	Salary and other benefits of employees on	17.45	15.84
	Revenue from regasification	317.10	266.69
Ratnagiri Gas and Power Private Limited	Purchase of power	15.78	14.93
	Interest paid (CY. 23,753)	0.00	-
Utility Powertech Limited (UPL)	CSR Expenses	0.02	-
	Contract for works/services received by the	3.79	6.86

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c) Outstanding balances with related parties are as follows:

₹ in Crore

Particulars	Current Year	Previous Year
Amount recoverable other than loans		
- From Ratnagiri Gas and Power Private Limited	160.50	141.98
- From GAIL (India) Limited	56.46	23.14
Amount payable other than loans		
- To GAIL (India) Limited	23.42	20.27
- To Utility Powertech Limited	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 as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institution by GAIL (India) Limited.

iv) Outstanding balances of others are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. For the year ended March 31, 2018 and March 31, 2017, 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.

32 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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33 **Disclosure as per Ind AS - 17 on 'Leases'**

Operating leases

The Company's does not have significant leasing arrangements .

34 **Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006**

The Company has not received any information from suppliers about their registration under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, company has nothing to report in this regard.

35 **Disclosure as per Ind AS - 12 on 'Income taxes'**

(₹ Crore)

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

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

The Company has carried out the impairment study of its assets during the year 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 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, being the appointed date.

Based on the impairment study, the Company has provided Impairment Loss of ₹ 509.85 crore (P.Y. ₹ 243.80 crore) in the books of accounts of the Company. The Company has adopted Discounted Cash Flow Income approach for impairment study.

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.

37 **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 tax Neutral demerger scheme of LNG terminal from RGPPL w.e.f. 01.01.2016 i.e. "the appointed date" at book value basis for which a scheme of arrangement (demerger) under section 230 to 232 of the Companies Act, 2013 has been approved by Hon'ble National Company Law Appelate Tribunal (NCLAT) vide order dated 28.02.2018 and has been made effective from 26.03.2018 by filing necessary documents with Registrar of Companies.

b. 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.

c. 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.

38 **Earnings per share**

Basic	31 March 2018	31 March 2017
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(93.91)	(548.88)
Weighted average number of equity shares in calculating basic EPS (crore)	0.90	0.00
Basic earnings (loss) per equity share (₹)	(104.13)	(5,48,880.09)

Diluted	31 March 2018	31 March 2017
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(93.91)	(548.88)
Weighted average number of equity shares in calculating diluted EPS (crores)	53.90	54.80
Total no. of shares outstanding (including dilution) (crores)	53.90	54.80
Diluted earnings (loss) per equity share (₹)	(1.74)	(10.02)

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39 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 ₹ 0.35 crores excluding ₹ 0.78 crores pertaining to employees of promoter companies (Previous Year ₹ 0.36 crore excluding ₹ 1.43 crore pertaining to employees of promoter companies) has been deposited directly with RPFC Account of RGPPL 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.

The existing scheme is funded by the Company and is managed by separate trust established for the purpose. Trust in turn has appointed Life Insurance Corporation of India as Fund Manager. Company is making the payment to Trust equivalent to annual premium demanded by Life Insurance Corporation of India in respect of gratuity coverage to employees, based on the actuarial valuation carried out by them, and charged to revenue ₹ 0.41 crore (Previous Year ₹ 0.01 crore).

* In respect to own cadre employees of KLPL, it is difficult to segregate the employee benefit cost which was being handled by RGPPL as a whole including RGPPL own cadre employees .Hence figures as reportedby RGPPL has been reported hereby.

(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 2018 has 3 employees on its payroll. Liability of ₹ 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 carried out by RGPPL

40 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.

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41 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, 2018 and March 31, 2017 is floating interest bearing; hence company is exposed to interest rate risk at present.

(b) Foreign currency risk

The Company does not have 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.

₹ Crore

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	57.93	3,641.96	3,699.89
Borrowings Interest Overdue	230.17	-	-	-	-	230.17
Expenses Payables	0.12	-	-	-	-	0.12
Payable for Capital Expenditure	-	-	-	0.05		0.05
Advance from Customers	-	-	-	-	-	-
Deposits from Customers/Contracotrs/suppliers	1.16	0.29	6.78	0.13	-	8.36
Trade payables	41.80			3.23	9.69	54.72
Total	273.26	0.29	6.78	61.34	3,651.65	3,993.32

₹ Crore

As at 31 March 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	16.55	3,293.52	3,310.07
Borrowings Interest Overdue	379.54	-	-	-	-	379.54
Expenses Payables	9.10	-	-	-	-	9.10
Payable for Capital Expenditure	-	-	14.98	8.08	-	23.06
Advance from Customers	-	-	-	-	-	-
Deposits from Customers/Contracotrs/suppliers	3.43	-	-	-	-	3.43
Trade payables	6.65	-	-	-	-	6.65
Total	398.73	-	14.98	24.63	3,293.52	3,731.87

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 2018 and for the comparative year ended 31st March 2017.

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 ₹ 100.10 crore as at 31 March 2018 (31st March 2017: ₹ 20.79). 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.

41 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 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	-	-	-	-
Cash and cash equivalents	100.10	-	-	-
Other Bank Balances	-	-	-	-
Loans	-	-	-	-
Other financial assets	215.54	-	-	-
Total	**315.71**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,699.89	-	-	-
Other financial liabilities	0.05	-	-	-
Current				
Trade payables	54.72	-	-	-
Other financial liabilities	238.65	-	-	-
Total	**3,993.32**	-	-	-

As at 31 March 2017, 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 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans	0.06	-	-	-
Current				
Trade receivables	-			
Cash and cash equivalents	20.79	-	-	-
Other Bank Balances	36.73	-	-	-
Other financial assets	165.40	-	-	-
Total	**222.98**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,310.07	-	-	-
Other financial liabilities	8.08	-	-	-
Current				
Trade payables	6.65	-	-	-
Other financial liabilities	407.05	-	-	-
Total	**3,731.85**	-	-	-

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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42 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) Disclosure of Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 and permits two possible methods of transition:

(i) retrospectively to each prior reporting year in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company is evaluating requirements of the Ind AS 115 and the effect on the financial statements is being evaluated. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the evaluation is completed.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

43 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 Apellate 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 ₹ 547.97 crores is adjusted by reduction from share capital of transferor company pursuant to scheme of demerger.

c) 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

44 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	1,900.80	3,696.68	3,310.07

* The sanction letter/agreement is yet to be entered

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 26, 2018 on filing relevant documents with Registrar of Companies.

As per the approved scheme and Business Plan of RGPPL, Loan (including interest liability) of ₹ 8,906.75 crore as on appointed date of 1st January, 2016 has been transferred by banks and financial institutions as follows:

Loan Transferred to Konkan LNG Private Limited – ₹ 3,310.07 crores.

The Konkan LNG Private Limited ("KLPL") and Ratnagiri Gas and Power Private Limited ("RGPPL") has recognised loan liability accordingly with effect from appointed date, i.e. 1st January, 2016.

KONKAN LNG PRIVATE LIMITED
DELHI

45 Note on Demonetisation

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

(Amounts in ₹)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Govt. Of India, Ministry of Finance, Deptt of Economic Affairs S.O. 3407 (E) dated 08.11.2016. The disclosure regarding details of SBN held and transacted during 08.11.2016 to 30.12.2016 has not been made since the requirement does not pertain to financial year ended 31.03.2018. Corresponding note as appearing in the audited financial statements for the year ended 31.03.2017 have been disclosed above.

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 SBN Associates S. Bajaj & Associates.
Chartered Accountants
FRN - [illegible]649N

S. BAJAJ & ASSOCIATES
NEW DELHI
Chartered Accountants

(Anuj Bajaj)
Partner
Membership No. - 086927

KONKAN LNG PRIVATE LIMITED
DELHI

Place: New Delhi
Date: 15.11.2018

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

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **M/s. KONKAN LNG PRIVATE LIMITED. ("the company")**, which comprise the Balance Sheet as at March 31,2018, the Statement of Profit and Loss (including other compressive income), Cash Flow Statement and Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial statement.")

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial statements that give a true and fair view of the financial position, financial performance including other comprising Income, cash flows and changes in Equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

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B.O.: E-2124A, Palam Vihar, Gurugram, Haryana-122017

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Losses (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of matters

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

a) The demerger scheme has been approved by Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 28, 2018. The effective date of scheme is March 26, 2018 whereas the appointed date is January 1, 2016. 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 from appointed date. The financial statement has been prepared giving effect of the demerger scheme. (Refer Note No. 43 of Ind AS financial statement)

b) Previous year figures have been restated by consolidating standalone financial statement (before demerger) with the carve-out financial statement of demerged undertaking from the consolidated financial statements of M/s Ratangiri Gas & Power Private Limited based on the special purpose financial statements for effective comparison as the demerged scheme has been made effective from 26th March, 2018 with appointed date as 1st January, 2016. These consolidate figures has been considered as opening balances which are unaudited for the preparation of Ind As Financial Statement of the concerned year. (Refer note no. 27 & 43 of Ind AS financial statement)

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

c) The Canara bank, one of the lenders of the company (3.99% of outstanding as on 31.03.2018), 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. It has issued the Re-call notice dated 07.09.2018 and demanded Rs. 176.27 cr + interest @ 16.25% p.a. w.e.f. 31.08.2018. As per company, payable is Rs. 147.73 cr against principle and Rs. 23.25 Cr towards interest outstanding as on 31.03.2018 for the period from 01.01.2016 to 31.03.2018. The company has paid an amount of Rs. 23.25 Cr towards interest outstanding as on 31.03.2018 in the month of October, 2018. The company is also paying due interest (excluding penal interest) on loan amount w.e.f. 01.04.2018 till date regularly. In lenders meeting dated 19.10.2018, it was decided that Canara Bank will once again approach RBI for upgradation of Its Account and in case issue is not resolved then other lenders may take over the loan of Canara Bank by complying RBI guidelines for purchase/sale of Non performing Financial Assets. (Refer note no. 15 of Ind AS financial statement)

Our opinion is not modified in respect of aforesaid matters.

Other matters

a) The company has adopted an accounting policy in respect of materiality of prior period items to be accounted for and disclosed in terms of Ind AS 8, considering a minimum benchmark of Rs.100 crores for identification of material prior period errors for retrospective restatement and Rs.10 crores for identification of material prior period errors at transaction level for each line item disclosed in the notes for revenue and expenses. Considering the revenue as well as expenditure level of the entity, the benchmark so adopted is too high. Particularly, schedule III division II under the companies Act 2013 provides separate disclosure of any item of expenditure and income which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher. The policy needs a review.

Our opinion is not modified in respect of aforesaid matters.

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 Act, we give in "**Annexure A**" the statement of the matters specified in paragraphs III and IV of the Order.

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

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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

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 except the prime / source documents which are not in the possession of the company for the period beginning from 1st January, 2016 (appointed date) till 26th March, 2018 due to demerger scheme as the demerger undertaking was operated by demerged company.

c) The Balance Sheet, the Statement of Profit and Loss including other compressive income, the Cash Flow Statement and statement of changes in equity, dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.

f) With reference to the Ind AS financial statement of the company and operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" and

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. According to information's and explanations provided to us, the company has disclosed the impact of pending litigations on his financial position in its Ind AS financial statements. (Refer note no. 29 & 30 of Ind AS financial statement)

   ii. According to information's and explanations provided to us, 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

   iv. The disclosure in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018. However, amounts as appearing in the audited financial statements for the period ended 31st March, 2017 have been disclosed.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

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: 15th November, 2018

(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, 2018)

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 except not in a proper manner.

(b) Property, plant and equipment's have been physically verified by the management of demerged company 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 (Refer Note No. 3 of Ind AS financial statements)

(ii) (a) Physical verification of inventory has been conducted by the management of demerged 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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(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. 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, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate have generally been regularly deposited with the appropriate authorities. There is TDS payable of Rs 1,43,51,510/- undisputed statutory dues as on last date of financial year concerned for a period of more than six months from the date of payable as per the books of account as same has been settled late.

(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.

(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 23.25 crores towards interest for the period 1/1/2016 to 31/3/2018. (Refer Note No. 15 of Ind AS 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. 15 of Ind A 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 Ind AS 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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(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, in terms of demerger scheme equity shares worth Rs 547.97 crores having share value of Rs 10 each has been allotted to the existing shareholders of demerged company.

(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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

Place of Signature: New Delhi
Date: 15th November, 2018

(ANUJ BAJAJ)
Partner
M.No. 086937

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, 2018, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 with reference to financial statement 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 with reference to Ind AS financial statement (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 Ind AS 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 Ind AS 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 Ind AS financial statement, assessing the risk that a material weakness exists, and

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

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 Ind AS 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, 2018, 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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

Note on Audit of Internal Financial Controls with reference to Ind AS financial statement issued by the Institute of Chartered Accountants of India subject to-

That we were unable to perform the procedure during the year concerned as the demerger scheme became effective at the end of the year i.e. 26.03.2018. However, the limited review of matrix study of demerged company has been performed.

Other Matters

According to the information and explanations given to us and based on our audit, the company needs to 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: 15th November, 2018

(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 2017-18 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 clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to information and explanation given to us, Lease Deed of Land having Total Area of 451.065Acres LNG terminal site at Village Anjanwel, Guhager, Distt. Ratnagiri, Maharashtra is not in the name of the company acquired under Demerger Scheme.
2) Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	According to information and explanation given to us, no such Cases during the year 2017-18
3) Whether proper records are maintained for inventories lying with third parties and assets received as gifts/grant(s) from the Government or other authorities.	According to information and explanation given to us, there is no inventory lying with third parties and assets received as gifts/grant(s) from the Government or other authorities.

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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(ANUJ BAJAJ)
Partner
M.No. 086937

Place of Signature: New Delhi
Date: 15th November, 2018

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, 2018 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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(ANUJ BAJAJ)
Partner
M.No. 086937

Place of Signature: New Delhi
Date: 15th November, 2018

KONKAN LNG PRIVATE LIMITED

ANNUAL ACCOUNTS
FOR THE YEAR 2017-18

KONKAN LNG PRIVATE LIMITED
DELHI

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

(₹ Crore)

Particulars	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	2,025.20	2,481.66
Capital work-in-progress	5	908.12	1,066.52
Intangible assets	4	0.00	0.00
Investment in subsidiary			
Financial Assets			
-Loans	6	0.06	0.06
Other Non Current Assets	7	4.81	4.81
Deferred tax assets	35	652.69	-
Subtotal (A)		3,590.88	3,553.05
Current Assets			
Inventories	8	77.09	52.12
Financial Assets			
-Trade Receivables	9	24.64	-
-Cash and cash equivalents	10A	100.10	20.79
-Other bank balances	10B	-	36.73
-Other financial assets	11	190.90	165.40
Other Current Assets	12	22.83	18.28
Subtotal (B)		415.56	293.32
Total Assets (A+B)		4,006.44	3,846.37
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	547.98	0.01
Other Equity	14	(628.78)	13.10
Total equity (C.)		(80.80)	13.11
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	15	3,699.89	3,310.07
Other Financial Liabilities	16	0.05	8.08
Provisions	17	0.06	3.12
Subtotal (D)		3,700.00	3,321.27
Current Liabilities/Provisions			
Financial Liabilities			
Trade Payable	18	54.72	6.65
Other Financial Liabilities	19	235.90	407.05
Other Current Liabilities	20	16.55	18.29
Provisions	21	80.07	80.00
Subtotal (E)		387.24	511.99
Significant accounting policies	2		
Total Equity and Liabilities (C+D+E)		4,006.44	3,846.37

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

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

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(ANUJ BAJAJ)
Partner
Membership No - 086937

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date : 15.11.2018

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ Crore)

Particulars	Note	March 31, 2018	March 31, 2017
I. Revenue from Operations	22	317.10	266.69
II. Other Income	23	0.15	4.75
III Total Revenue (I+II)		317.25	271.44
Depreciation and amortization expenses	3,4	110.38	116.08
Employee benefits expenses	24	19.89	15.95
Other expenses	25	139.77	134.87
Finance Cost	26	283.96	309.62
Impairment of non-current assets	3,4,5	509.85	243.80
IV. Total Expenses		1,063.85	820.32
V. Profit before Tax (III - IV)		(746.60)	(548.88)
VI. Tax Expenses			
Current tax			
- Current Year		-	-
- Earlier Years		-	-
Deferred tax charge/ (credit)	35	(652.69)	-
VII. Profit for the Period (V-VI)		(93.91)	(548.88)
Other Comprehensive income		-	-
Total comprehensive income (VII+ X)		(93.91)	(548.88)
Earning per equity share	38		
(1) Basic		(104.13)	(5,48,880.09)
(2) Diluted		(1.74)	(10.02)

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)
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(ANUJ BAJAJ)
Partner
Membership No - 086937

Place : New Delhi
Date : 15.11.2018

Konkan LNG Private Limited
CIN: U11100DL2015PTC288147

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

(₹ Crore)

Particulars	March 31, 2018	March 31, 2017
Operating activities		
Profit before tax	(746.60)	(548.88)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization of property, plant and equipment and intangible assets	110.38	116.08
Finance income (including fair value change in financial instruments)	(0.01)	(0.02)
Rental income	(0.02)	-
Finance costs (including fair value change in financial instruments)	281.87	309.62
Impairment of assets	509.85	243.80
Cash flow from operating activities before working capital changes	**155.47**	**120.60**
Working capital adjustments:		
Increase / (Decrease) in Current Liabilities:		
Trade Payables	48.07	6.65
Other Financial Liabilities	(171.15)	288.17
Other non Financial Liabilities	(8.02)	17.44
Provisions	(2.99)	0.03
Other current liabilities	(1.74)	-
(Increase)/ Decrease in Current Assets:		
Inventories	(24.97)	(23.33)
Trade Receivables	(24.64)	-
Other current financial assets	-	(114.71)
Other non current financial assets	(0.00)	0.01
Other current financial assets	(25.50)	-
Other current and non current assets	(4.55)	3.52
Cash flow from operating activities after working capital changes	**(60.03)**	**298.37**
Income tax (paid)/ Refund	-	-
Net cash flows from operating activities (A)	**(60.03)**	**298.37**
Investing activites		
Purchase of property, plant and equipment, intangible assets(including capital work in progress)	(5.38)	11.23
Rental Income	0.02	-
Sale/(Purchase) of investments (FDR)	36.73	-
Interest received (finance income)	0.01	0.01
Net cash flows used in investing activities (B)	**31.39**	**11.24**
Financing activities		
Interest paid	(281.87)	(309.62)
Proceeds from long term borrowings	389.82	-
Net cash flows from/(used in) financing activities (C)	**107.95**	**(309.62)**
Net increase in cash and cash equivalents (A+B+C)	**79.31**	**(0.01)**
Cash and cash equivalents at the beginning of the year	20.79	20.80
Cash and cash equivalents at year end	**100.10**	**20.79**

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, 2018	March 31, 2017
Balances with banks:		
- Current accounts	100.10	0.05
- Deposits with original maturity less than three months	-	20.74
Cash on hand	-	-
Balances per statement of cash flows	**100.10**	**20.79**

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

(ANUJ BAJAJ)
Partner
Membership No - 086937

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date : 15.11.2018

Konkan LPG Private Limited
STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

(₹ Crore)

Particulars	Number (in crores)	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2017	0.00	0.01
Issue of share capital	54.80	547.97
As at 31 March 2018	54.80	547.98

* 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) Other Equity

(₹ Crore)

Particulars	Retained earnings	Total
As at 1 April 2017	(534.87)	**(534.87)**
Profit for the period	(93.91)	**(93.91)**
As at 31 March 2018	(628.78)	(628.78)

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)
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S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

(ANUJ BAJAJ)
Partner
Membership No - 086937

KONKAN LNG PRIVATE LIMITED DELHI

Place : New Delhi
Date :15.11.2018

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 NCLT 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 business of extraction of crude petroleum and natural gas [including liquefaction/ regasification of natural gas for purposes of transport and the production, at the mining site, of hydrocarbons from oil or gas field gases] 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 are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. These are the companies First IND AS complied financial statements and IND AS 101 "First Time adoption of Indian Accounting Standards" has been applied.

These Financial Statements were authorized for issue by Board of Directors on November 15, 2018.

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

KONKAN LNG PRIVATE LIMITED DELHI

- 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.

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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

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 equipments, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other communication equipments	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.

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KONKAN LNG PRIVATE LIMITED DELHI

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. Amortisation

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.

KONKAN LNG PRIVATE LIMITED
DELHI

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.

DELHI
Chartered Accountants

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

5. 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.

KONKAN LNG PRIVATE LIMITED
DELHI

8. Revenue

a. Revenue from Regasification

Company's revenues arise from charges collected from customers for regasification of LNG and other income. Regasification charges are accounted for net of service tax/GST.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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Chartered Accountants

b. Other income

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 .

The liability for employees' benefit of employees seconded by the promoter organisations 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.

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.

S.N. NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

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.

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.

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

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 presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

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'.

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KONKAN LNG PRIVATE LIMITED DELHI

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

• 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.

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.

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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 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 service tax/GST.

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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.

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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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Note 3 - Property, plant and equipment

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss	Impairment Loss	NET BLOCK	
	01.04.2017	Addition	Ded./Adj.	31.03.2018	01.04.2017	Addition	Ded./Adj.	31.03.2018	As on 31.03.18	As on 31.03.17	As on 31.03.2018	As on 31.03.2017
TANGIBLE ASSETS												
Land :												
(including development expenses)												
Leasehold	-	1.75	-	1.75	-	0.02	-	0.02	-	-	1.72	-
Roads,bridges, culverts & helipads	-	0.07	-	0.07	-	0.06	-	0.06	-	-	0.00	-
Plant and machinery(including associated civil works)	3,148.22	3.67	-	3,151.89	496.47	110.08	(0.11)	606.66	522.17	170.31	2,023.07	2,481.45
Office equipment	0.16	0.14	-	0.30	0.05	0.07	-	0.12	0.03	0.01	0.14	0.10
EDP, WP machines and satcom equipment	0.15	0.34	-	0.49	0.11	0.13	-	0.23	0.04	0.00	0.22	0.04
Communication Equipments	0.08	0.02	-	0.09	0.01	0.01	-	0.03	0.01	0.00	0.05	0.07
Total	**3,148.61**	**5.98**	-	**3,154.59**	**496.64**	**110.38**	**(0.11)**	**607.13**	**522.26**	**170.32**	**2,025.20**	**2,481.65**

Note 4 - Intangible assets

(₹ Crore)

Description of Assets	GROSS BLOCK				DEPRECIATION				Impairment Loss	Impairment Loss	NET BLOCK	
	01.04.2017	Addition	Ded./Adj.	31.03.2018	01.04.2017	Addition	Ded./Adj.	31.03.2018	As on 31.03.18	As on 31.03.17	As on 31.03.2018	As on 31.03.2017
INTANGIBLE ASSETS												
Software	0.01	-	-	0.01	0.01	0.00	-	0.01	-	0.00	0.00	0.00
Total	**0.01**	-	-	**0.01**	**0.01**	**0.00**	-	**0.01**	-	**0.00**	**0.00**	**0.00**
Grand Total	**3,148.62**	**5.98**	-	**3,154.60**	**496.66**	**110.38**	**(0.11)**	**607.15**	**522.26**	**170.32**	**2,025.20**	**2,481.66**

*- The Company has carried out the impairment study of its assets during the year through independent expert after considering the demerger scheme of RGPPL approved by its Board of Directors (Refer Note 36)

Pursuant to Demerger Scheme Assets/Accumulated Depreciation pertaining to LNG Undertaking is transferred to Konkan LNG Private Limited. Balance related to LNG undertaking has been adjusted to give effect of Demerger (Refer Note 43)

Leasehold land value of ₹ 1.75 crores(gross value ₹ 3.22 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 pledged as security for borrowings. (Refer Note 15)

Note 5 - Capital work-in-progress

(₹ Crore)

Particulars	As at 01.04.2017	Additions	Deductions/ Adjustments#	Impairment Loss as at 31.03.2018	Impairment Loss as at 31.03.2017	As at 31.03.2018
Plant and equipment - Owned	1,140.00	6.26	6.74	231.40	73.49	908.12
Total	**1,140.00**	**6.26**	**6.74**	**231.40**	**73.49**	**908.12**

*- The Company has carried out the impairment study of its assets during the year through independent expert after considering the demerger scheme of RGPPL approved by its Board of Directors (Refer Note 36)

Pursuant to Demerger Scheme Capital Work in Progress pertaining to LNG Undertaking is transferred to Konkan LNG Private Limited

Carrying amount of assets are pledged as security for borrowings. (Refer Note 15)

Konkan LPG Private Limited
Notes to Financial Statements for the year ended March 31, 2018

Note 6 - Non Current Financial Assets - Loans

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Loan to employees#		
- Secured	0.05	0.00
- Unsecured, Considered good	0.01	0.06
Total	0.06	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, 2018	As at March 31, 2017
Capital advances:		
Unsecured	1.75	1.75
MAT Credit Entitlement	3.06	3.06
Total	4.81	4.81

Note 8 - Inventories

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Stores and spares:		
Stores and spares*	77.09	51.97
Others	-	0.15
Total	77.09	52.12

* Includes LNG stock of ₹ 64.58 crore (Previous year ₹ 38.59 crore) which has been valued at Net Realisable Value.

Carrying amount of inventories are pledged as security for borrowings. (Refer Note 15)

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(₹ Crore)

Note 9- Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables (Considered good, unless otherwise stated)	24.64	-
Other than related parties - Unsecured		
Considered good	-	-
Total	**24.64**	**-**

Carrying amount of trade receivables are pledged as security for borrowings. (Refer Note 15)

(₹ Crore)

Note 10 - Cash and Bank balances

	As at March 31, 2018	As at March 31, 2017
A. Cash & cash equivalents:		
Balances with banks:		
- Current accounts	100.10	0.05
- Deposits with original maturity less than three months #	-	20.74
Cash on hand	-	-
(A)	**100.10**	**20.79**
B. Other bank balances #		
Deposits with original maturity of more than 3 months but less than 12 months	-	16.21
Margin against Bank Guarantee*	-	20.52
(B)	**-**	**36.73**
Total (A+B)	**100.10**	**57.52**

* Margin of ₹ Nil (Previous Year ₹ 20.52 crore) is with IDBI Bank Limited, Mumbai, for furnishing Bank Guarantee of ₹ 80 crore (Previous Year ₹ 80 crore) to Customs Department {Refer Note No. 30(a)(1)}.

During the year while transferring the balances as on 26.03.2018, RGPPL has transferred these deposits to Power block from LNG Block adjusting against the payable to KLPL.

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Note 11 - Current Financial Asset

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Unbilled revenue	31.27	23.14
Other loans:		
- Security deposits		
- Unsecured, Considered Good	0.03	0.25
Interest accrued on term deposits and others	0.00	-
- Loan to employees		
- Unsecured, Considered good	0.00	0.03
Other Advances	-	-
Receivable from RGPPL	159.59	141.98
Total	190.89	165.40

* 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, 2018	As at March 31, 2017
Advances to contractors and suppliers (Unsecured)	0.02	2.96
Other advances		
Secured	-	-
Unsecured	15.73	0.12
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
Entry tax receivable	-	10.00
CENVAT Receivable	-	0.04
GST Receivable	1.37	-
TDS Recoverable	0.54	-
Claims recoverables:		
Unsecured considered good	0.11	1.10
Prepaid expenses and others	5.06	4.07
Total	22.83	18.28

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KONKAN LNG PRIVATE LIMITED DELHI

(₹ Crore)

Note 13 - Equity share capital

	As at March 31, 2018	As at March 31, 2017
Share capital		
Authorised 500,00,00,000 shares of par value of 10/- each (Previous year 10,000 Equity shares of Rs. 10 each)	5,000.00	0.01
	5,000.00	0.01
Issued, subscribed and fully paid up 54,79,80,000 shares of par value of 10/- each (previous year 10,000 shares of par value of 10/- each)	547.98	0.01
Total	547.98	0.01

(a) Movements in equity share capital

(in Crores)

	As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	0.00	0.01	0.00	0.01
Add: Increase during the year	54.80	547.97	-	-
At the end of the year	54.80	547.98	0.00	0.01

(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, 2018		As at March 31, 2017	
Equity Shares	No of Shares	Percentage	No of Shares	Percentage
Ratnagiri Gas and Power Pvt. Ltd.	-	-	9,999	99.99%
NTPC Limited	13.98	25.51%	-	-
GAIL (India) Limited	13.98	25.51%	-	-
MSEB Holding Company Limited	7.40	13.51%	-	-
IDBI Bank Limited	6.91	12.61%	-	-
State Bank of India	5.50	10.03%	-	-
ICICI Bank Limited	4.88	8.91%	-	-

(₹ Crore)

Note 14 - Other equity

	As at March 31, 2018	As at March 31, 2017
Share capital pending allotment*		
As per last Financial Statements	547.97	547.97
Less: Alloted during the year	547.97	-
Sub-total (a)	-	547.97
Retained earnings		
As per last Financial Statements	(534.87)	14.01
Profit / (loss) for the year / period	(93.91)	(548.88)
Sub-total (b)	(628.78)	(534.87)
Total(a+b)	(628.78)	13.10

*Pursuant to demerger scheme as explained in Note No. 43 , 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)
NTPC Limited	25.51%	13.98
GAIL (India) 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 15 - Borrowings

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Non current borrowings			
Term loans - Secured			
From Banks (Rupee Term Loan):			
IDBI Bank Limited		1,028.13	877.75
ICICI Bank Limited		682.30	585.85
State Bank of India		789.04	685.24
Canara Bank*		147.73	147.73
	(A)	2,647.20	2,296.57
From Others (Rupee Term Loan):			
Power Finance Corporation Limited		76.00	65.45
IFCI Limited		206.70	178.07
Gas & Power Investment Company Limited (GPICL)		769.98	769.98
	(B)	1,052.69	1,013.50
	Total (A+B)	3,699.89	3,310.07

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 ₹ 3699.89 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. 43) and ₹ 389.82 cr (Rupee Term Loan-II) is additional loan obtained during the year.

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 (8.80%), ICICI Bank Limited (8.20%), State Bank of India (8.00%) and Canara Bank (8.45%) carrying interest at their respective MCLR.
Term Loans of IFCI Limited, Power Finance Corporation Limited and GPICL carrying interest at IDBI MCLR @ 8.80%.
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 31.03.2018), 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. It has issued the Re-call notice dated 07.09.2018 and demanded Rs. 176.27 cr + interest @ 16.25% p.a. w.e.f. 31.08.2018. As per company, payable is Rs. 147.73 cr against principle and Rs. 23.25 cr towards interest outstanding as on 31.03.2018 for the period from 01.01.2016 to 31.03.2018. The company has paid an amount of Rs. 23.25 cr towards interest outstanding as on 31.03.2018 in the month of october, 2018. The company is also paying due interest (excluding penal interest) on loan amount w.e.f. 01.04.2018 till date regularly. In lenders meeting dated 19.10.2018, it was decided that Canara Bank will once again approach RBI for upgradation of Its Account and in case issue is not resolved then other lenders may take over the loan of Canara Bank by complying RBI guidelines for purchase/sale of Non performing Financial Assets.

Note 16 - Other Non Current Financial Liabilities

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Payable for capital expenditure		0.05	8.08
	Total	0.05	8.08

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Note 17 - Long term provisions

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Provision for employee benefits			
As per Last Balance Sheet		0.06	0.03
Add: Additions/Adjustments during the year		-	0.03
Less: Amount paid during the year		-	-
		0.06	0.06
Provision for others (Minimum Alternate Tax)			
As per Last Balance Sheet		3.06	3.06
Add: Additions/Adjustments during the year		-	-
Less: Amount paid/Adjustments during the year		3.06	-
	(B)	-	3.06
	Total	0.06	3.12

Note 18 - Trade Payables

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Trade payables		34.62	6.15
Trade payables to related parties		20.10	0.50
	Total	54.72	6.65

Note 19 - Other financial liabilities

(₹ Crore)

		As at March 31, 2018	As at March 31, 2017
Other financial liabilities at amortised cost:			
Deposits/Retention Money from Customers/contractors/others		8.36	3.43
Interest accrued and due on borrowings*		227.42	379.54
Payable for capital expenditure		-	14.98
Expenses payable and other liabilities		0.12	9.10
	Total	235.90	407.05

* Refer note 15

Note 20 - Other current liabilities

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Tax deducted at source and other statutory dues	16.55	18.29
Total	16.55	18.29

Note 21 - Current provisions

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Provision for custom duty @	80.00	80.00
Provision for audit fees	0.07	-
Total	80.07	80.00

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

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Notes to Financial Statements for the year ended March 31, 2018

(₹ Crore)

Note 22- Revenue from Operations

	As at March 31, 2018	As at March 31, 2017
Regasification charges	317.10	266.69
Total	317.10	266.69

(₹ Crore)

Note 23- Other Income

	As at March 31, 2018	As at March 31, 2017
Interest income from:		
- Loan to employees	0.01	0.01
- Term deposit - Banks	-	-
Other non-operating income		
Sale of scrap	0.09	0.25
Rent	0.02	0.04
Recoveries from contractors & Others	0.03	4.45
Total	0.15	4.75

(₹ Crore)

Note : 24- Employee Benefit expense

	As at March 31, 2018	As at March 31, 2017
Salaries and wages	19.08	15.05
Contribution to provident and other funds	0.15	0.16
Staff welfare expenses	0.66	0.74
Total	19.89	15.95

In respect to disclosure of employee benefits as per Ind AS-19, refer Note No. 39

(₹ Crore)

Note : 25 Other Expenses

	As at March 31, 2018	As at March 31, 2017
Administration & Other Expenses:		
Power charges	15.78	14.93
Consumption of Stores	0.17	0.15
Repairs & maintenance:		
-Buildings	0.50	1.10
-Plant & machinery	57.67	72.27
-Others	0.07	0.14
Insurance	11.73	12.81
Rates and taxes	37.03	20.01
Water cess & environment protection cess	0.07	0.86
Training & recruitment expenses	0.01	0.02
Communication expenses	0.17	0.12
Travelling expenses	0.38	0.30
Payment to auditors (refer details below)	0.08	0.00
Advertisement and publicity	0.18	0.11
Security expenses	7.94	7.53
Entertainment expenses	0.09	0.03
Expenses for guest house	0.70	0.47
Less : Recoveries	(0.02)	(0.10)
Education expenses	0.08	0.09
Community development and welfare (CSR) expenses	0.19	0.16
Books and periodicals(CY: ₹ 6552 and PY: ₹ 16568)	0.00	0.00
Professional charges and consultancy fees	3.19	0.59
Legal expenses	0.18	0.03
EDP hire and other charges	0.06	0.08
Printing and stationery	0.01	0.01
Hiring of vehicles	0.64	0.67
Bank charges	2.77	1.84
Net loss in foreign currency transactions & translations	0.01	-
Miscellaneous expenses	0.10	0.66
Brokerage & Commission	0.02	-
Total	139.77	134.87

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(₹)

Payment to Auditors

Particulars	March 31, 2018	March 31, 2017
As auditors (inclusive of Service Tax)		
Statutory Audit Fee	4,25,000	23,000
Fee for Tax Audit (current year)	1,25,000	-
Fee for Tax Audit (earlier years)	2,50,000	-
Out of Pocket Expenses	-	6,242
Total	8,00,000	29,242

Note : 26 Finance Costs

(₹ Crore)

	As at March 31, 2018	As at March 31, 2017
Interest on rupee term loans	281.87	309.62
Others*	2.09	-
Total	283.96	309.62

* This includes payment of upfront fee for obtaining Rupee Term Loan-II as per revised business plan amounting to Rs. 1.07 crores. The same has been charged to revenue in the first year of loan itself, amount being insignificant.

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27 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. The previous year figures (before demerger) have been consolidated with the carved out figures of LNG undertaking of RGPPL (demerged undertaking) as per the special purpose financial statements prepared by RGPPL as per Ind AS. The demerger scheme has become effective 26.03.2018 with appointed date of 01.01.2016 as per note no. 43.

28 a) The Company has a system of obtaining annual confirmation of balances from Lenders and other parties. 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 on annual basis. 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.

29 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. Some of the employees may pertain to LNG block.

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

(a) Contingent Liablilities

(a) Contingent Liablilities

1 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 and provision made for the same pending ascertainment of exact amount. MoP is pursuing with MoF for requisite waiver. Based on final view from GoI, provision shall be dealt.

2 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. Matter was under arbitration as on 31.03.2018.

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 with an advance payment of Rs. 4.81 crores

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.

3 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. Based on this request, MMB has deferred the demand of interest till decision by their Board in this regard.

4 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 the company has to incur any expenditure towards supply of water, then as per the clause 5.13 of Power Purchase Agreement signed with MSEDCL, the company has the right to claim reimbursement of the same towards water supply cost. This is common for RGPPL and KLPL and the amount pertaining to KLPL is not ascertainable at this stage.

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5 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.

6 Work order no. RGPPL/HQ/C&M/BOG COMPRESSOR/DLOA/112/2013/SD dated 03.05.2013 was awarded to M/s Savair Energy Limited for Procurement and installation of additional Boil Off Gas (BOG) Booster Compressor and associated works at RGPPL-LNG terminal project for a lump-sum contract value of Rs 29,33,33,331 by RGPPL. The work was not completed by the contractor and has initiated arbitration against RGPPL. Claims and counter claims were filed by claimant M/s Savair Energy Limited and respondent M/s Konkan LNG Pvt. Ltd. Against the arbitration case filed by M/s Savair Energy limited, Arbitrator has passed its order dated 15.10.2018 directing claimant M/s Savair Energy Limited to pay Rs 40,82,926 along with interest @ 9% p.a. to respondent M/s Konkan LNG Pvt. Ltd. after adjusting all the claims and counter claims.

An advance against capital works to M/s Savair Energy Limited amounting Rs 1,74,88,000/- is appearing under Note - 8 to Balance Sheet as on 31.03.2018. Both the parties have right to file appeal against the arbitration order dated 15.10.2018 within 4 months from the date of order. As the period of four months has not been passed, decision whether to file to appeal is under consideration by management.

(b) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for is ₹ 25.00 crores (Previous Year ₹ 43.10 crores).

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

a) List of Related parties:

i) Key Management Personnel (KMP):

Shri A K Juneja	Director
Shri Pankaj Patel	Director
Shri Ankit Jain	Company Secretary

ii) Entity having the joint control over the entity:

NTPC Limited
GAIL (India) Limited

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

Ratnagiri Gas And Power Private Limited

iv) Others

Utility Powertech Limited

b) Transactions with related parties are as follows:

(i) Remuneration to the key management personnel is ₹ 0.57 cr. (Previous Year ₹ 0.33 cr) and amount of dues outstanding to the company as on 31st March 2018 are Nil (Previous Year - Nil)

₹ in Crore

	Current Year	Previous Year
Remuneration to key management personnel	Nil	Nil
Shri A K Juneja	0.57	0.33
Shri Pankaj Patel	Nil	Nil
Shri Ankit Jain		

i)Transactions with post employment benefit plans:

₹ in Crore

Name of the company / Person	Nature of transaction	Current Year	Previous Year
RGPPL Employees Gratuity Fund Trust*	Insurance Premium	0.41	0.01

* This is the total contributed by RGPPL for both power and LNG segments. For company, the amount is not ascertainable.

ii)Transactions with others:

₹ in Crore

Name of the company / Person	Nature of transaction	Current Year	Previous Year
GAIL (India)Limited	Salary and other benefits of employees on	17.45	15.84
	Revenue from regasification	317.10	266.69
Ratnagiri Gas and Power Private Limited	Purchase of power	15.78	14.93
	Interest paid (CY. 23,753)	0.00	-
Utility Powertech Limited (UPL)	CSR Expenses	0.02	-
	Contract for works/services received by the	3.79	6.86

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

₹ in Crore

Particulars	Current Year	Previous Year
Amount recoverable other than loans		
- From Ratnagiri Gas and Power Private Limited	160.50	141.98
- From GAIL (India) Limited	56.46	23.14
Amount payable other than loans		
- To GAIL (India) Limited	23.42	20.27
- To Utility Powertech Limited	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 as per the terms and conditions agreed between the companies, which are similar to those applicable for secondment of employees to other companies and institution by GAIL (India) Limited.

iv) Outstanding balances of others are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. For the year ended March 31, 2018 and March 31, 2017, 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.

32 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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33 Disclosure as per Ind AS - 17 on 'Leases'

Operating leases

The Company's does not have significant leasing arrangements .

34 Information in respect of Micro, Small and Medium Enterprises as at 31[st] March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any information from suppliers about their registration under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, company has nothing to report in this regard.

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

(₹ Crore)

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

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

The Company has carried out the impairment study of its assets during the year 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 has provided Impairment Loss of ₹ 509.85 crore (P.Y. ₹ 243.80 crore) in the books of accounts of the Company. The Company has adopted Discounted Cash Flow Income approach for impairment study.

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.

37 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 tax Neutral demerger scheme of LNG terminal from RGPPL w.e.f 01.01.2016 i.e. "the appointed date" at book value basis for which a scheme of arrangement (demerger) under scetion 230 to 232 of the Companies Act, 2013 has been approved by Hon'ble National Company Law Appelate Tribunal (NCLAT) vide order dated 28.02.2018 and has been made effective from 26.03.2018 by filing necessary documents with Registrar of Companies.

b. 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.

c. 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.

38 Earnings per share

Basic	**31 March 2018**	**31 March 2017**
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(93.91)	(548.88)
Weighted average number of equity shares in calculating basic EPS (crore)	0.90	0.00
Basic earnings (loss) per equity share (₹)	(104.13)	(5,48,880.09)

Diluted	**31 March 2018**	**31 March 2017**
Profit/ (Loss) attributable to Equity Shareholders (₹ crore)	(93.91)	(548.88)
Weighted average number of equity shares in calculating diluted EPS (crores)	53.90	54.80
Total no. of shares outstanding (including dilution) (crores)	53.90	54.80
Diluted earnings (loss) per equity share (₹)	(1.74)	(10.02)

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39 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 ₹ 0.35 crores excluding ₹ 0.78 crores pertaining to employees of promoter companies (Previous Year ₹ 0.36 crore excluding ₹ 1.43 crore pertaining to employees of promoter companies) has been deposited directly with RPFC Account of RGPPL 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.

The existing scheme is funded by the Company and is managed by separate trust established for the purpose. Trust in turn has appointed Life Insurance Corporation of India as Fund Manager. Company is making the payment to Trust equivalent to annual premium demanded by Life Insurance Corporation of India in respect of gratuity coverage to employees, based on the actuarial valuation carried out by them, and charged to revenue ₹ 0.41 crore (Previous Year ₹ 0.01 crore).

* In respect to own cadre employees of KLPL, it is difficult to segregate the employee benefit cost which was being handled by RGPPL as a whole including RGPPL own cadre employees .Hence figures as reportedby RGPPL has been reported hereby.

(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 2018 has 3 employees on its payroll. Liability of ₹ 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 carried out by RGPPL

40 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.

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41 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, 2018 and March 31, 2017 is floating interest bearing; hence company is exposed to interest rate risk at present.

(b) Foreign currency risk

The Company does not have 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:

₹ Crore

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	57.93	3,641.96	3,699.89
Borrowings Interest Overdue	230.17	-	-	-	-	230.17
Expenses Payables	0.12	-	-	-	-	0.12
Payable for Capital Expenditure	-	-	-	0.05		0.05
Advance from Customers	-	-	-	-	-	-
Deposits from Customers/Contracotrs/suppliers	1.16	0.29	6.78	0.13	-	8.36
Trade payables	41.80			3.23	9.69	54.72
Total	**273.26**	**0.29**	**6.78**	**61.34**	**3,651.65**	**3,993.32**

₹ Crore

As at 31 March 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings Principal	-	-	-	16.55	3,293.52	3,310.07
Borrowings Interest Overdue	379.54	-	-	-	-	379.54
Expenses Payables	9.10	-	-	-	-	9.10
Payable for Capital Expenditure	-	-	14.98	8.08	-	23.06
Advance from Customers	-	-	-	-	-	-
Deposits from Customers/Contracotrs/suppliers	3.43	-	-	-	-	3.43
Trade payables	6.65	-	-	-	-	6.65
Total	**398.73**	-	**14.98**	**24.63**	**3,293.52**	**3,731.87**

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 2018 and for the comparative year ended 31st March 2017.

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 ₹ 100.10 crore as at 31 March 2018 (31st March 2017: ₹ 20.79). 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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41 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 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	-	-	-	-
Cash and cash equivalents	100.10	-	-	-
Other Bank Balances	-	-	-	-
Loans	-	-	-	-
Other financial assets	215.54	-	-	-
Total	**315.71**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,699.89	-	-	-
Other financial liabilities	0.05	-	-	-
Current				
Trade payables	54.72	-	-	-
Other financial liabilities	238.65	-	-	-
Total	**3,993.32**	-	-	-

As at 31 March 2017, 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 2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Non current				
Loans	0.06	-	-	-
Current				
Trade receivables	-			
Cash and cash equivalents	20.79	-	-	-
Other Bank Balances	36.73	-	-	-
Other financial assets	165.40	-	-	-
Total	**222.98**	-	-	-
Financial liabilities at amortised cost:				
Non current				
Borrowings	3,310.07	-	-	-
Other financial liabilities	8.08	-	-	-
Current				
Trade payables	6.65	-	-	-
Other financial liabilities	407.05	-	-	-
Total	**3,731.85**	-	-	-

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.

42 **Standards issued but not yet effective**
The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.
The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) **Disclosure of Ind AS 115 Revenue from Contracts with Customers**
Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 and permits two possible methods of transition:
(i) retrospectively to each prior reporting year in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company is evaluating requirements of the Ind AS 115 and the effect on the financial statements is being evaluated. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the evaluation is completed.

b) **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.
These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

43 **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 Apellate Tribunal ("NCLAT"), New Delhi Bench vide order letter dated February 28, 2018, 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, 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 ₹ 547.97 crores is adjusted by reduction from share capital of transferor company pursuant to scheme of demerger.

c) 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**

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ASSETS		
Non-current assets		
Fixed assets		2,803.27
Tangible assets		-
Intangible assets		1,136.12
Capital work-in-progress		-
Non-current investments		2.08
Long-term loans and advances		-
Other non-current assets	Sub-total	3,941.47
Current assets		20.51
Inventories		-
Trade receivables		57.51
Cash and bank balances		24.37
Short-term loans and advances		34.12
Other current assets	Sub-total	136.51
		4,077.98
Total liabilities (B)		
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:		547.97
made after appointed date, as explained in (b) above		**547.97**

44 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**	**3,310.07**

* The sanction letter/agreement is yet to be entered

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 26, 2018 on filing relevant documents with Registrar of Companies.

As per the approved scheme and Business Plan of RGPPL, Loan (including interest liability) of ₹ 8,906.75 crore as on appointed date of 1st January, 2016 has been transferred by banks and financial institutions as follows:

Loan Transferred to Konkan LNG Private Limited – ₹ 3,310.07 crores.

The Konkan LNG Private Limited ("KLPL") and Ratnagiri Gas and Power Private Limited ("RGPPL") has recognised loan liability accordingly with effect from appointed date, i.e. 1st January, 2016.

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45 Note on Demonitisaton

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

(Amounts in ₹)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on Novemeber 8, .2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Govt. Of India, Ministry of Finance, Deptt of Economic Affairs S.O. 3407 (E) dated 08.11.2016. The disclosure regarding details of SBN held and transacted during 08.11.2016 to 30.12.2016 has not been made since the requirement does not pertain to financial year ended 31.03.2018. Corresponding note as appearing in the audited financial statements for the year ended 31.03.2017 have been disclosed above.

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 SBN Associates S. Bajaj & Associates.
Chartered Accountants
FRN - 046491

(Anuj Bajaj)
Partner
Membership No - 086937

S. BAJAJ & ASSOCIATES NEW DELHI Chartered Accountants

KONKAN LNG PRIVATE LIMITED DELHI

Place: New Delhi
Date: 15.11.2018

गोपनीय

संख्या/ No. MAB-III/Rep/01-105/ A/cs-Konkan LNG/2018-19/1051

सत्यमेव जयते

भारतीय लेखा एवं लेखा परीक्षा विभाग

कार्यालय

प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT

& EX-OFFICIO MEMBER, AUDIT BOARD-III

NEW DELHI

दिनांक/Dated: 18/12/2018

सेवा में,

अध्यक्ष,
कोंकण एलएनजी प्राइवेट लिमिटेड,
नोएडा

महोदय,

विषय: 31 मार्च 2018 को समाप्त वर्ष के लिये कोंकण एलएनजी प्राइवेट लिमिटेड, नोएडा के वार्षिक लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एंव महालेखापरीक्षक की टिप्पणियाँ।

मै, कोंकण एलएनजी प्राइवेट लिमिटेड, नोएडा, के 31 मार्च 2018 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नः यथोपरि

(राज कुमार)
प्रधान निदेशक

छठा एवं सातवाँ तल, ऐनैक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली - 110002

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Tel: 23239227, FAX: 23239211 e-mail: mabnewdelhi3@cag.gov.in

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 2018.

The preparation of financial statements of Konkan LNG Private Limited for the year ended 31 March 2018 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 15.11.2018.

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 2018 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

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

Place: New Delhi
Date: 18 December 2018