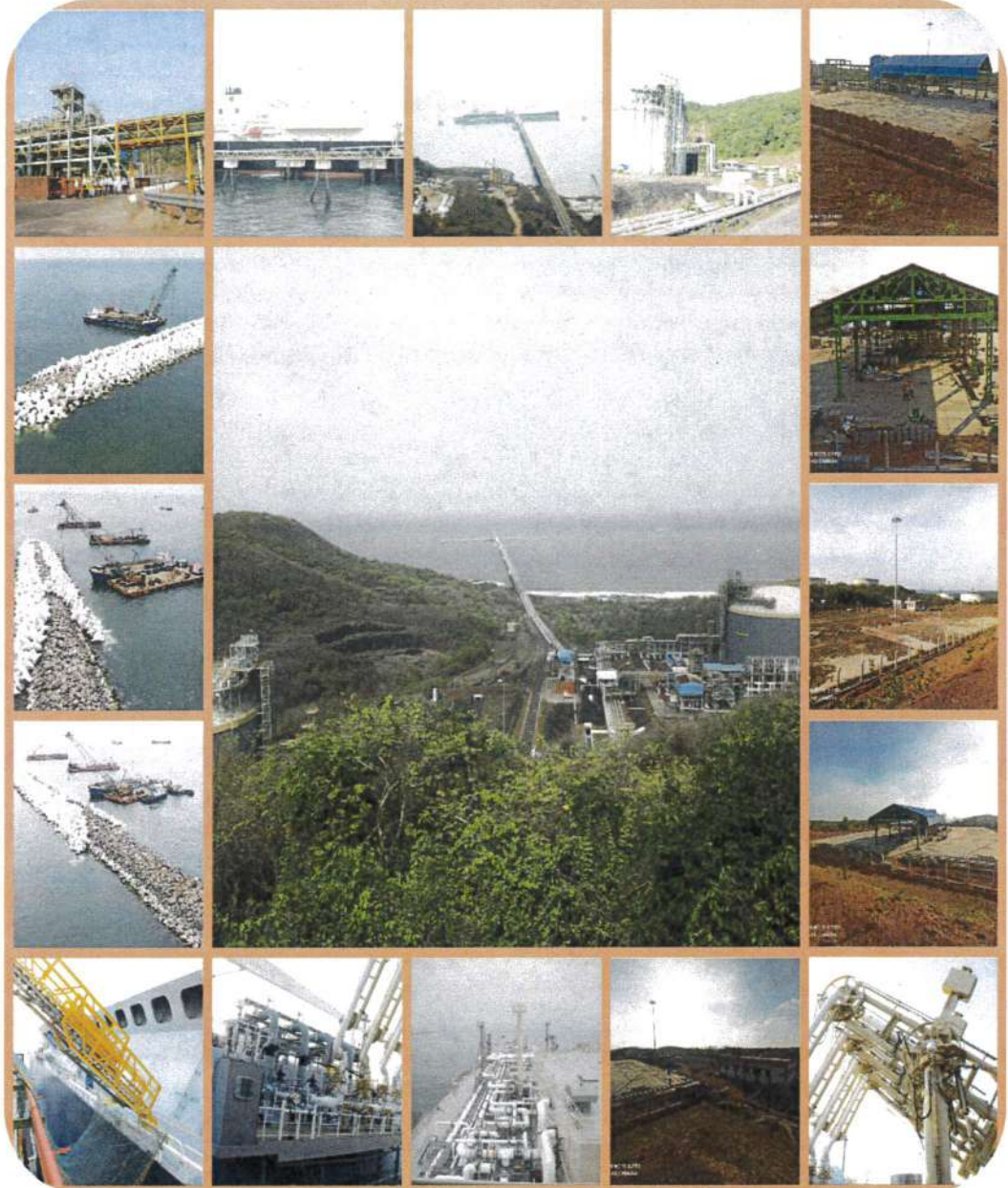


# KONKAN LNG LIMITED

## ANNUAL REPORT 2023-24





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## **VISION**

“Be a Significant player in LNG value chain with international presence focused towards satisfying clean energy needs of the nation.”

## **MISSION**

“Making clean energy available to the nation by operating LNG facilities in efficient, sustainable & environment friendly manner and striving towards excellence & new opportunities for creating maximum value for stakeholders.”



## **CORE VALUES**

### ***Transparency, Integrity & Ethics:***

We emphasize for transparency, fairness, & ethical practices in all our business activities so as to create an environment of trust & respect. We consistently seek to exhibit highest level of integrity at personal as well as institutional level.

### ***Safety & Responsibility in action:***

We always give top most priority to safety & health for our workmen & surrounding communities while taking care of the need of protecting environment.

### ***Excellence & Innovation:***

We create an environment of excellence & innovation at work.

### ***Value Stakeholders:***

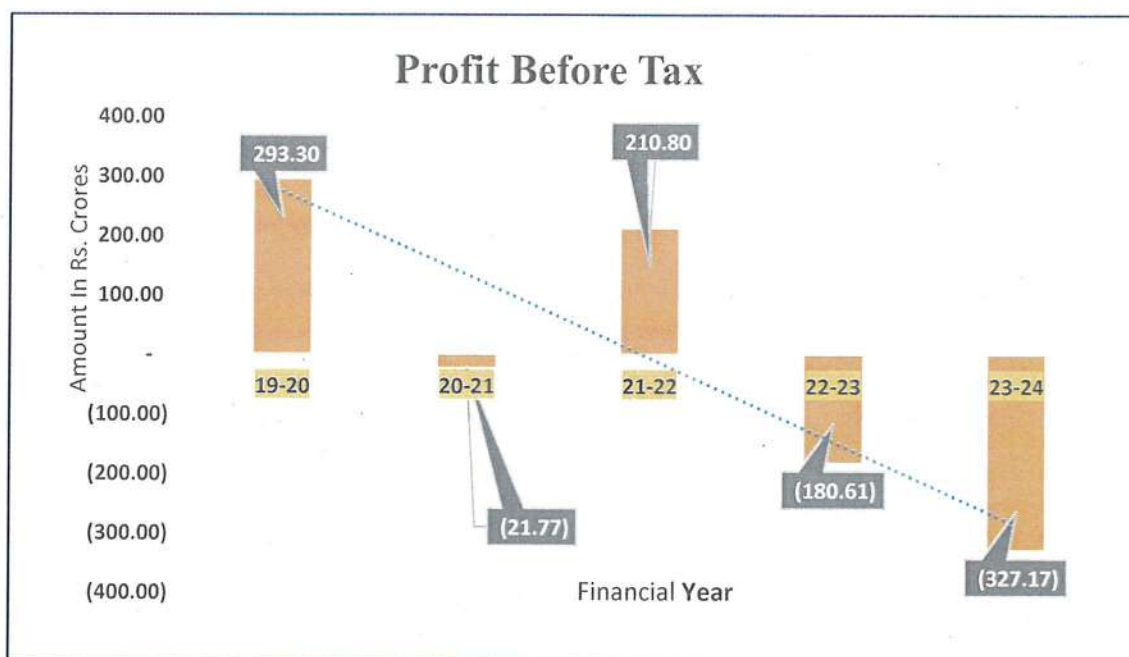
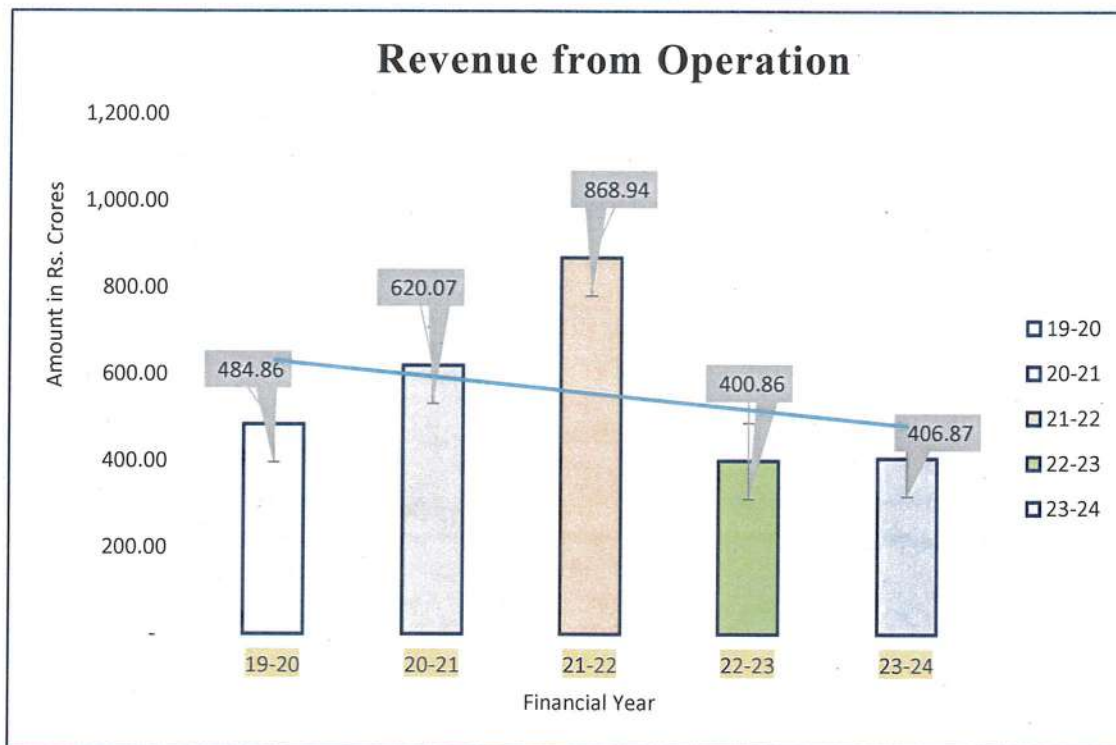
We respect the interest & rights of all stakeholders in the organization.

### ***Sustainability & Positive Approach:***

Our operational & business activities strive towards sustainable & environment friendly growth for the organization.



## **FINANCIAL PERFORMANCE** **(During Last 5 Years)**



## **OPERATIONAL PERFORMANCE** **(During Last 5 Years)**

Financial Year	No. of LNG Cargoes Unloaded	MMBTUs Re-gasified
2019-20	27	8,46,89,799.04
2020-21	32	10,92,78,549.00
2021-22	37	12,32,19,709.97
2022-23	19	5,70,87,767.84
2023-24	17	6,14,15,684.019





## **OUR LEADERS**

1. Shri Sanjay Kumar, Chairman
2. Shri Sashi Menon, GAIL Nominee Director
3. Shri Vivek Wathodkar, GAIL Nominee Director
4. Smt. Jyoti Dua, GAIL Lender Nominee Director

## **KEY MANGERIAL PERSONNEL**

### **CHIEF EXECUTIVE OFFICER**

Shri Tony Mathew                      w.e.f. 30.04.2022

### **CHIEF FINANCIAL OFFICER**

Shri D B Thakur                      w.e.f. 02.08.2021

### **COMPANY SECRETARY**

Smt. Nidhi Gola                      w.e.f 04.08.2020

## **BOARD MEMBERS**



**Shri Sanjay Kumar**  
Chairman  
(DIN - 08346704)  
(w.e.f. 02.11.2023)



**Shri Sashi Menon**  
Director  
(DIN - 09160448)  
(w.e.f. 28.04.2021)



**Shri Vivek Wathodkar**  
Director  
(DIN - 08486382)  
(w.e.f. 06.07.2023)



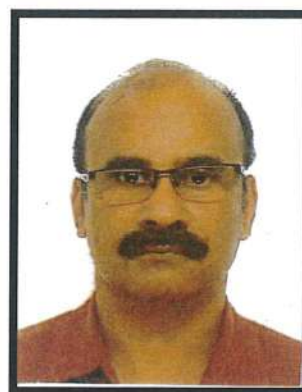
**Smt. Jyoti Dua**  
Director  
(DIN - 069045502)  
(w.e.f. 09.05.2023)



**OTHER BOARD MEMBERS**  
**(During FY 2023-24)**



**Shri M V Iyer**  
(DIN – 08198178)  
*20.01.2022 till 31.10.2023*



**Shri A Kaviraj**  
(DIN – 09230386)  
*07.07.2021 till 29.06.2022*



**Shri A K Tripathi**  
(DIN – 08531893)  
*01.07.2022 till 04.05.2023*



**Smt. Nalini Malhotra**  
(DIN – 08734265)  
*13.04.2020 till 04.05.2023*



**Shri K K Chatiwal**  
(DIN - 08234672)  
*09.05.2023 till 03.07.2023*

## **STATUTORY COMMITTEES**

### **AUDIT COMMITTEE**

1. Shri Sashi Menon, Chairman
2. Shri Vivek Wathodkar
3. Smt. Jyoti Dua

### **CSR COMMITTEE**

1. Shri Sashi Menon, Chairman
2. Shri Vivek Wathodkar
3. Smt. Jyoti Dua

### **REMUNERATION COMMITTEE**

1. Shri Sashi Menon, Chairman
2. Shri Vivek Wathodkar
3. Smt. Jyoti Dua



## **OTHER INFORMATION**

### **STATUTORY AUDITOR**

#### **STATUTORY AUDITOR**

**M/s Sankpal Kulkarni & Associates**

Add: Flat No. 101, 1st Floor, SAI-GURU Apartment, 1592, E Ward, 5th Lane,  
Rajarampuri, Kolhapur 416008, Maharashtra

Ph: 0231-3590226

Mob: 9422581552

Email -ID : [ans.skaca@gmail.com](mailto:ans.skaca@gmail.com)

### **COST AUDITOR**

**M/s. Mani & Co., Cost Accountants**

Ashoka Building, 111, Southern Avenue, Kolkata – 700029,  
West Bengal.

**Ph. : 033-24648719**

**Mob: +91 9831025610**

**Email -ID : [dinesh.s@manico.in](mailto:dinesh.s@manico.in)**

### **SECRETARIAL AUDITOR**

**Agarwal S. & Associates, Company Secretaries**

D-427, 2nd Floor, Ramphal Chowk,  
Palam Extn, Sector 7, Dwarka, New Delhi-110075

**Landline: 011-45052182**

**Website: [www.sachinagarwal.in](http://www.sachinagarwal.in)**

**Email -ID : [sachin@companylawworld.com](mailto:sachin@companylawworld.com)**

### **INTERNAL AUDITOR**

**M/s. Bandyopadhyaya Bhaunik & Co, Cost Accountants**

B-125, Chitta Ranjan Park, New Delhi-1100019

**Ph: 011-40587177 , 9810538585 / 8287827749**

**Email -ID : [bbhco.1994@gmail.com](mailto:bbhco.1994@gmail.com)**

### **REGISTRAR & SHARE TRANSFER AGENT (RTA)**

**MCS SHARE TRANSFER AGENT LIMITED**

F-65, Okhla Industrial Area

Phase – I, New Delhi – 110 020

**Ph: 011-41406149/50/51/52**

**Fax: 011-41709881**

**Website: [www.mcsregistrars.com](http://www.mcsregistrars.com)**

**Email-id: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)**



# NOTICE OF AGM



**KONKAN LNG LIMITED**  
**(Subsidiary of GAIL (India) Limited)**

**Registered Office:** 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066  
**CIN:** U11100DL2015PLC288147, **Website:** [www.konkanlng.in](http://www.konkanlng.in), **E-mail:** [nidhigola@gail.co.in](mailto:nidhigola@gail.co.in)

**NOTICE**

Notice is hereby given that 9<sup>th</sup> Annual General Meeting of the members of Konkan LNG Limited will be held on **Monday, 9<sup>th</sup> September, 2024 at 11:00 a.m. at the 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 31<sup>st</sup> March, 2024, Board's 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**:

"**RESOLVED THAT** audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024; Board's 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 appoint a Director in place of Shri Sashi Menon, who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Shri Sashi Menon (DIN- 09160448) be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**SPECIAL BUSINESS**

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

3. **To appoint Shri Sanjay Kumar (DIN- 08346704) as a 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 Sanjay Kumar (DIN- 08346704) who was nominated as a Director by GAIL (India) Limited and appointed as an Additional Director by the Board of Directors of the Company w.e.f. 02.11.2023, be and is hereby appointed as a Director of the Company not liable to retire by rotation

4. **RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time

being in force), the remuneration payable to the Cost Auditor(s) appointed by the Board of Directors of the Company to conduct the audit of cost records of the units of the Company for the Financial Year 2023-24, amounting to Rs.1,45,200/- plus applicable taxes and out of pocket expenses etc. be and is hereby ratified and confirmed.”

## **5. AMENDMENT IN ARTICLES OF ASSOCIATION OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of sections 14 and other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and provisions of the Articles of Association, the approval of members be and is hereby accorded for amending the existing Articles of Association of the Company by way of deletion of following definitions in Article 2:

- Institutional Shareholders, Institutional Shareholders Directors, Lead Institutional Shareholder, NTPC, NTPC Director(s)

**FURTHER RESOLVED THAT** pursuant to the provisions of sections 14 and other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and provisions of the Articles of Association, the approval of members be and is hereby accorded for amending the existing Articles of Association of the Company by way of substitution of definition of Promoter in Article 2 and Article 100 as under:

### ***Article 2 – Definition***

***Promoter shall mean GAIL (India) Limited.***

### ***Article 100***

***Subject to the provisions of the Act and the Articles, GAIL and MSEB shall have the right to appoint Director(s) by way of a nomination in writing addressed to the Company as per following:***

- GAIL shall have the right to appoint 6 (Six) Directors on the Board of the Company The Directors nominated by GAIL shall be its employees in regular service and shall cease to be the Director of the Company on their ceasing to be in the employment of GAIL.***
- MSEB shall have the right to nominate 1 (One) Director on the Board of the Company so long as they hold any Shares of the Company***

**FURTHER RESOLVED THAT** pursuant to the provisions of sections 14 and other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and provisions of the Articles of Association, the approval of members be and is hereby accorded for amending the existing Articles of Association of the Company by way of insertion of Article 6A as under:



***Reduction of Capital*** Subject to the provisions of Section 66 and any other applicable provisions of the Act or any other applicable laws, the Company may from time to time, by special resolution:

- a) *reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called upon, again or otherwise and the Board may, subject to the provisions of the Act, accept surrender of shares; or*
- b) *reduce any capital redemption reserve account or any share premium account; or*
- c) *reduce its capital in any manner permissible under the applicable laws.*

**FURTHER RESOLVED THAT** for the purpose of giving effect to aforesaid resolutions, the Chief Executive Officer or Company Secretary or such other authority as approved by the Board be and is hereby authorized to do all such acts, deeds, things etc. and decide all such related matters as may be required including execution of necessary documents, deeds etc.”

**By order of the Board of Directors**

**SD/-**

**(Nidhi Gola)**

**Company Secretary**

**M.no – ACS28525**

**Date: 05.08.2024**


**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 / HERSELF 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 (ICSI) 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 issued by the ICSI 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 the provisions of the Companies Act, 2013 Additional Director(s) of the Company are not liable to retire by rotation. Further as per the Article of Association (AOA) of the Company, Chairman of the Company is 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 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) and other Holidays declared in the Company, 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 their 4<sup>th</sup> Annual General Meeting held on 03.09.2019, authorised the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2019-20 and onwards from time to time. Accordingly, the Board of Directors in its 54<sup>th</sup> Board Meeting held on 12<sup>th</sup> September, 2022 fixed audit fee of Rs. 7,00,000/- (GST, TA/DA and out of pocket expenses extra as per actuals) for the Financial Year 2022-23.*

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



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

**ITEM NO. 2**

Shri Sashi Menon (59 Years) is a commerce graduate and an MBA with a specialisation in Finance. He joined as the Director of the company on 28th April , 2021.

He brings with him the rich experience spanning over three decades in the Oil & Gas Sector ranging from heading the key portfolios including pricing department, Marketing-Finance, Business Development - Finance, Corporate Treasury, Investor Relations, Management Accounting Cell, and Digital Initiatives in the Finance function. He joined GAIL (India) Limited in the year 1992 as a Management Trainee and ever since he has closely witnessed the evolution of India's gas sector.

He was also a Director in GAIL Global Singapore Pte. Ltd (GGSPL), which is an international LNG Trading Arm and a 100% subsidiary of GAIL based in Singapore with an international focus.

He is designated as the Executive Director of GAIL (India) Limited since 2021. As a head of the Finance & Accounts department of GAIL, his overall responsibility spans managing the affairs of corporate as well as of all the sites to ensure smooth functioning of the Department to the satisfaction of internal and external stakeholders in general & with a special focus on various key functions of F&A Department such as Corporate Treasury, Corporate Taxation, Central Accounts, Digital Initiation Cell, embedded functions of Finance related to Business Development, Marketing etc.

He is a member of many high/senior-level committees including Natural Gas Risk Price Management. He has been involved with almost all finance initiatives of the group through its growth journey in recent years. He led a company-wide digital transformation initiative in the Finance & Accounts Department which resulted in many path-breaking digital initiatives in GAIL, including the introduction of Robotic Process Automation in the Finance Function of GAIL. He played an instrumental role in bringing many treasury initiatives which resulted in huge savings in finance costs.

Shri Menon holds Nil equity shares of the Company.

Shri Menon 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	Nil		

Details of Board meeting(s) attended during the year form part of the Board's Report.

Shri Menon 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. 3**

Shri Sanjay Kumar (**57 Years**) is a graduate in Mechanical Engineering from IIT Kharagpur and also holds a Master of Business Administration (MBA) Degree. He joined GAIL in the year 1988 and over the next three and a half decades has worked in various roles across domains including Gas Marketing, CGD Business, LNG Sourcing/Trading/Shipping, Business Development, Gas Transmission, Projects Management & Gas Pipeline Operation & Maintenance. This cross functional and multifarious experience has enabled him to gain deep insight on all aspects of the gas and LNG value chain.

Shri Sanjay Kumar played an important role in developing GAIL's overseas LNG trading subsidiary GAIL Global (Singapore) Pte. Ltd. into a standalone entity that is now well established in the global LNG business.

Shri Sanjay Kumar was GAIL's nominee Director on the Boards of GAIL Global (Singapore) Pte. Ltd., GAIL Global (USA) LNG LLC, GAIL Global (USA) INC and Chairman of Maharashtra Natural Gas Ltd (MNGL). He was Managing Director of Indraprastha Gas Limited (IGL), the largest CNG distribution Company of India before assuming the Charge of Director (Marketing), GAIL.

Shri Sanjay Kumar holds Nil equity shares of the Company.

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

<i>S. No.</i>	<i>Name of the Company</i>	<i>Name of the Committee</i>	<i>Position held</i>
--	--	--	--

Details of Board meeting(s) attended during the year form part of the Board's Report.

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

The Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature as Director of the Company.

#### **ITEM NO. 4**

The Board of Directors of your Company approved the appointment and remuneration of M/s Mani & Co., Cost Accountants, New Delhi as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2023-24

As per the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the Members are requested to ratify the remuneration as approved by the Board, to the Cost Auditors during the financial year 2023-24 for the services rendered by them.

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

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

#### **ITEM NO. 5**

As per the provisions of the Section 14 of the Companies Act, 2013, any amendment in Articles of Association requires approval of the Shareholders by Special Resolution in the General Meeting.

The Board in its meeting held on 24.07.2024 approved the proposal for amendment in Articles of Association and recommended the same for approval of the members.

Shareholders of Konkan LNG Limited ("Company" or "KLL") in their 3rd Extra-ordinary General Meeting of the Company held on 30.01.2020 approved the present Articles of Association (AOA) of the Company in substitution of then Articles of Association of the Company.

During that time, NTPC and Lenders were holding equity in the Company, therefore, they were being given the right to appoint Directors on the Board of the Company.

Pursuant to the implementation of One Time Settlement with Lenders and transfer of equity in KLL by NTPC to GAIL, the Articles of Association of the Company needs to be amended. Certain other amendments are also required to be made.

None of the 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, if any, in the Company.

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



**KONKAN LNG LIMITED**

**Registered Office:** 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066  
**CIN:** U11100DL2015PLC288147, **Website:** [www.konkanlng.in](http://www.konkanlng.in), **E-mail:** [nidhigola@gail.co.in](mailto:nidhigola@gail.co.in)  
**Tel.:** 0120-2424375

**Proxy Form**

**Name of the shareholder(s):**  
**Registered address:**

**Folio No./DP ID & Client ID:**  
**E-mail ID:**

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

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

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 9<sup>th</sup> Annual General Meeting of the Company to be held **Monday, 9<sup>th</sup> September, 2024 at 11:00 a.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 31 <sup>st</sup> March, 2023 and Report of the Board of Directors and Auditors, CAG comments		
2	Re-appointment of Shri Sashi Menon, who retires by rotation, and being eligible, offers himself for re-appointment		
SPECIAL BUSINESS			
3	Approval for appointment of Shri Sanjay Kumar as Director, not liable to retire by rotation		
4	Approval for ratification of remuneration of the Cost Auditors for FY 2023-24		
5	Amendment in Articles of Association of the Company		

Signed this..... day of..... 2024

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.



# **BOARD'S REPORT**



**BOARD'S REPORT 2023-24**

**Dear Shareholders,**

On behalf of the Board of Directors of your Company, we are delighted to present the 9<sup>th</sup> Board's Report of your Company, along with Audited Financial Statements for the Financial Year 2023-24.

**FINANCIAL HIGHLIGHTS**

Your Company has prepared Financial Statements that comply with the applicable Indian Accounting Standards (Ind AS) for the year ended 31<sup>st</sup> March, 2024.

The important financial highlights for the year 2023-24 are as under:

PARTICULARS	(Rs. in Crores)	
	2023-24	2022-23
Revenue from operations	406.87	400.86
Other Income	19.59	18.74
<b>Total Revenue</b>	<b>426.46</b>	<b>419.60</b>
Operational Expenses	266.17	261.69
Finance Cost	371.97	295.73
Depreciation and amortization expenses	189.36	165.09
Reversal of Impairment loss	(73.87)	(122.30)
<b>Total Expenses</b>	<b>753.63</b>	<b>600.21</b>
(Loss) / Profit Before Tax (PBT)	(327.17)	(180.61)
Deferred Tax Charge/(Credit)	(80.60)	270.23
<b>(Loss) Profit for the period</b>	<b>(246.57)</b>	<b>(450.84)</b>
<b>Earning Per Equity Share</b>		
Basic (in Rs.)	(2.39)	(5.47)
Diluted (in Rs.)	(2.39)	(5.47)



**CAPITAL STRUCTURE**

The Authorized Share Capital of your Company is **Rs. 5000 Crores** divided into **Rs. 3500 equity shares capital** (350,00,00,000 equity shares of Rs.10/- each) and **Rs. 1500 Preference share capital** (150,00,00,000 Preference Shares of Rs. 10/- each.)

*The paid-up Equity Share Capital* of the Company is Rs. 1139 Crores divided into 113.9 Crores Equity Shares of Rs. 10 each fully paid up.

*The paid-up Preference Share Capital* of the Company is Rs. 252 Crores comprises of 25.20 Crores Compulsory Cumulative Convertible Preference Shares (CCCPS) of Rs. 10 each fully paid up.

**ISSUE OF SHARES AND FIXED DEPOSITS**

During Financial Year 2023-24, there was no further issue or buyback of shares. Your Company has not accepted any fixed deposits during the financial year 2023-24 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

**AMOUNTS TRANSFERRED TO RESERVES**

In view of continuous losses, your Board of Directors did not propose transfer of any amount to reserves. During the FY 2023-24, accumulated losses increased to Rs (1,066.27) crores from Rs. (819.70) Crores in FY 2022-23. The increase is due to current year Profit / (Loss) of Rs. (246.57) crores.

**DIVIDEND**

Your Board of Directors did not propose any dividend for FY 2023-24.

**CREDIT RATING (Domestic Rating)**

Your Company has been provided Domestic Credit Rating Stable AA- and A1+ for FY 2023-24 which has been retained from previous year. Credit Rating has been provided by CARE Ratings Limited.

**LNG PLANT OPERATIONS**

Your Company owns and operate LNG re-gasification terminal having 5 MMTPA capacity at Anjanwel, Taluka Guhagar, Distt. Ratnagiri, Maharashtra.

Due to non-completion of Breakwater, LNG Terminal is able to receive LNG Cargoes only during the non- monsoon period (October-April). Completion of break water will enable your Company to receive LNG cargoes throughout the year. During the Financial Year 2023-24, LNG Terminal received 17 LNG cargoes in comparison to 19 LNG cargoes received during previous year.

Truck loading facility (TLF) has been commissioned on 23.01.2024. During the Financial Year 2023-24, LNG Terminal has loaded and dispatched 83 LNG tankers. This facility caters to the isolated/ standalone customers those are not connected to GAIL's main pipeline network and caters to the industrial needs in Konkan Region in Maharashtra and other parts of India.

### **BREAK WATER STATUS**

Your Company has appointed GAIL as Owner's Engineer consultant. GAIL has in turn appointed Engineers India Limited (EIL) as project management consultant for completion of balance break water work. Your Company has awarded the contract for Completion of Balance Breakwater to Larsen & Toubro Limited (L&T).



Work order to L&T was issued on 06.02.2020 and completion period as per the contract is 30 months. L&T mobilized equipment and manpower at Site and started work but due to restrictions in COVID-19 pandemic there is a lag between actual progress vis-a-vis planned progress. However, your company is taking all the efforts to complete the project. The construction of breakwater is expected to be completed by end of January 2025.

### **SUBSIDIARY, JOINT VENTURE & ASSOCIATES**

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



**PARTICULARS OF LOANS, INVESTMENTS AND CORPORATE GUARANTEES**

Your Company had neither made any investment nor given any loans or guarantees as covered under Section 186 of the Companies Act, 2013.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

During the year under review, there is no change in the nature of business. However, Truck loading facility (TLF) has been commissioned successfully on 23.01.2024 resulting in additional revenue generation stream for KLL.

**IT ADVANCEMENTS**

Your Company has undertaken several new IT initiatives to simplify processes and adopt user-friendly IT applications.

Your company has Board approved IT policy. The IT policy provides necessary management commitment and guidance for establishing streamlined and robust IT processes, practices and structures. Cyber Security is a major threat to IT infrastructure and its functioning. Your company completed the Cyber Security audit through CERT-in Empaneled Auditing organization. Audit recommendation was implemented to make IT system more robust against cyber-attack

**HEALTH, SAFETY AND ENVIRONMENT (HSE)**

Your Company believes that safety of its workforce and all its stakeholders is of critical importance to its functioning and success. It has incorporated all the necessary measures to promote the highest level of Safety, Health, Environment and loss control in all areas of its business.

Various measures and best practices have been put in place to avoid injuries, accidents or any other untoward incident. Your Company is committed to promote globally comparable levels of HSE management in the areas of its business. A number of initiatives were taken to ensure the safety of both people and equipment.

Your Company promotes good health among workers and provides a positive, safe and healthy environment for employees. Several initiatives have been taken to ensure a work-life balance for its employees thus keeping them loyal and committed to the Company.

Your Company is complying with all relevant statutory rules and regulations including PNGRB regulations on safety, occupational health, and environment in order to achieve utmost safety in all its working in the business activities.



Your company has been awarded Gold award for excellence in industrial disaster risk management by FICCI-GIZ.

## **DEVELOPMENT OF HUMAN RESOURCES**

Your Company lays a strong emphasis on deploying the best talent across all its business functions. Your Company, in association with GAIL Training Institute (GTI), organizes systematic and structured training programs for capability building across all levels within the organization.

Your Company also realizes that it is critical to develop and enhance the capability and competence of its senior level executives, in order to prepare them for future leadership positions. As a step in this direction, the Company, in association with GAIL Training Institute, undertook Senior Management Development Centre (SMDC) exercise as part of the Leadership Development Program.

## **HUMAN CAPITAL**

Your Company is a subsidiary of GAIL (India) Limited and except three employees, all employees are on secondment from GAIL.

As on March 31, 2024, the total employees of the Company stood at 59 including 3 employees on the rolls of the Company, out of which 19% belonged to SC, 15% to ST and 24% to OBC. No physically challenged category employee was on secondment/ rolls of the Company.

## **VIGILANCE**

In pursuance of the DPE Guidelines on Corporate Governance, the Chief Vigilance Officer (CVO) of the parent Company, GAIL (India) Limited oversees the vigilance functions of your Company.

## **OFFICIAL LANGUAGE**

Your Company is continuously making efforts to propagate the use of the official language of the Union. All official email IDs are in Hindi and English. Employees are encouraged to communicate in Hindi.

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

No material changes and commitments affecting the financial position of the company have occurred since 31st March, 2024 till the date of this report.

**WHISTLE BLOWER POLICY**

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

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

**FRAUD PREVENTION POLICY**

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

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company has in place a robust Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with respect to FY 2023-24 is as under:

a)	Number of complaints pending at the beginning of the financial year	NIL
b)	Number of complaints filed during the financial year	NIL
c)	Number of complaints disposed of during the financial year	NIL
d)	Number of complaints pending at the end of the financial year	NIL

**PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSES)**

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012 and its amendments. Your company has complied with all the requirement in respect of MSES

**RIGHT TO INFORMATION (RTI)**

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with the provisions of Right to Information Act, 2005. Your Company has nominated 01 Central Public Information Officer (CPIO) & 01 Assistant Central Public Information Officer (ACPIO), 01 Appellate Authority, to provide information to citizens under the provisions of the RTI Act, 2005.



Section 4(1)(b) of the RTI Act, 2005 stipulates about the obligation of Public Authorities about the information which should be disclosed by every Public Authority on a suo-motu or proactive basis. Section 4(2) and Section 4(3) of the RTI Act, 2005 prescribes the method of dissemination of this information. Accordingly, keeping in view the purpose of suo-motu disclosures under Section 4, your Company's RTI Cell has hosted a dedicated page on KLL's website, through which a large amount of information in the public domain on a proactive basis is placed. This is being done to make the functioning more transparent and reduce the need for filing individual RTI applications. The same may be accessed at <https://konkanlng.in/rti/>

For FY 2023-24, RTI Cell has a 100% disposal rate in respect of RTI Applications. During FY 2023-24, 11 RTI applications and One First Appeal were received and disposed-off within the prescribed time schedule as per the provisions of the RTI Act.

#### **KEY MANAGERIAL PERSONNEL (KMP) AND DIRECTORS**

During the financial year 2023-24, following Directors and Key Managerial Personnel (KMP) were appointed and continuing on the Board of your Company:

- Shri Sanjay Kumar, Chairman w.e.f. 02.11.2023
- Smt. Jyoti Dua as GAIL Lender Nominee Director w.e.f. 09.05.2023
- Shri Vivek Vishwas Wathodkar as GAIL Nominee Director w.e.f. 06.07.2023

Following were ceased to be Director(s) and KMP of your Company:

NAME	DESIGNATION	TENURE
Smt. Nalini Malhotra	GAIL Lender Nominee Director	13.04.2020 till 04.05.2023
Shri A K Tripathi	GAIL Nominee Director	01.07.2022 till 04.05.2023
Shri K K Chatiwal	GAIL Nominee Director	09.05.2023 till 03.07.2023
Shri M V Iyer	Chairman	20.01.2022 till 01.11.2023
Shri A Kaviraj	GAIL Nominee Director	07.07.2021 till 31.01.2024

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

#### **PERFORMANCE EVALUATION**

As per notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees.



## **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, 2024, 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.

## **CODE OF CONDUCT**


Pursuant to the requirements of the DPE Guidelines on Corporate Governance, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ending 31st March, 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of clause 7.5 of the DPE Guidelines on Corporate Governance, the detailed Management Discussion and Analysis forms part of this report as **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.

A Practicing Company Secretary has examined and certified your Company's compliance with respect to conditions enumerated in the DPE Guidelines on Corporate Governance. The Certificate forms part of this report at **Annexure- C**.

### **AUDITOR(S) -**

#### **Statutory Auditor**

M/s Sankpal Kulkarni & Associates LLP, Chartered Accountants, Mumbai, was appointed by Comptroller & Auditor General of India for the Financial Year 2023-24, as the Statutory Auditor of your Company.

Notes on Financial Statement referred to in the Auditor' Report are self-explanatory and does not require any further comments. There are no qualifications by the statutory Auditor on the Financial Statements of your Company for the FY 2023-24. Review and comments of CAG, if any, on the Company's Financial Statements forms part of Financial Statements.

#### **Internal Auditor**

Your Company has appointed M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants, New Delhi as internal auditor of the Company for FY 2023-24.

#### **Cost Auditor**

Your Company is maintaining Cost Accounting Records as prescribed under the Companies (Cost Records and Audit) Rules, 2014, specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Your Company has appointed M/s. Mani & Co., Cost Accountants, New Delhi as Cost Auditor for Financial Year 2023-24.

#### **Secretarial Auditor**

Your Company has appointed M/s Agarwal S. & Associates, as secretarial Auditor for FY 2023-24. Secretarial Audit Report confirming compliance to the applicable provisions of the Companies Act, 2013, DPE Guidelines on Corporate Governance and other applicable laws, forms part of this Report at **Annexure- D**. The observation made by Secretarial Auditor and Company's response to the observations is as under:



**Observation No.-1** Non-compliance of Section 149(4) of the Companies Act, 2013 and Clause 3.1.1, 3.1.2 and 3.1.4 of the DPE Guidelines on Corporate Governance with respect to Composition of Board of Directors- Company did not have optimum combination of Functional and Independent Director on the Board of the Company during the period under review.

**Company's Response:** Konkan LNG Limited being CPSE, appointment/nomination of Independent Directors on the Board of the Company is done by Government of India (GOI). KLL is taking up with MoP&NG, GOI for appointment of requisite number of Independent Director

**Observation No. 2-** Non-compliance of Section 177, 178 of the Companies Act, 2013 and Clause 4.1.1, 4.1.2, 4.4 and 5.1 of the DPE Guidelines on Corporate Governance with regard to composition of Audit Committee, Quorum of the Audit Committee and constitution of the Nomination & Remuneration Committee during the period under review.

**Company's Response:** Due to the non-appointment of requisite number of Independent Directors, the provision related to composition of Independent Directors in Audit Committee & Remuneration Committee could not be complied. KLL is taking up with MoP&NG, GOI for appointment of requisite number of Independent Director

**Observation No. 3** Section 135 (1) of the Companies Act, 2013; the Company shall constitute CSR committee of the Board consisting of three or more Directors, out of which at least one shall be an Independent Director. Hence, the composition of the CSR Committee does not consist of any ID.

**Company's Response:** For FY 2023-25, the requirement for constitution of CSR committee was not applicable. Further, Due to the non-appointment of requisite number of Independent Directors, the provision related to composition of Independent Directors in CSR Committee could not be complied.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO -**

As per requirement of Section 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- E**.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

As per requirement of Section 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-F**.



**CORPORATE SOCIAL RESPONSIBILITY**

Your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting lives of the marginalised segments of the society, living in and around its areas of operation. The principles of Corporate Social Responsibility (CSR) are deeply imbibed in your company's corporate culture. Company has constituted CSR Committee of the Board.

As per Financial Statements for FY 2023-24, Profit (Loss) Before Tax is (Rs.246.57) crore. The average Net Profit/ (Loss) of the Company made during the three immediately preceding financial years works out to Rs. (102.24) crore and as such no amount is required to be spent on CSR during the financial year 2024-25. As such, your Company is not required to report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013. The unspent amount for FY 2023-24 is being spent as per the approved CSR Plan. Your Company's CSR Policy is also available on Company website at <https://konkanlng.in/our-business/#policies>.

**ANNUAL RETURN**

Annual Return is hosted on your Company's website at <https://konkanlng.in/>

**ACKNOWLEDGEMENTS**

Your Directors express their gratitude for guidance and support received from GAIL, Government of India, various state governments, regulatory and statutory authorities. Your Directors acknowledge wise counsel received from Statutory Auditor 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 KLL family for reposing their faith, trust and confidence in your Company. On behalf of your Directors, I would like to place on record our deep appreciation for the hard work, dedication, commitment and solidarity of your Company's employees. Your Directors and employees look forward with confidence and stand committed to creating a bright future for all stakeholders.

**Place:** New Delhi

**Date:** 05.08.24

**For and on behalf of the Board of Directors**

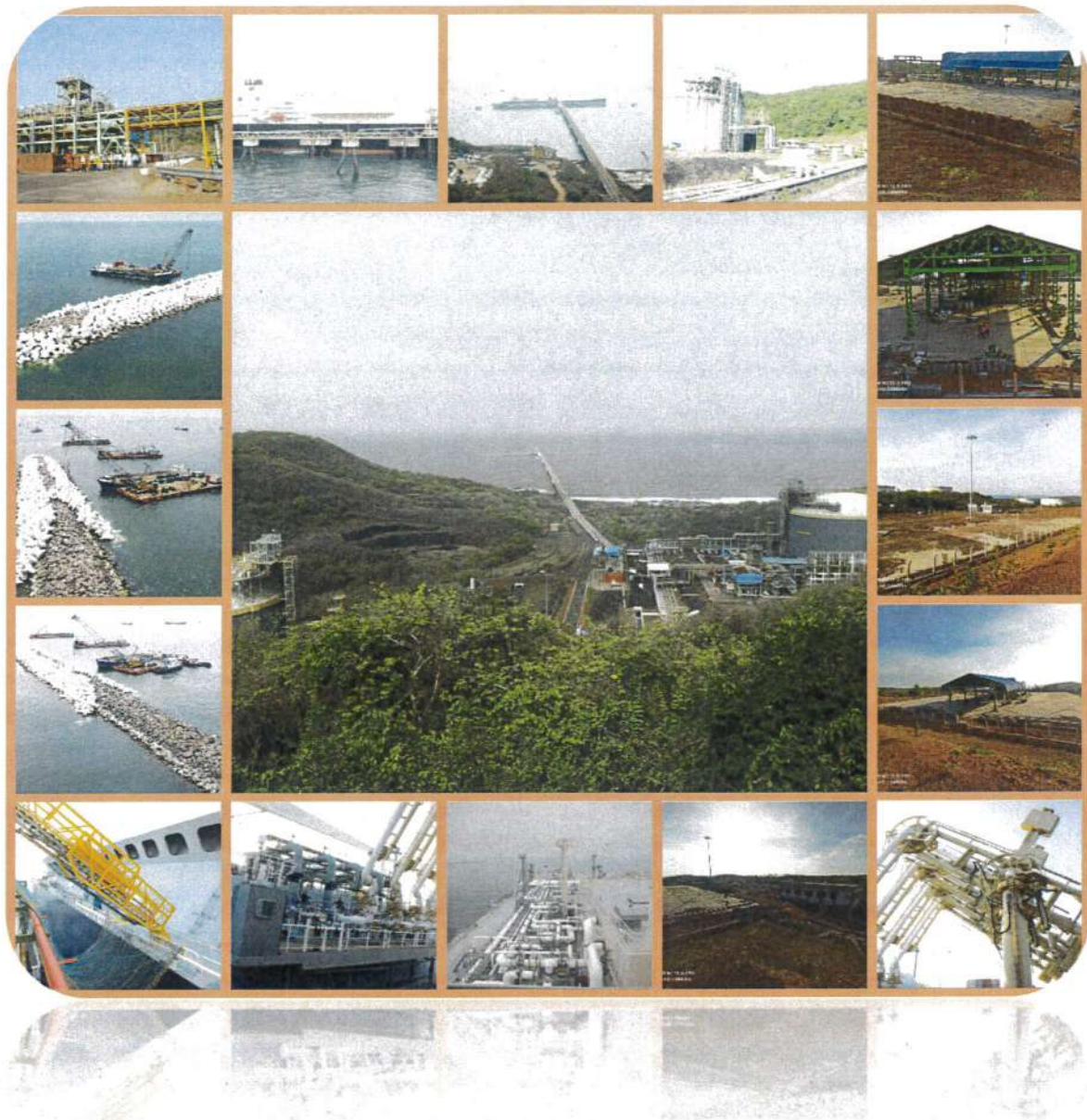


**(Sanjay Kumar)**

**Chairman**

**DIN: 08346704**





# **MANAGEMENT DISCUSSION ANALYSIS**



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE & DEVELOPMENTS

#### a. Global Energy Sector

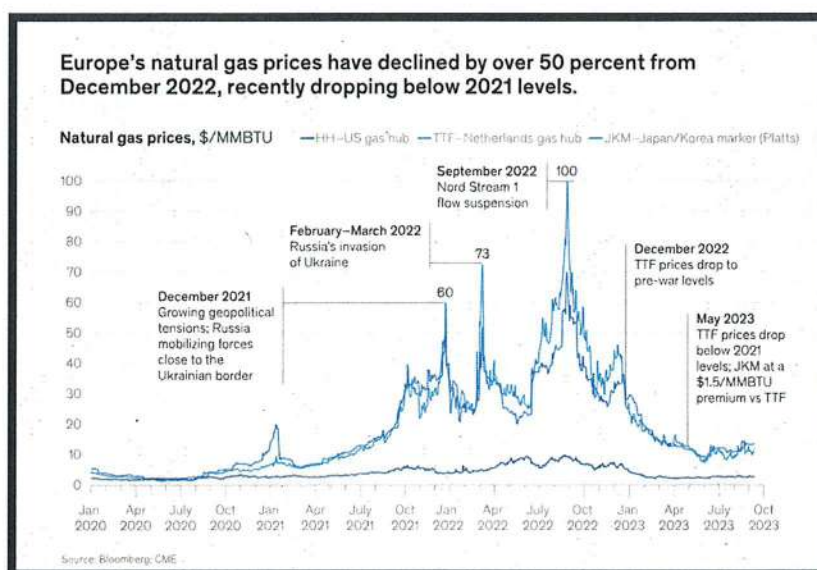
According to various long-term estimates on energy consumption mix, natural gas will remain as the highest growing fossil fuel in the long-term future as coal and oil are expected to peak in short to mid-term. According to B.P. statistical review 2023, natural gas is only fossil fuel that shows growth throughout till 2050 in all scenarios (Accelerated, Net Zero and New Momentum scenarios). Historically as well, the natural gas sector has shown a decent growth rate compared to other fossil fuels.

#### b. Global Gas Sector

Gas maintains a significant share of primary energy, serving as a cornerstone in the power grids of many nations. It remains a crucial source of baseload power in developed countries in the short to medium term, and in developing nations over the medium to longer term. However, as renewable energy sources proliferate, gas gradually transitions into a supporting role, providing supplementary power alongside grid-scale battery storage, especially for stabilizing power grids increasingly dominated by solar and wind generation.

In industry, gas continues to play a diverse role, particularly in chemical feedstocks. Moreover, in the longer term, it emerges as a prominent source for blue hydrogen production. In contrast, the shares of oil and coal experience further declines across all projections.

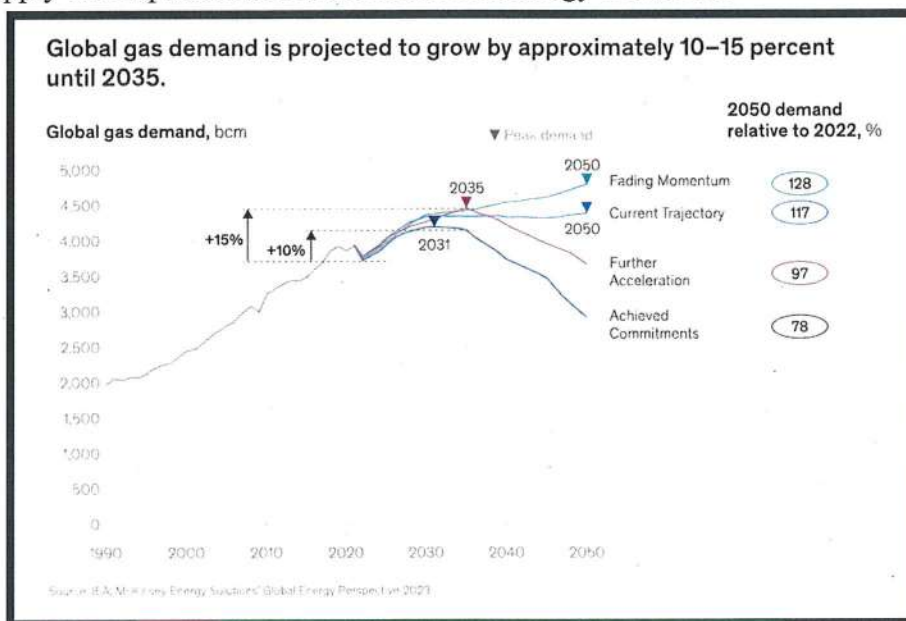
The global liquefied natural gas (LNG) trade assumes a heightened significance within the global gas supply landscape. The growth in LNG supply appears to be increasingly concentrated in regions such as North America, Africa, and the Middle East, while Asia emerges as a pivotal center for demand expansion.



According to the Global Energy Perspective 2023, natural gas is projected to play a crucial role in the energy transition due to its diverse range of applications. Global demand for natural gas is anticipated to continue growing beyond 2030, before gradually declining as the energy transition advances.



Natural gas is extensively utilized across various sectors, spanning from power generation and heating to high-temperature industrial processes. Additionally, it serves as a crucial feedstock in industries such as petrochemicals and fertilizers. In the context of the energy transition, natural gas is anticipated to play a pivotal role by providing a balancing factor for power generation sourced from renewables. It serves as a reliable complement until energy storage technologies are widely deployed at scale. The demand for natural gas utilized in blue hydrogen production is propelled by policies emphasizing security of supply and aspirations to foster clean technology industries.



The projected growth in demand for natural gas is expected to be primarily fueled by the power sector. The largest growth in gas demand is anticipated to come from Asia overall, with North America also contributing to some growth in the medium term. This growth is primarily driven by coal-to-gas switching in Asia and increasing demand in the power sectors of ASEAN countries, China, and the United States. Conversely, gas demand in Europe is projected to gradually decline through 2050, aligning with the region's net-zero commitments. The share of LNG in the global gas supply is projected to increase.

Due to its versatility, natural gas is expected to maintain a significant role in the energy mix regardless of the pace of the energy transition. Demand for natural gas is projected to experience substantial growth in the short term. Furthermore, liquefied natural gas (LNG) will become increasingly crucial as a delivery mechanism, facilitating the connection between geographically distant demand and supply centers.

## c. India Energy Sector

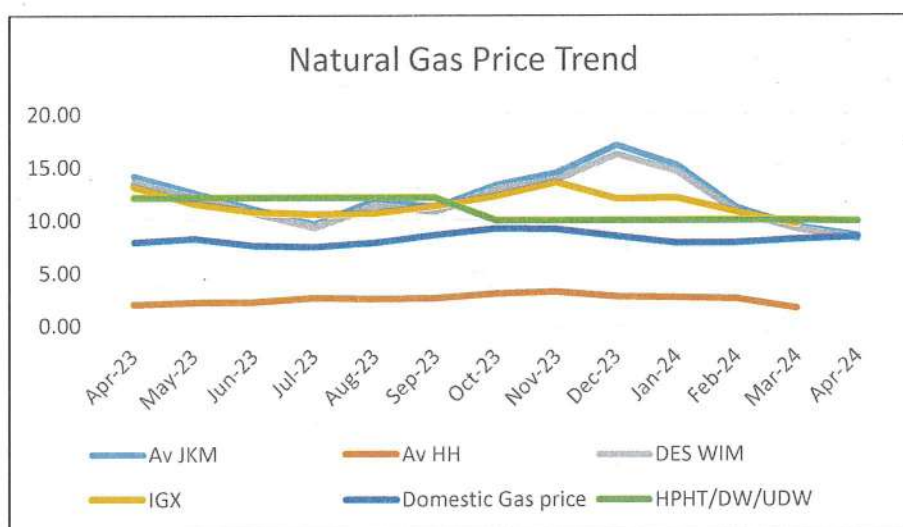
As one of the fastest growing economies of the world, India is also witnessing robust growth in the energy consumption supported by increase in energy access, urbanization and increasing income levels. India is the world's third-largest energy consuming country and all the leading international agencies like IEA and BP are predicting sustained further growth in the energy consumption over the next two decades.

To cater to increasing energy demand in the country, India will need to embrace all forms of energy i.e. both fossil fuels and low-carbon fuel. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow further, thereby making the sector

quite conducive for investment. India's medium-term outlook for Natural Gas consumption remains strong due to rising infrastructure and supportive environment policies.

India is also on a path of diversification of its energy basket by investing in Natural Gas, renewable energy, bio fuel sectors, hydrogen, etc. Government has brought various policy measures to promote investment in infrastructure, increase share of Natural Gas in the primary energy mix and liberalizing policies to boost domestic production of hydrocarbon. Further, the wider adoption of electric vehicles and affordable storage technologies are going to transform the energy landscape in times to come.

#### d. India Gas Sector Developments



Source: IPPAC , EIA , S&P Global platts

Govt. of India aims to increase the share of natural gas in the primary energy basket from existing 5.7% to 15% share, which is an increase from current level of ~ 188 MMSCMD to ~ 500 MMSCMD which is almost 2.7 times increase from current level. It will need significant efforts from all the stakeholders, policy reforms from the government and huge investment in the entire gas value chain to achieve this target. The historical gas usage pattern across different sector has been mentioned below:

Total (MMSCMD)	2019-20	2020-21	2021-22	2022-23	2023-24
Fertilizer	44.15	48.72	49.53	53.15	57.66
City Gas Distribution	29.82	25.29	33.36	32.95	36.96
Power	30.36	29.69	27.83	22.34	24.88
Refinery	21.33	21.67	14.56	10.71	15.99
Petrochemicals	9.78	8.42	7.85	5.37	7.30
Others	19.34	19.96	35.35	36.31	45.59
<b>Total</b>	<b>154.78</b>	<b>153.74</b>	<b>168.47</b>	<b>160.83</b>	<b>188.38</b>



<b>Sector (% Share)</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Fertilizer	28.53%	31.69%	29.40%	33.05%	30.60
City Gas Distribution	19.26%	16.45%	19.80%	20.49%	19.61
Power	19.61%	19.31%	16.52%	13.89%	13.20
Refinery	13.78%	14.10%	8.64%	6.66%	8.48
Petrochemicals	6.32 %	5.47%	4.66%	3.34%	3.87
Others	12.50 %	12.98%	20.98%	22.58%	24.15

*Source: PPAC*

It can be clearly seen from the table that there is a shift in the consumption pattern among the top three anchor consumers. Fertilizer industry continues to be the major consumer of Natural Gas. Since last three years CGD Sector has surpassed the Power Sector to become the second largest consumer of Natural Gas.

India's energy sector is undergoing a significant transformation, with a growing focus on cleaner sources of energy. However, natural gas is expected to play a critical role in the country's energy mix for the foreseeable future.

Next wave of gas demand will come from refineries, chemical process industries, and Iron and Steel plants, both as feedstock, fuel, and process requirements. With the completion of the National Gas Grid (NGG), all the refineries currently isolated from the gas grid can move to gas, increasing gas consumption. Further, gas-based blast furnace and gas-based DRI (Sponge Iron) can open up demand for gas.

The power sector is considered to be one of the key drivers of any gas-based economy. If we take the example of the USA, over 43% of the electricity comes from gas, 21.4% from renewables, 18.6% from nuclear and 16.2% from coal<sup>1</sup>. However, in India over two-thirds of the electricity comes from coal-based plants and the share of gas in electricity generation is merely 6%. Indian power sector needs reforms such as peaking power policy, Gas-RE integration for 24x7 power, and review of Merit Order Dispatch considering the health and pollution cost. These reforms can increase the share of gas in primary energy basket. However, to substantially increase consumption of natural gas, it has to be used as baseload fuel.

India has been the world's fourth-largest importer of liquefied natural gas (LNG). The LNG import gas grown by a CAGR of 6.3% during 2015 and this is going to further increase on account of limited domestic natural gas production and government's aim of increase the natural gas share in the primary energy mix. LNG import in the country during FY24 was 31 BCM (~85 MMSCMD) We may also see the adoption of LNG in the transport sector in coming days primarily in long haul vehicle. GAIL has recently set up dedicated Retail LNG team. GAIL board has recently accorded approval for an investment plan of Rs 650 crore and aspire to capture 50 percent plus market share in the next 5-6 years.

With growing awareness of urban pollution and the ban on polluting fuels like petcoke and furnace oil, we can see gradual adoption of gas among various industrial & commercial customers. It is envisaged that natural gas will be in the ambit of GST in the coming years and it is expected to boost demand from MSMEs/SMEs due to the benefit of an input tax credit.

<sup>1</sup> <https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>



With government policy support, industry initiatives, efforts from developers and suppliers, we may achieve the ambitious target set out for moving the country towards gas-based economy.

## **NATURE OF BUSINESS**

The LNG terminal at Dabhol was an integrated unit of RGPPL. The LNG business was demerged from RGPPL in Feb 2018, to form a new company viz., Konkan LNG Private Limited (KLPL). In the year 2020, your company changed its status from Private Limited to Public Limited and was renamed as Konkan LNG Limited and thereafter became a subsidiary of GAIL (India) Limited.

Your Company owns and operates the Dabhol LNG Import Terminal along with Regasification facility. LNG Carries/Ships are unloaded into large LNG Storage Tanks built onshore through a dedicated Port/Jetty. The LNG in these storage tanks is further re-gasified in the Re-gasification plant, built on-shore. The Re-gasified LNG (R-LNG) is sent through cross-country natural gas pipeline passing by the terminal (Dabhol-Bangalore-Panvel Pipeline). The pipeline is owned and operated by GAIL, which distributes the R-LNG to various customers.

Presently, GAIL (India) Ltd. is the sole client for your Company for both import of LNG and off-take of R-LNG. Your Company charges GAIL for unloading, storage and re-gasification of LNG, which becomes the main source of income for your Company. These charges are often termed as “regasification charges”, similar to other LNG import and regasification terminals in India.

Your Company’s LNG terminal is designed for a capacity of 5 MMTPA and to handle 80 LNG Cargoes a year. However, presently, due to non-availability of the break water the terminal operates at much lower capacities. Work is under progress to complete the construction of break-water.

Your company has successfully commissioned truck loading facility (TLF) on 23.01.2024. Re-gasified LNG can be transported through cryogenic tankers to the places, where natural gas pipelines are not existing. TLF has become an additional source of income for your company.

Your company is also planning to expand the terminal send-out capacity from existing 5 MMTPA to 15 MMTPA in two stages, including facilities for importing Ethane and Propane in addition to LNG.

## **OUTLOOK**

According to IHS market assessment for India LNG outlook, India being a supply-constrained market, the potential for strong LNG demand growth is robust. So far, India’s LNG demand is buoyed by relatively low-cost supply. Demand will largely be influenced by the outlook for domestic production and by the momentum of emerging gas demand sectors like city gas. In the early 2020s, IHS Markit expects some production growth to moderate India’s LNG growth. However, by the end of the decade Indian production should begin to decline creating a tremendous opportunity for sustainable LNG demand growth.

As per BNEF’s Global LNG Demand report, India’s gas demand is likely to grow 4% per year on average over 2021-25, reaching 70Bcm in 2025, excluding internal use and losses. City gas demand will see the highest growth with the expansion of gas distribution networks, connecting more



households, vehicles and businesses to gas supply. Industry gas demand will rise as more fertilizer plants, refineries and other large industrial users are planned to be connected to gas supply over 2021-25. LNG demand could reach 30.8m tons by 2025, growing at 3% per year on average over 2021-25.

R-LNG Terminal of your Company has the capacity to unload, store and re-gasify worth 5 MMTPA of LNG (Approximately, 80 LNG cargoes in a year). However, in the absence breakwater facilities, the terminal is currently in operation only during non-monsoon period thereby limiting its cargo handling capacity to approximately 42%. Upon completion of breakwater, which is expected in January 2025, the terminal would be in a position to operate at designed capacity of 5 MMTPA. Further, Truck Loading Facility has also been commissioned. With the commissioning of this facility, the terminal has entered into the LNG-Road Transportation market and enabled GAIL to trade in LNG Road Transportation Sector in the Konkan Region and beyond.

Your company even after demerger from RGPPL, was dependent on it for Electricity and Heating Source for LNG-regasification. Now, For Electricity, your company has subscribed to Maharashtra State Electricity Distribution Company (MSEDCL) for Electricity Supply and has successfully installed and commissioned required infrastructure. Your company has commenced drawing power from MSEDCL since 09.05.2022. Your company is further working on alternative sources for electricity viz., purchase through open access as well as setting-up a captive power generation plant.

On the Heat Sourcing front, since huge amounts of energy (in terms of heat) is required for LNG Regasification, it is still dependent on RGPPL for LNG Regasification. Owing to RGPPL's ON & OFF operation due to their commercial viability issues, the quantity of heat available from RGPPL is also very limited. Your Company is taking efforts to install its own system to draw heat from atmospheric air (Ambient Air Heater). PMC for the said job is already appointed and the system is expected to be operational by September-2025.

These projects are aimed at ending the technical dependency on RGPPL completely and become self-sufficient. Further, the company is also taking-up technical and feasibility study to enhance the terminal's capacity to 15 MMTPA.

## **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.



The terminal was technically commissioned in January 2013 without breakwater facilities and COD was achieved on 22<sup>nd</sup> 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. Once, the breakwater facility is complete, the terminal shall be operational through the year.

### **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. However, your company has fully insured its assets to such AOG risks.

### **Risk Management Framework**

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

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

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

- Delay in Construction of Breakwater Project
- Unavailability of independent heating system to provide the heat required for LNG regasification

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

### **Competition**

KLL is already facing stiff competition from already established LNG Terminals viz., Dahej, Kochi, Mundra, Hazira etc. Further, many new players are in the process of setting up LNG terminals – land



based and / or FSRUs at various locations in the Country. LNG terminals at Ennore, Dhamara, Jaigarh, Chhara and Jafrabad etc. have been commissioned and/or likely to be commissioned shortly.

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

During the Financial Year 2023-24, LNG Terminal received 17 LNG cargoes and LNG Terminal dispatched 83 LNG tankers.

#### Financial Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23	Change Increase/ (Decrease)
Revenue from Operations	406.87	400.86	6.01
<b>Profit Before Tax</b>	(327.17)	(180.61)	(145.56)
Profit After Tax	(246.57)	(450.84)	204.27

#### • Financial Parameter

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23
Capex	306.62	556.27
Reserves and Surplus	(1,066.27)	(819.70)
Net worth	324.73	571.30
Total Loans outstanding	4,013.07	3,813.07

#### • Ratio Analysis

Particulars	FY 2023-24	FY 2022-23
Debt–Equity ratio	12.30	6.67
Debt Service Coverage Ratio (times)	0.43	0.53
Interest Coverage Ratio (times)	0.12	0.39
Return to Net Worth (PAT/Net Worth) (%)	(75.93)	(78.92)
Return on Capital Employed (PBIT/Capital Employed) (%)	1.04	2.63
Debtors Turnover (Net Credit Sales (i.e. Net Sales)/Average Trade Receivables)	3.86	3.16
Inventory Turnover (Cost of Goods Sold/ Average Inventory)	0.20	0.20
Current Ratio (Current Assets/ Current Liabilities)	3.15	3.58
Operating Profit Margin [(EBIT – Other Income) / Net Sales] (%)	6.20	24.04
Net Profit Margin [Profit after Tax (PAT) / Net Sales] (%)	(0.61)	(1.12)

**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. The aspects of conservation of technology and foreign exchange and the development of renewable energy are taken care of adequately.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

**HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

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

Your Company has a focus on building capabilities and developing competencies of its employees. As on March 31, 2024, the total employees of the Company stood at 59 including 3 employees on the rolls of the Company, out of which 19% belonged to SC, 15% to ST and 24% to OBC. No physically challenged category employee was on secondment/ rolls of the Company.

Your Company continues to focus on various developments initiatives to synergize individual development and organizational growth. Your Company understands that human capital is essential to strategic performance. Bringing human capital into the mainstream of business, decision-making means an efficient allocation of human resources. This, in turn, contributes towards higher skill levels, increased productivity, and greater innovation.

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

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company as a socially responsible Corporate understands and acknowledges its responsibilities towards the communities, the environment and all other stakeholders involved in the process. CSR function at your Company aims to promote social good and integrate economic, environmental and social objectives with the company's operations and growth.



Your Company has complied with DPE guidelines regarding spending on identified Thematic Areas, i.e. Health & Nutrition.

### **ACCOLADES**

Your company has been awarded Gold award for excellence in industrial disaster risk management by FICCI-GIZ.

### **CONCLUSION**

For India, the question is how to navigate these energy challenges and balance the requirements of increasing energy consumption per capita, while keeping an eye on the carbon emissions, which will increase with energy production and consumption. LNG is a lower carbon alternative compared to more polluting liquid fuels and allows for diversification in energy supply sources, especially in terms of less dependence on oil. Right now, the LNG market is in a structural surplus and this will benefit LNG importers like India, which have cost sensitive markets. In this surplus market, India will have to relook at its LNG import strategy and see if LNG spot price can become a viable alternative to oil linked pricing as seen in term LNG supply contracts. The recent record high prices seen during the first two months of 2021, were a warning that the LNG spot market and the price assessment markers are not very liquid and can be subject to extreme price swings, which will play havoc with the commercial viability of term supply contracts.

The better solution will be that, till the spot market becomes more liquid, contracting a portfolio of LNG sale agreements of varying terms and price indexations is a better option. There can be hybrid pricing formulas in a contract, which is a mix of varying weightages for oil, gas and LNG spot pricing, or alternatively, there can be a portfolio of individual LNG sale contracts with single fuel linkages to oil or a gas hub, which are then comingled and sold to downstream buyers, with price being a volume weighted average of different pricing formulas. Importers of LNG in India can also look to other countries for guidance on pricing issues. One example is an LNG deal signed between Shell and Tokyo Gas in 2019. It was a long-term LNG supply deal in which coal-linked indexation is used partly for the pricing of LNG and is the first of its kind in the LNG market. Looking at the evolving contractual terms and requirement of matching them with local demand and pricing preference, it can be something which be done in the current market scenario and was not possible in the past.

On the global stage, the Covid pandemic has severely impacted the energy industry in terms of loss in demand, but also has raised concerns about the pollution caused by fossil fuels and the resulting health problems. During COVID, the lockdowns implemented by various governments, caused pollution to fall substantially. Industrializing countries in Asia like China and India, which are facing high levels of air pollution in major cities, saw firsthand improvement in air quality and other environmental indicators, like water quality. As clean air and water are vital for public health, the call for adopting clean energy sources like renewables and hydrogen have increased. Renewables is an old story and over time it is getting cheaper, but the intermittency of power supply from renewables will remain an issue and that will require building backup power sources like battery backup, which is not going to be available in a large scale for some time.



The only viable option will be gas-based power, which can be run as peaking power to address the issue of intermittency due to gas-based power plants short start-up and shutdown time. While, hydrogen can be used for a large number for industrial and locomotion applications like heavy trucks for long distance journeys and may be even used in shipping and airplanes in the distant future. The main issue with hydrogen is the carbon foot print of hydrogen production. As of now hydrogen is produced from fossil fuels like natural gas and coal. The method which leads to the least carbon emissions is using renewable power and carrying out electrolysis of water to produce hydrogen and oxygen will be a by-product. This process is currently not used at an industrial level. Though this process will have zero carbon emissions, it is significantly more expensive than using fossil fuels. More research and development is required to make this process more economically viable.

As hydrogen and renewables are emerging as competitors to fossil fuel, the question is what the future of gas in the energy market is. Gas has been seen as a bridging fuel for the transition from the fossil fuel-based energy system to a renewable energy low carbon emission system. Hydrogen as a fuel will take a long time to develop but it is a potential future fuel and the 21st-century solutions it can offer in contributing to clean energy transitions. Meanwhile, renewables are currently in the process of growing rapidly. However, for renewable power generation, a power backup system will be required for which gas is suited. As for vehicles, passenger car market will most probably be dominated in the future by a mix of electric and Compressed Natural Gas (CNG) vehicles.

However, for long distance heavy vehicles, LNG seems to be a better option, as it gives longer range than CNG and does not face the technological constraint of long recharging time and lower range of electric vehicles. Though the world wants to decarbonize rapidly post covid and switch to renewables and electric power for locomotion, the reality is that fossil fuels will remain major contributors to the global energy system and will face a gradual declining share in energy consumption. In the meanwhile, cleaner fossil fuels like natural gas and LNG will be required to minimize the carbon foot print and support this transition, which is expected to take a few decades.

#### **CAUTIONARY STATEMENT**

*Statements in the Board's Report and Management Discussion & Analysis, describing the Company's objectives, strategies, projections and estimates, expectations, etc. may be "forward looking statements" and progressive within the meaning of the applicable laws and regulations. By their nature, forward-looking statements require your Company to make assumptions and are subject to inherent risks and uncertainties. Forward looking statements which involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially from the expectations. Critical factors that could influence the Company's operations include global and domestic demand and supply conditions, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also likely to change accordingly. These forward-looking statements represent only your Company's current intentions, beliefs and expectations. Your Company assumes no obligation to revise or update any forward-looking statement, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on the forward-looking statements.*





**REPORT  
ON  
CORPORATE  
GOVERNANCE**



## **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 3 and not more than 15.

As on March 31, 2024, there were 4 (Four) Directors on the Board of the Company. The composition and attendance record of the Company's Board of Directors w.r.t. Board Meeting during the Financial Year ended 31<sup>st</sup> March, 2024 are as follows:

<b>Name and Designation of the Director</b>	<b>No. of Board Meetings attended during the Tenure</b>	<b>Attendance at Last Annual General Meeting</b>	<b>Directorships held in other Companies</b>
<b><i>Non-Executive Director</i></b>			
<b>Shri Sanjay Kumar</b> Chairman (w.e.f. 02.11.2023)	3 out of 4	No	4 including 1 Body Corporate
<b>Shri Sashi Menon</b> Director (w.e.f. 28.04.2021)	8 out of 9	Yes	Nil
<b>Shri Vivek Wathodkar</b> Director (w.e.f. 06.07.2023)	7 out of 7	Yes	Nil
<b>Smt. Jyoti Dua</b> Director (w.e.f. 09.05.2023)	7 out of 8	Yes	Nil
<b><i>Shri A K Tripathi</i></b> <i>Director</i> (01.07.2022 – 04.05.2023)	1 out of 1	--	--
<b><i>Smt. Nalini Malhotra</i></b> <i>Director</i> (13.04.2020 – 04.05.2023)	1 out of 1	--	--
<b><i>Shri M V Iyer</i></b> <i>Chairman</i> (20.01.2022 – 01.11.2023)	4 out of 5	--	--
<b><i>Shri K K Chatiwal</i></b> <i>Director</i> (09.05.2023 – 03.07.2023)	1 out of 1	--	--
<b><i>Shri A Kaviraj</i></b> <i>Director</i> (07.07.2021 – 31.01.2024)	8 out of 8	--	--



**Notes:**

- During the financial year 2023-24, 9 (Nine) Board meetings were held.
- Brief resume of directors appointed/ reappointed at the forthcoming AGM is given in the Notice of AGM.
- 8<sup>th</sup> Annual General Meeting of the Company was held on 21.09.2023.
- Video conferencing facilities was provided by the Company to facilitate Directors at other locations to participate in Board/Committee meetings.
- Based on disclosures received from the concerned Director(s):
  1. None of the Director(s) on the Board held Directorship in more than 20 (twenty) companies as prescribed under the Companies Act, 2013.
  2. 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.
  3. None of the non-executive Directors hold any Equity Shares of the Company.

**ii. Independent Directors**

Presently, there is no Independent Director(s) on the Board of your Company. Your Company is a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), Independent Directors are appointed/nominated by the Government of India (GoI). Your Company is following up with its Administrative Ministry (MoP&NG) Government of India for appointment of requisite no. of Independent Director(s) on its Board.

**iii. Woman Director**

During FY 2023-24, one Woman Director was present on the Board of the Company.

**iv. Details of Board Meetings**

The meetings of the Board of Directors are generally held at the Company's registered office situated at New Delhi. Video- conferencing facility is also provided to facilitate Directors at other locations to participate in Board/ Committee Meetings.

During the FY 2023-24, 9 (Nine) meetings of the Board were held and the gap between any two meetings was not more than 120 days, the details of which are as below:

S. No.	Date of Board Meeting(s)
1.	28.04.2023
2.	15.06.2023
3.	24.07.2023
4.	11.09.2023
5.	25.10.2023
6.	08.11.2023
7.	22.12.2023
8.	19.01.2024
9.	16.03.2024

### 3. Committees of the Board

The Board Committees play a crucial role in the governance Structure of the Company and have been constituted to deal with specific areas. Formulation of Sub Committees of the Board is one way of managing the work of the Board, thereby strengthening the Board Governance role. All decisions and recommendation of the Committees are placed before the Board for its information and approval. The approved minutes are circulated to the members of the Committee and to the concerned Department for implementation of its decisions. Further Minutes of the Committees are placed in its next meeting for its noting and in the meeting of the Board for information.

Presently, there are 3 (Three) Committees of the Board viz. Audit Committee, Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

Details of the Committees are as follows:

#### i. **AUDIT COMMITTEE**

##### **Terms of Reference**

The term of reference of Audit Committee is as per the applicable provisions of the Companies Act, 2013 and DPE guidelines on Corporate Governance for CPSEs, as applicable, and as amended from time to time including approval of the Related Party Transactions, granting of omnibus approval and laying down the criteria for omnibus approval and to review the Related Party Transactions on yearly basis, approval for allotment of shares, to dispose of and allot any shares which remain un-subscribed or un-allotted upon such terms and conditions and in such manner as it may think proper



and expedient and to do all such acts, deeds, matters and things deemed necessary for issuance / allotment of the shares, printing of new share certificates, if any, settling any question or doubt that may arise with regard to or in relation to the issue or allotment of shares, evaluation of internal financial controls.

**Composition**

As on 31<sup>st</sup> March, 2024, Audit Committee comprised of Shri Sashi Menon as the Chairperson and Shri Vivek Wathodkar & Smt. Jyoti Dua as Members.

**Meeting & Other Details**

During the FY 2022-23, 6 (Six) meetings of the Audit Committee were held, the details of which are as below:

S. No.	Date of Audit Committee Meeting(s)
1.	28.04.2023
2.	15.06.2023
3.	24.07.2023
4.	31.08.2023
5.	25.10.2023
6.	19.01.2024

**ii. REMUNERATION COMMITTEE****Terms of Reference**

The terms of reference of the committee is to inter alia is to deliberate and decide on PRP pool and policy of distribution of Performance Related Pay (PRP) to employees. Further role of Remuneration Committee is as per the DPE guidelines as amended from time to time.

**Composition**

As on 31<sup>st</sup> March, 2024 Remuneration Committee comprised of Shri Sashi Menon as the Chairperson and Shri Vivek Wathodkar & Smt. Jyoti Dua as Members.

**Meeting & Other Details**

During the FY 2023-24, no meeting of Remuneration Committee Meeting was held.

**iii. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

**Terms of Reference**

The terms of reference of the Committee is to inter alia formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII; recommend the amount of expenditure to be incurred on the activities and to monitor the CSR Policy of the company from time to time.

**Composition**

As on 31<sup>st</sup> March, 2024, CSR Committee comprised of Shri Sashi Menon as the Chairperson and Shri Vivek Wathodkar & Smt. Jyoti Dua as Members.

**Meeting & Other Details**

During the FY 2023-24, no meeting of CSR Committee Meeting was held.

**4. Remuneration of Directors**

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

The Part-time Director(s) nominated by Promoters, MSEB/ GoM etc. who are in regular employment in any organization does not receive any remuneration from the Company.

**5. General Body Meetings**

**Forthcoming AGM: Date, Time and Venue**

The 9<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled on Monday, 9<sup>th</sup> September, 2024 at 11:00 A.M at the Registered Office of the Company situated at GAIL Bhawan, 16, Bhikaiji Cama Place, R. K. Puram, New Delhi-110066.



### **Location and Time of the Last AGMs**

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

Year	2020-21	2021-22	2022-23
AGM	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>
Date and Time	16 <sup>th</sup> September, 2021 at 10:30 A.M.	20 <sup>th</sup> September, 2022 at 10:30 A.M.	21 <sup>st</sup> September, 2023 at 11:00 A.M.
Venue	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066	GAIL Bhawan, 16, Bhikaiji Cama Place, New Delhi-110066
Special Resolution Passed	No item warranted the Special resolution.	No item warranted the Special resolution.	No item warranted the Special resolution.

### **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. Annual Report containing inter-alia Standalone Audited Financial Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report is circulated to the members and others entitled thereto.

In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode, the Company is sending various communications/ documents like Annual Report, Notice of AGM, through e-mail to shareholders.

**8. Disclosures**

- a. The Company has prepared disclosures in accordance with Indian Accounting Standards (Ind-AS). For the period up to and including the year ended 31<sup>st</sup> March 2024, the Company has 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 the period ended 31<sup>st</sup> March 2024, together with the comparative period data as at and for the year ended 31st March 2023, 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.

- b. The Company has filed report on Corporate Governance in specified format(s) within the stipulated time to MoP&NG/ DPE.
- c. 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. The policy is available at the website of the Company.
- d. During the year under review, no Presidential Directives have been received by your Company.
- e. During the Financial Year 2023-24, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.
- f. 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.
- g. The administrative and office expenses were 0.5053 % of the total expenses in FY 2023-24 as against 0.6126 % in the FY 2022-23.
- h. During the Financial Year 2023-24, applicable Secretarial Standards as issued by the Institute of Company Secretaries (ICSI) on Meetings of Board of Directors and on General Meetings are duly complied.



**9. Shareholding Pattern as on 31<sup>st</sup> March, 2024**

<b>Name of Shareholder</b>	<b>Number of Equity Shares</b>	<b>% of holding as per paid-up Equity Share Capital</b>	<b>% of holding as per paid-up Share Capital (Equity + CCCPS)</b>
GAIL (India) Ltd.*	1,064,941,284	93.50	94.68
Shri Jitendra Gupta Jt. With GAIL	1	0.00	0.00
Shri Mahesh Kumar Agarwal Jt. With GAIL	1	0.00	0.00
Shri Chinmoy Mondal Jt. With GAIL	1	0.00	0.00
Shri A Sivabharti Jt. With GAIL	1	0.00	0.00
Ms. Preeti Aggarwal Jt. With GAIL	1	0.00	0.00
MSEB Holding Co. Ltd.	74,055,220	6.50	5.32
<b>Total</b>	<b>1,138,996,509</b>	<b>100.00</b>	<b>100.00</b>

\* Holds 25,20,03,718 Compulsory Convertible Cumulative Preference Shares (CCCPS) of Rs. 10/- each fully paid up.

**10. Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March, 2024, your Company has 7 shareholders out of which 5 shareholders ( GAIL Nominee shareholder holding 1 equity share each)hold shares in physical form and GAIL and MSEB are holding shares in DEMAT mode.

ISIN of your Company's for fully paid-up equity shares is INE00LT01016. ISIN of Fully paid-up Compulsory Convertible Cumulative Preference Shares (CCCPS) is INE00LT03020.

Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U11100DL2015PLC288147.

Shareholders may approach to Registrar & Share Transfer Agent (R&TA) of the Company at:

## Konkan LNG Limited

(Subsidiary of GAIL (India) Limited)

ANNUAL REPORT 2023-24

MCS Share Transfer Agent Limited

**Unit: Konkan LNG 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](http://www.mcsregistrars.com)

**E-mail:** [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

### **11. Location of Plant / Terminal:**

Anjanwel, Taluka Guhagar, Distt. Ratnagiri, Maharashtra.

### **12. Compliance Certificate**

The Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under DPE Guidelines on Corporate Governance for CPSE forms part of Boards' Report.





**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

The Members,  
**Konkan LNG Limited,**  
16, Bhikaiji Cama Place, R. K. Puram,  
New Delhi - 110066

1. We have examined the compliance of conditions of Corporate Governance by KONKAN LNG LIMITED (CIN: U11100DL2015PLC288147) for the year ended 31st March, 2024, as prescribed in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Department of Public Enterprises (DPE), Government of India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, the company did not comply the clause 3.1.1, 3.1.2, 3.1.4, 4.1.1, 4.1.2, 4.4 and 5.1 of DPE Guidelines on Corporate Governance for CPSEs regarding appointment of requisite numbers of independent Directors and constitution of Audit Committee and Quorum of Audit Committee and Remuneration Committee.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

GARIMA  
GROVER

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GARIMA GROVER  
Date: 2024.05.21  
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**Garima Grover**

**Partner**

ACS No.: 27100

C.P No.: 23626

UDIN: A027100F000410142

Date: 21.05.2024  
Place: New Delhi

**Annexure E**

**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. Replacement of conventional lights with energy efficient LED lights in plant area.
(ii)	the steps taken by the company for utilizing alternate sources of energy	1. 15kW roof top solar power panel installed in newly commissioned truck loading facility. 2. Installation of solar lights in vehicle parking shed.
(iii)	the capital investment on energy conservation equipment	Rs.8.65 lakhs for 15kW roof top solar power panel.

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	1. Installation and commissioning of Truck Loading Facility 2. Upgradation of ship to shore link. 3. Upgradation of weather monitoring system. 4. Installation of security CCTV cameras. 5. Replacement of electro-mechanical relays with numerical relays in electrical sub-station. 6. Installation of ambient air heating system has been planned. 7. LNG terminal capacity expansion to 6.3 MMTPA (stage-1) and 15MMTPA (stage-2) has been planned.
(ii)	the benefits derived like product improvement, cost	1. Installation and commissioning of Truck Loading Facility: LNG can



	<p><b>reduction, development or substitution</b></p>	<p><b>product import</b></p> <p>be transported to locations, where NG pipeline is not existing and is a new source of revenue for the company. Installation of two new more loading bays is also planned.</p> <p><b>2. Upgradation of ship to shore link:</b> Availability of touch-screen user interface and easy recognition of source of ESD generation (from ship or shore).</p> <p><b>3. Upgradation of weather monitoring system:</b> Historical data will be available, data is also available online on OEM website and data can also be shared to regulatory authorities.</p> <p><b>4. Installation of security CCTV cameras:</b> Improvement in surveillance and security. 120 days data backup is also available.</p> <p><b>5. Replacement of electro-mechanical relays with numerical relays in electrical sub-station:</b> Numerical relays are compact in size, offer variety of protection functions and have better reliability. Historical data is available, which will help in fault analysis. Data can be downloaded also.</p> <p><b>6. Installation of ambient air heating system:</b> Presently, the company is dependent on RGPPL's heating system. This project will make the company independent in terms of heating requirement.</p>
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		<b>7. LNG terminal capacity expansion:</b> Capacity expansion to 6.3 MMTPA (stage-1) and 15MMTPA (stage-2) including storage and unloading facilities of Ethane and Propane of capacity 2 MMTPA and 1 MMTPA respectively has been planned.
(iii)	<b>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</b>	-
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	<b>the expenditure incurred on Research and Development</b>	-

**(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**

<b>(Rs in crore)</b>	
<b>Particulars</b>	<b>2023-24</b>
<b>Foreign Exchange Earnings</b>	-
<b>Foreign Exchange Outgo</b>	5.8319



**Annexure F****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**  
KLL has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis during financial year 2023-24.

**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 –**  
GAIL (India) Limited (GAIL)- Holding Company.

**b. Nature of contracts/arrangements/transactions -**  
Providing re-gasification services to GAIL, salary and other benefits of GAIL employees on secondment basis, services as Owners Engineer, Loan taken from GAIL etc.

**c. Duration of the contracts / arrangements/transactions –**  
The Master Re-gasification Agreement signed with GAIL on 13.03.2019, valid up to 31<sup>st</sup> March, 2037.

**d. Salient terms of the contracts or arrangements or transactions including the value, if any:**  
KLL provided re-gasification services to GAIL, payment of salary to GAIL employees on deputation, Services as Owners Engineer etc. Transaction value for FY 2023-24 is Rs. 438.66 crores.

Total Loan amount (ICL1, ICL2 and ICL3) is Rs. 4013.07 Cr is payable to GAIL by KLL. Total interest up to 31/03/2024 amounting to Rs. 1,246.14 crores.

e. **Date(s) of approval by the Board, if any** – Master Re-gasification was approved by the Board in its meeting held on 15.01.2019, however, approval of the Board as per provision of section 188(1) of the Companies Act, 2013 was not required as contract was entered into in the ordinary course of business and on arm's length basis.

f. **Amount paid as advances, if any** - NIL

**For and on behalf of the Board**

**Date:** 05.08.2024

**Place:** New Delhi



**(Sanjay Kumar)**

**Chairman**

**DIN: 08198178**





**Form No. MR-3**  
**Secretarial Audit Report**  
**For the financial year ended March 31, 2024**

{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 LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KONKAN LNG 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**Not Applicable**

**Observation No. 3**

*Section 135 (1) of the Companies Act, 2013; the Company shall constitute CSR committee of the Board consisting of three or more Directors, out of which atleast one shall be an Independent Director. Hence, the composition of the CSR Committee does not consist of any ID.*

**We further report that** the Board of Directors of the Company is constituted as per the provision of Companies Act, 2013 and DPE Guidelines. As on 31<sup>st</sup> March 2024, the Board constituted with Non-Executive Directors only. 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 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**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 **Agarwal S. & Associates,**  
Company Secretaries,  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 2725/2022

**GARIMA** Digitally signed  
by GARIMA  
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**GROVER** Date: 2024.05.21  
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**Garima Grover**

**Partner**

ACS No.: 27100

C.P No. :23626

UDIN: A027100F000409834

Date: 21.05.2024

Place: New Delhi

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.



**Konkan LNG Limited**

*(Subsidiary of GAIL (India) Limited)*

**ANNUAL REPORT 2023-24**



# **INDEPENDENT AUDITORS REPORT**



# Sankpal Kulkarni & Associates

## Chartered Accountants

### Independent Auditor's Report

To the Members of  
**Konkan LNG Limited,**  
(CIN: U11100DL2015PLC288147)

#### Report on the Ind AS Financial Statements

##### Opinion

We have audited the accompanying Ind AS financial statements of **Konkan LNG Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended 31<sup>st</sup> March 2024, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and **loss**, (including total comprehensive income), the changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Emphasis of Matters

We draw attention to

1. **Note 53** to the Ind AS financial Statements, which describe the basis for recognition of deferred tax assets during the year ended 31<sup>st</sup> March 2024.

Our conclusion is not modified in respect of the above matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors Report including Annexures to Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon.

1592, 'E' Ward, SAI-GURU Apartment, Flat No.101, 1<sup>st</sup> Floor, 5<sup>th</sup> Lane, Rajarampuri, Kolhapur - 416 006

Ph.: 0231 - 3590226

e-mail : kop.skaca@gmail.com

Offices: • Pune • Mumbai • Miraj • Goa • Nipani





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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Ind AS Financial Statement**

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

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

- 1) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

#### Other Matter

We draw attention to the fact that figures for the corresponding year ended 31<sup>st</sup> March 2023 prepared in accordance with Ind AS and included in the Ind AS financial statements are based on the previously issued audited the Ind AS financial statements for the year ended 31<sup>st</sup> March 2023 that were audited by the predecessor auditor who had expressed an unmodified opinion thereon as per his report dated 13<sup>th</sup> July 2023.

During the current period, the Company has identified a prior period error in non-accounting of Leases and non-recognition of borrowing cost in the earlier year and made the appropriate correction as per Ind AS-8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Accordingly, the corresponding previous





year ended 31<sup>st</sup> Mar 2023 were restated (refer **Note No. 52** of the Ind AS financial statements). The restatement has been reviewed by us.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Comptroller and Auditor General of India through directions issued under Section 143(5) of the Act, we give our report on the matter specified in the **Annexure B** attached.
3. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Charges in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) Pursuant to the Notification No G.S.R. 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company, being the Government Company.
  - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**" to this report.
  - g) Pursuant to the Notification No G.S.R. 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Company, being the Government Company.
  - h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer **Note No. 38** to the Ind AS financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any other person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedure that we have considered reasonable and appropriate in the circumstances, noting has come to us notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- (v) The Company has neither declared nor paid any dividend during the year and accordingly compliance of Section 123 of the Act, is not applicable to the Company.
- (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Sankpal Kulkarni & Associates  
Chartered Accountants  
FRN: 121256W



CA. A N Sankpal  
Partner, MRN: 104718  
UDIN: 24104718BKBLNG6070  
Place: Kolhapur  
Date : 9<sup>th</sup> May 2024





"Annexure A"

"Annexure A" referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Ind AS Financial Statements of Konkan LNG Limited for the year ended March 31, 2024

i.	In respect of the Company's Property, Plant and Equipment:																	
	(a)	(A)	The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant, and Equipment.															
		(B)	The Company has maintained proper records showing full particulars of intangible assets															
	(b)		The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets at reasonable intervals, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.															
	(c)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is a lessee and lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the company <i>except</i> for the following properties in respect of which original sale/lease deeds were not produced to us or title documents are yet to be executed.															
			<table><tr><th>Description of property</th><th>Gross carrying value</th><th>Held in name of</th><th>Whether promoter, director or their relative or employee</th><th>Period held</th><th>Reason for not being held in name of company* *Also indicate if in dispute</th></tr><tr><td>Leasehold Land at PO Anjanwel, Tal Guhagar Dist Ratnagiri 415634  (Area 451.065 Acres)  (Right to Use Asset)</td><td>5.19 Crores</td><td>Ratnagiri Gas and Power Pvt Ltd</td><td>No</td><td>Since 2017-18</td><td>Company is in process of transferring Land with MIDC authority.</td></tr></table>				Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company* *Also indicate if in dispute	Leasehold Land at PO Anjanwel, Tal Guhagar Dist Ratnagiri 415634  (Area 451.065 Acres)  (Right to Use Asset)	5.19 Crores	Ratnagiri Gas and Power Pvt Ltd	No	Since 2017-18	Company is in process of transferring Land with MIDC authority.
Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company* *Also indicate if in dispute													
Leasehold Land at PO Anjanwel, Tal Guhagar Dist Ratnagiri 415634  (Area 451.065 Acres)  (Right to Use Asset)	5.19 Crores	Ratnagiri Gas and Power Pvt Ltd	No	Since 2017-18	Company is in process of transferring Land with MIDC authority.													
	(d)		According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its Property, Plant, and Equipment (including Right of Use assets) or intangible assets or both during the year.															
	(e)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;															
ii	(a)		The inventory of stores and spares has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification are appropriate. The discrepancies noticed on physical verification on inventory of stores and spares as compared to book records did not equal or exceed															





		10% in the aggregate of inventory and the same has been properly dealt in the books of accounts.
	(b)	In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not been sanctioned/renewed working capital limits in excess of five crore rupees in the form of OD facility from any bank, on the basis of security of current assets. Hence, reporting under Clause 3(ii) (b) of the Order is not applicable.
iii.	(a)	In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investment in companies or it has not provided any guarantee or security, or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies or firms, Limited Liability Partnerships or any other parties except loans/advances to employees; The Company has provided advances/loans to employees as under; Aggregate amount granted during the year Rs.57.88.965.00 Balance outstanding as at balance sheet date Rs65,19,687.00
	(b)	The terms and conditions of the loans granted are not prejudicial to the interest of the Company.
	(c)	In respect to advances/loans given, the repayment of principal and interest has been stipulated and the receipts have been regular.
	(d)	There is no overdue amount for more than 90 days in respect of loan given.
	(e)	There is no loan or advances in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
	(f)	The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
iv.		The Company has not granted any loan or provided any guarantee or given any security or made any investment to which the provisions of Sections 185 and 186 of the Companies Act 2013. Hence, reporting under paragraph Clause 3(iv) of the Order is not applicable.
v.		The Company has not accepted any deposits or any amounts which are deemed to be deposits from the public. Hence, reporting under paragraph Clause 3(v) of the Order is not applicable.
vi.		According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the products manufactured by it and the services provided by it. In our opinion, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
vii.	(a)	According to the information and explanations given to us, the Company has been regular in depositing the undisputed statutory dues including GST, provident fund, Income Tax, Employees State Insurance and any other statutory dues to the appropriate authorities. There were no arrears of outstanding statutory dues as on the last day of the financial year concerned to a period of more than six months from the date, they became payable.
	(b)	According to the information and explanations given to us and the records of the company examined by us, in our opinion, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited as on March 31, 2024 on account of any dispute.
viii.		According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions surrendered or disclosed which were previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year. Hence, reporting under paragraph Clause 3(viii) of the Order is not applicable.



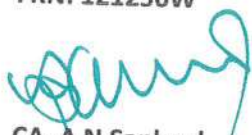


ix.	(a)	The Company does not any loans or borrowings from Bank, Financial Institutions or Government. Hence, reporting under paragraph Clause 3(ix) of the Order is not applicable
	(b)	The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender;
	(c)	The Company has applied the term Loan (ICL) for the purpose for which the loan was obtained.
	(d)	The Company, has not raised any short-term funds.
	(e)	The Company does not have any subsidiaries, associates or joint ventures. Hence, reporting under Clause 3 (ix) (e) of the Order is not applicable.
	(f)	The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under Clause 3 (ix) (f) of the Order is not applicable.
x.	(a)	The company has not raised any money by way of an Initial Public Offer or further public offer (including debt instruments) during the year. Hence, reporting under Clause 3 (x) (a) of the Order is not applicable.
	(b)	Further, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence, reporting under Clause 3 (x) (b) of the Order is not applicable.
xi	(a)	We have neither come across any instances of fraud by the Company or any fraud on the Company has been noticed or reported during the year, nor have been informed of any such cases by the management.
	(b)	As informed by the Company, no report has been filed by us under sub-section (12) of Section 143 of the Companies Act during the year in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
	(c)	The Company informs us that no whistle-blower complaints were received during the year by the Company.
xii.		The Company is not a Nidhi company. Hence, reporting under paragraph 3 (xii) of the Order are not applicable.
xiii.		According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
xiv.	(a)	In our opinion, and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
	(b)	We have considered the Internal Audit Reports of the Company issued till the date for the period under audit.
xv.		According to the information and explanations given to us and based on our examination of the records, the Company has not entered in to any non-cash transactions with directors or persons connected with them.
xvi.	(a)	As informed to us and based on our examination of records, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934), Hence, reporting under paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable.
	(b)	In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directors, 2016) and accordingly, reporting under paragraph 3 (xvi) (d), of the Order are not applicable.
xvii.		The Company has incurred Cash Loss amounting to Rs.211.68 crores during the financial year and has incurred cash losses in the immediately preceding financial year 2022-23

			Rs.153.18 crores. (As per Restated Financial statements for the year 22-23 Rs.137.82 crores).				
xviii.			There has been no resignation of statutory auditors during the year. Hence, reporting under paragraph 3 (xviii) of the Order are not applicable.				
xix.			According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on date of the audit report that the Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the Company as and when they fall due;				
xx.	(a)		In respect of other than ongoing project, the Company has no unspent amount that needs to be transferred to the Fund Specified under Schedule VII in compliance with second proviso to sub-section (5) of Section 135 of the Company Act, 2013. Accordingly, reporting under Clause 3 (xx) (a) of the Order is not applicable for the year.				
	(b)		The Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account.				
			(Rs. In Crores)				
			Financial Year	Amount identified for spending on CSR activities for "ongoing Project"	Amount unspent on CSR activities for "ongoing Project"	Due date of transfer to the account	Actual date of transfer to the account
			2022-23	1.17	1.12	30/04/2023	04/05/2023
xxi.			Consolidation of financial statements is not applicable to the Company, as there is no subsidiary, associate or joint venture company. Hence, reporting under Clause 3 (xx) (a) of the Order is not applicable for the year.				

For Sankpal Kulkarni & Associates  
Chartered Accountants  
FRN: 121256W





CA. A N Sankpal  
Partner, MRN: 104718

UDIN : 24104718BKBLNG6070

Place: Kolhapur

Date : 9<sup>th</sup> May 2024



"Annexure B "

**(to the Independent Auditor's Report)**

"Annexure B" referred to in paragraph 2(g) under the 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Konkan LNG Limited for the year ended March 31, 2024

Sr	Direction under Section 143(5) of the Companies Act, 2013	Auditor's reply on action taken on directions
2	Whether the Company has system in place to process all the accounting transaction through IT? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process its accounting transactions through IT. For this, the Company has deployed SAP, which is an ERP System. Based on the audit procedures carried out and as per the information and explanation given to us, no accounting transactions have been processed or carried outside the IT system of the Company. Accordingly, in our opinion, there are no implications on the integrity of the accounts.
2	Whether there is restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Accordance with the audit procedures carried out and as per the information and explanations given to us by the Company, there were no cases of restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. by any lender to the Company during the current financial year.
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from central / state Governments or their agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	Accordance with the audit procedures carried out and as per the information and explanations given to us by the Company, there are no funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies during the year.

For Sankpal Kulkarni & Associates

Chartered Accountants

FRN: 121256W



CA. A N Sankpal

Partner, MRN: 104718

UDIN : 24104718BKBLNG6070

Place: Kolhapur

Date : 9<sup>th</sup> May 2024



## Compliance Certificate

We have conducted audit annual accounts of **Konkan LNG Limited** for the year ended **31<sup>st</sup> March 2024** in accordance with the directions/sub directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub Direction issued to us.

**For Sankpal Kulkarni & Associates**  
**Chartered Accountants**  
**FRN: 121256W**



**CA. A N Sankpal**  
**Partner, MRN: 104718**  
Place: Kolhapur  
Date : 9<sup>th</sup> May 2024





## "Annexure C"

("Annexure C" referred to in paragraph 3 (f) under the 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Ind AS Financial Statements of Konkan LNG Limited for the year ended March 31, 2024)

**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")**

We have audited the internal financial controls with reference to the Financial Statements of **Konkan LNG Limited** ("the Company") as of **March 31, 2024**, in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

### **1. Management's Responsibility for Internal Financial Controls**

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

### **2. Auditors' Responsibility**

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

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

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



### 3. Meaning of Internal Financial Controls with reference to Financial Statements.

A Company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the Financial Statements include 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 the preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

### 4. Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

### 5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the company has, in all the material respects, adequate internal financial controls with reference to the Financial Statements are in place and such adequate internal financial controls with reference to the Financial Statements were operating effectively as of March 31, 2024, based on the internal controls over financial reporting criteria established by the Company considering the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

For Sankpal Kulkarni & Associates

Chartered Accountants

FRN: 121256W



CA. A N Sankpal

Partner, MRN: 104718

UDIN : 24104718BKBLNG6070

Place: Kolhapur

Date : 9<sup>th</sup> May 2024







# **STANDALONE FINANCIAL STATEMENTS**

**Konkan LNG Limited**  
CIN: U11100DL2015PLC288147  
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

**Balance Sheet as at March 31, 2024**

Particulars	Note No.	(₹ in Crore)		
		Audited As at March 31, 2024	Restated As at March 31, 2023	Audited As at March 31, 2023
ASSETS				
Non Current Assets				
Property, Plant and Equipment	3	2,454.86	2,483.40	2,483.40
Capital Work-in-Progress	6	1,133.23	891.15	886.38
Intangible Assets	4	-	0.00	0.00
Right of Use Asset	5	271.68	294.08	8.05
Financial Assets:				
- Loans	7A	0.61	0.13	0.13
- Others	7B	1.36	1.36	1.36
Deferred Tax Assets (Net)	16	514.83	434.24	435.78
Other Non Current Assets	8	0.29	1.19	1.19
Total Non Current Assets (A)		4,376.87	4,105.55	3,816.29
Current Assets				
Inventories	9	523.74	499.68	499.68
Financial Assets				
- Loans	10	0.07	0.02	0.02
- Trade Receivables	11	20.95	31.72	31.72
- Cash and Cash Equivalents	12A	0.31	7.01	7.01
- Other Bank Balances	12A	0.03	-	-
- Bank Balances other than Cash and Cash Equivalents	12B	235.43	469.05	469.05
- Other Financial Assets	13	5.07	1.97	1.97
Current Tax Assets (Net)	14	3.50	3.17	3.17
Other Current Assets	15	21.00	12.27	12.27
Total Current Assets (B)		810.11	1,024.88	1,024.88
Total Assets (A+B)		5,186.97	5,130.43	4,841.17
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	17	1,139.00	1,139.00	1,139.00
Instruments entirely equity in nature	18	252.00	252.00	252.00
Other Equity	19	(1,066.27)	(819.70)	(817.13)
Total Equity (C)		324.73	571.30	573.87
LIABILITIES				
Non Current Liabilities				
Financial Liabilities				
- Borrowings	20	3,993.07	3,813.07	3,813.07
- Lease Liability	21	247.31	270.77	1.29
- Other Financial Liabilities	22	364.30	188.88	188.88
Provisions	23	0.51	0.41	0.41
Total Non Current Liabilities (D)		4,605.20	4,273.14	4,003.65
Current Liabilities				
Financial Liabilities:				
- Lease Liability	24	33.49	24.56	2.21
- Trade Payable:	25			
- Dues of micro enterprises and small enterprises		5.63	3.17	3.17
- Dues of other than micro enterprises and small enterprises		34.17	26.74	26.74
- Other Financial Liabilities	26	96.26	134.33	134.33
Other Current Liabilities	27	7.49	17.18	17.18
Provisions	28	80.02	80.01	80.01
Total Current Liabilities (E)		257.05	286.00	263.65
Total Equity and Liabilities (C+D+E)		5,186.97	5,130.43	4,841.17





**Konkan LNG Limited**  
**CIN: U11100DL2015PLC288147**  
**GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066**

**Notes:**

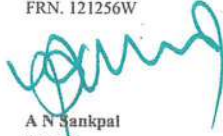
1. The material accounting policies and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For and on behalf of the Board of Directors

As per our report of even date

For Sankpal Kulkarni and Associates  
Chartered Accountants  
FRN. 121256W



A N Sankpal  
Partner  
Membership No. - 104718

Place: Kolhapur  
Date:

Jyoti Dua  
(Director)  
(DIN-06904550)



D. B. Thakur  
(Chief Financial Officer)

Place: New Delhi  
Date:



Sashi Menon  
(Director)  
(DIN-09160448)



Tony Mathew  
(Chief Executive Officer)



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

9 MAY 2024



**Konkan LNG Limited**  
CIN: U11100DL2015PLC288147  
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

**Statement of Profit & Loss for the year ended March 31, 2024**

Particulars	Note No.	₹ in Crore)		
		Audited March 31, 2024	Restated March 31, 2023	Audited March 31, 2023
I. Revenue from Operations	29	406.87	400.86	400.86
II. Other Income	30	19.59	18.74	18.74
<b>III. Total Income (I+II)</b>		<b>426.46</b>	<b>419.60</b>	<b>419.60</b>
a. Employee benefits expenses	31	28.99	28.61	28.61
b. Finance Cost	32	371.97	295.73	287.95
c. Depreciation and amortization expenses	33	189.35	165.09	148.70
d. Other expenses	34	237.19	233.09	256.22
e. Reversal of Impairment Loss	3 & 6	(73.87)	(122.30)	(122.30)
<b>IV. Total Expenses (a+b+c+d+e)</b>		<b>753.63</b>	<b>600.22</b>	<b>599.18</b>
<b>V. Profit/(Loss) before Tax (III-IV)</b>		<b>(327.17)</b>	<b>(180.61)</b>	<b>(179.58)</b>
<b>VI. Tax Expenses</b>				
Current Tax				
Deferred tax charge / (credit)	16	(80.59)	270.23	268.69
<b>VII. Profit/(Loss) for the year (V-VI)</b>		<b>(246.57)</b>	<b>(450.84)</b>	<b>(448.26)</b>
<b>VIII. Other Comprehensive income:</b>				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement gain/(losses) of defined benefit obligations (CY: Rs. 29,762.00)		0.00	0.03	0.03
Income tax effect relating to these items (CY: Rs.; 7,491.00)		(0.00)	(0.01)	(0.01)
<b>Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods (CY: Rs. 22,271.00)</b>		<b>0.00</b>	<b>0.02</b>	<b>0.02</b>
<b>IX. Total comprehensive income (VII+VIII)</b>		<b>(246.57)</b>	<b>(450.82)</b>	<b>(448.24)</b>
<b>Earning/(Loss) per equity share (in Rs.)</b>				
(1) Basic	35	(2.39)	(5.47)	(5.45)
(2) Diluted		(2.39)	(5.47)	(5.45)

**Notes:**

1. The material accounting policies and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

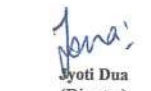
As per our report of even date

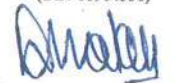
For Sankpal Kulkarni and Associates  
Chartered Accountants  
FRN. 121256W

  
A. N. Sankpal  
Partner  
Membership No. - 104718

Place: Kolhapur  
Date:

**9 MAY 2024**

  
Jyoti Dua  
(Director)  
(DIN-06904550)

  
D. B. Thakur  
(Chief Financial Officer)

Place: New Delhi  
Date:

For and on behalf of the Board of Directors

  
Sashi Menon  
(Director)  
(DIN-09160448)

  
Tony Mathew  
(Chief Executive Officer)

  
Nikhil Gola  
(Company Secretary)





**Konkan LNG Limited**  
CIN: U11100DL2015PLC288147  
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

**Statement of Cash Flows for the year ended March 31, 2024**

	(₹ in Crore)		
Particulars	For the year ended March 31, 2024	Restated For the year ended March 31, 2023	For the year ended March 31, 2023
<b>Operating activities</b>			
Profit/(loss) before tax	(327.17)	(180.61)	(179.58)
Adjustments to reconcile profit before tax to net cash flows:			
Prior period Errors	-	-	-
Depreciation and amortization expenses	189.35	165.09	148.70
Finance income	(19.13)	(17.71)	(17.71)
Finance costs	371.97	295.73	287.95
Impairment of assets/(Reversal)	(73.87)	(122.30)	(122.30)
Interest on refund of Income Tax	(0.13)	(0.54)	(0.54)
<b>Cash flow from operating activities before working capital changes</b>	<b>141.03</b>	<b>139.66</b>	<b>116.53</b>
Working capital adjustments:			
<b>Increase / (Decrease) in Current Liabilities:</b>			
Trade Payables	9.89	(15.27)	(15.27)
Other Current Financial Liabilities	4.89	13.20	13.20
Other Non Current Financial Liabilities	-	-	-
Provisions	0.10	0.08	0.08
Other Current Liabilities	(9.70)	(6.61)	(6.61)
<b>(Increase)/ Decrease in Current Assets:</b>			
Inventories	(24.07)	(63.28)	(63.28)
Trade Receivables	10.77	20.12	20.12
Other Non Current Financial Assets	(0.48)	26.89	(0.11)
Other Current Financial Assets	(2.08)	2.86	0.10
Other Current and Non Current Assets	(7.86)	14.43	14.43
<b>Cash flow from operating activities after working capital changes</b>	<b>122.49</b>	<b>132.07</b>	<b>79.18</b>
Interest on Income tax Refund	0.13	0.54	0.54
Taxes (paid)/refund received	(0.33)	6.11	6.11
<b>Net cash flows from operating activities (A)</b>	<b>122.30</b>	<b>138.72</b>	<b>85.83</b>
<b>Investing activities</b>			
Sale/ (Purchase) of property, plant and equipment, intangible assets (including capital work in progress)	(306.62)	(556.26)	(249.07)
Investments in FDR (net)	233.62	(3.79)	23.21
Interest received	18.04	17.71	20.47
<b>Net cash flows used in investing activities (B)</b>	<b>(54.95)</b>	<b>(542.34)</b>	<b>(205.38)</b>
<b>Financing activities</b>			
Interest paid	(259.51)	(210.31)	(202.54)
Proceeds from long term borrowings	-	-	-
Repayment of long term borrowings	-	-	-
Loan Infusion	200.00	-	-
Payment of lease liability	(14.53)	289.91	(1.92)
Proceeds from partly paid-up equity shares	-	331.00	331.00
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(74.04)</b>	<b>410.60</b>	<b>126.54</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(6.69)</b>	<b>6.99</b>	<b>6.99</b>
Cash and cash equivalents at the beginning of the year	7.01	0.02	0.02
<b>Cash and cash equivalents at year end</b>	<b>0.31</b>	<b>7.01</b>	<b>7.01</b>

**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

	(₹ in Crore)		
Particulars	As at March 31, 2024	Restated As at March 31, 2023	As at March 31, 2023
Cash in hand			
Balances with banks:			
- Current accounts	0.31	7.01	7.01
<b>Balances as per statement of cash flows</b>	<b>0.31</b>	<b>7.01</b>	<b>7.01</b>

Cash Flow Statement has been prepared using Indirect Method as per Ind AS 7 - Statement of Cash Flows.



Konkan LNG Limited  
CIN: U11100DL2015PLC288147  
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

Statement of Cash Flows for the year ended March 31, 2024

Notes:

1. The material accounting policies and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For Sankpal Kulkarni and Associates  
Chartered Accountants  
FRN. 121256W

A N Sankpal  
Partner  
Membership No. - 104718

Place: Kolhapur  
Date:

1-9 MAY 2024

Jyoti Dua  
(Director)  
(DIN-06904550)

D. B. Thakur  
(Chief Financial Officer)

Place: New Delhi  
Date:

For and on behalf of the Board of Directors

Sashi Menon  
(Director)  
(DIN-09160448)

Tony Mathew  
(Chief Executive Officer)

Nidhi Gola  
(Company Secretary)





**Konkan LNG Limited**  
CIN: U11100DL2015PLC288147  
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066  
Statement of Changes in Equity for the year ended March 31, 2024

(a) Equity Share Capital

Particulars	Number (in crores)	(₹ Crore) Amount
Equity shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31 March 2022	80.80	808.00
Issue of share capital	33.10	331.00
As at 31 March 2023	113.90	1,139.00
Issue of share capital	-	-
As at 31 March 2024	113.90	1,139.00

Total Equity as at 31 March 2024

(b) Instruments entirely equity in nature

Particulars	Number (in crores)	(₹ Crore) Amount
10% Compulsorily Cumulative Convertible Preference Shares		
As at 31 March 2022	25.20	252.00
Issue of share capital	-	-
As at 31 March 2023	25.20	252.00
Issue of share capital	-	-
As at 31 March 2024	25.20	252.00

(c) Other Equity

Particulars	(₹ Crore) Retained earnings
As at 31 March 2022	(368.88)
Profit for the period	(450.84)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.02
Total Comprehensive Income	(450.82)
As at 31 March 2023	(819.70)
Prior Period adjustments	2.58
Restated balance at at 31 March 2023	(822.28)
Profit for the period	(243.99)
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.00
Total Comprehensive Income	(243.99)
As at 31 March 2024	(1,066.27)

1. The material accounting policies and accompanying notes form an integral part of Financial Statement

In terms of our report of even date attached:

For and on behalf of the Board of Directors

For Sankpal Kulkarni and Associates  
Chartered Accountants  
FRN. 121256W

A N Sankpal  
Partner  
Membership No. - 104718

Place: Kolhapur  
Date:

Jyoti Dua  
(Director)  
(DIN-06904550)

D. B. Thakur  
(Chief Financial Officer)

Tony Mathew  
(Chief Executive Officer)

Sashi Menon  
(Director)  
(DIN-09160448)

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

Place: New Delhi  
Date:

9 MAY 2024



**Note 1. Company Information**

**Reporting entity**

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

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

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

**Note 2. Basis of preparation and Material Accounting Policies**

**1. Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), the requirements of Division II of Schedule III to the Companies Act, 2013 and other relevant provisions of the Act. These Financial Statements for the year ended 31<sup>st</sup> March 2024, were authorized for issue by Board of Directors on 01<sup>st</sup> May, 2024.

**2. Basis of preparation**

These financial statement has been prepared as going concern on accrual basis of accounting. These financial statements have been prepared on historical cost basis except for defined benefit plans which are measured using actuarial measurement at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods used to measure fair values are disclosed further in notes to financial statements.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**3. Functional and presentation currency**

These financial statements are presented in Indian Rupees. (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest crore (up to two decimals), except as stated otherwise. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.





#### **4. Current and non-current classification**

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

#### **5. Disclosures under Schedule III under Companies Act 2013.**

Schedule III to Companies Act, 2013 was modified vide notification dated March 24, 2021 to enhance various additional disclosure requirements while preparing the financial statements of a company. The relevant disclosures have been made to the financial statements, wherever necessary.

##### **A. Material accounting policies**

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

##### **1. Property, plant and equipment**

###### **a. Initial recognition and measurement**

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

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



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

Costs towards compensation (including those incurred provisionally), rehabilitation and other expenses relatable to land in possession are treated as cost of land and other assets.

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

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

**b. Subsequent costs**

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

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

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

All other repair and maintenance costs, including regular servicing of property, plant and equipment, are recognized in the statement of profit and loss as incurred.

**c. Decommissioning costs**

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

**d. De-recognition**

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

**e. Depreciation/amortization**

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





**Konkan LNG Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

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

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. This charge is commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter.

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

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

In circumstance, where a property is abandoned, the carrying amount relating to the property are written off in the same period.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, when necessary, revised.

## **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.

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

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

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



**3. Intangible assets and intangible assets under development**

**a. Initial recognition and measurement**

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

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

**b. Derecognition**

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

**c. Amortization**

Amortization is provided so as to write off, on a straight-line basis, the cost of intangible assets to their residual value. This charge is commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives.

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

**4. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction/ 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 development or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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





## **5. Inventories**

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

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

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

The Company's entitlement to leftover System Use Gas is accounted for as inventory. These are measured at fair value at the date of initial measurement as per the requirements of Ind AS 115 *Revenue from Contract with Customers*.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

## **6. Cash and cash equivalents**

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

## **7. Provisions, contingent liabilities and contingent assets**

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

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

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

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

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



Contingent liabilities/assets exceeding ₹. 0.05 Crores in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

**8. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

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

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

**9. Revenue**

**a. Revenue from Regasification**

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price charged to the customer and are recorded net of trade discounts, rebates, other pricing allowances to trade/ consumer and including fair value of non-cash consideration from the customer at the date of initial measurement, when it is probable that the associated economic benefits will flow to the Company.

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

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

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

**b. Other income**

Insurance claims for loss of profit are accounted for on the basis of claims admitted by the insurers. Other insurance claims are accounted for based on certainty of realization.

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





## **10. Employee benefits**

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

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

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

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

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

The liability for employees' benefit of employees seconded by the promoter's organization in respect of provident fund, pension, gratuity, post- retirement medical facilities, compensated absences, long service award, economic rehabilitation schemes and other terminal benefits is retained by the respective organization.

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

- (a) an entity's decision to terminate an employee's employment before the normal retirement date; or
- (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment

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

- (a) Enhancement of post-employment benefits, either indirectly through an employee benefit plan or directly.
- (b) salary until the end of a specified notice period if the employee renders no further service that provides economic benefits to the entity.

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

## **11. Income tax**

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

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



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

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

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

## **12. Leases**

### **a. As lessee**

#### **Identifying a lease**

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

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

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

#### **Initial recognition of Right of use asset (ROU)**

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

#### **Subsequent measurement of Right of use asset (ROU)**

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

#### **Initial recognition of lease liability**

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





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

**Subsequent measurement of lease liability**

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

**Short-term leases and leases of low-value assets**

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

**b. As lessor**

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

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

**Disclosures**

**Key disclosure requirements are as follows:**

- Description of the leasing arrangements
- The basis on which variable lease payments not included in the lease liability are determined
- Terms and conditions of leasing arrangements which are Material to understanding the financial statements
- Amounts Recognized in Financial Statements:
- Carrying amount of right-of-use assets by class of underlying asset
- Lease liabilities, showing both the current and non-current amounts
- Expense related to short-term leases not included in the measurement of lease liabilities (if short-term leases are not recognized on the balance sheet)
- Expense related to leases of low-value assets not included in the measurement of lease liabilities (if applicable)
- The total cash outflow for leases
- The amount of income from subleasing right-of-use assets



### **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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

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

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

### **14. Operating segments**

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

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

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

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

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

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





## **15. Material prior period errors**

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

Upon identification of a material misstatement due to error, the financial statements have been restated. The restatement involved revising the previously issued financial statement to correct the misstatement. Comparative amounts for prior periods presented in financial statements have also been restated unless the correction of the error was impracticable.

## **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.

Dividend have been considered and computed while calculation of Earnings Per Share in accordance with IND AS 33- Earnings Per Share.

## **17. Dividend**

On 31<sup>st</sup> March 2024, the Company has 10% 'Compulsorily Cumulative Convertible Preference Shares' (CCCPS) amounting Rs. 2,52,00,37,180 divided into 25,20,03,718 shares of par value of Rs. 10 and fully paid up. These shares were issued on 21.11.2018 at Rs. 3 paid up. One fully paid CCCPS is convertible into one equity share of Rs. 10 each at any time at the option of shareholders from the date of allotment of the CCCPS but not later than 20 years.

Dividend is computed only for the purpose of calculation of Earnings Per Share in accordance with IND AS 33- Earnings Per Share.

Since the company is a loss-making entity, no dividend has been recommended and declared by the Company till date. However, in upcoming years when board and shareholders recommend to shareholders approve it then the Company shall be liable to pay dividend @10% per annum on the paid up portion of face value on cumulative basis since issuance of shares, subject to approval of shareholders.

## **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**

#### **Classification**

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



### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

#### **a) Financial assets carried at amortized cost**

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

#### **b) Financial assets at fair value through other comprehensive income**

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

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

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

### **Derecognition**

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

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

### **Impairment of financial assets**

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

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

(b) Lease receivables under Ind AS 116.





(c) Trade receivables under Ind AS 115.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a Material 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 Material increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

## **b. Financial liabilities**

### **Classification**

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

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

#### **Financial liabilities at amortized cost**

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

#### **Financial liabilities at fair value through profit or loss**

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

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

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



statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

#### **Derivative financial instruments**

##### **Initial recognition and subsequent measurement.**

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

### **19. Fair value measurement**

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

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

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is Significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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





## **20. Restatement of Financial Statements**

This policy applies to all financial statements prepared and presented by the company in accordance with IND AS 8: Accounting Policies, Changes in Accounting estimates and Errors and Companies Act 2013. Following principles are followed while restating the financials:

### **Identification of Errors:**

An error can be the result of mathematical mistakes, mistakes in applying accounting policies, oversight or misuse of facts, and fraud. When a material error is identified, the nature and size of the error will be assessed to determine whether it is material and requires restatement.

### **Restatement Process:**

Upon identification of a material misstatement due to error or change in accounting principle, the financial statements will be restated. The restatement involves revising the previously issued financial statement to correct the misstatement. Comparative amounts for prior periods presented in financial statements will be restated unless the correction of the error is impracticable.

### **Disclosure:**

The company will disclose the nature of the error and the impact of its correction on the financial statements in the notes to the financial statements. The disclosures will include the amount by which each financial statement line item is affected in the current and prior periods, as well as the reason for the restatement.

## **B. Use of estimates and management judgments**

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

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

In order to enhance understanding of the financial statements, information about Material areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most Material effect on the amounts recognized 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 and technical evaluation, wherever considered appropriate by management.

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



## **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. Defined Benefit Plans**

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

## **4. Revenues**

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

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

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

## **5. 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.

## **6. Taxes**

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

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

## **7. Impairment of Non-Financial Assets**

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





**C. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements** The amendments require companies to disclose their material accounting policies rather than their Significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any Material impact in its financial statements.

**Ind AS 12 – Income Taxes** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any Material impact in its financial statements.



3 Property, plant and equipment

Particulars	Gross carrying value			Accumulated Depreciation			Impairment		Net carrying value	
	As at 1st April 2023	Additions	Disposals/ Capitalisation	As at 31st Mar 2024	As at 1st April 2023	Depreciation charge for the period	Disposals	As at 31st Mar 2024	As at 1st April 2023	As at 31st Mar 2024
Roads, bridges, culverts & helpads	6.60	0.54	-	7.14	2.17	1.28	-	3.46	-	3.69
Furniture & Fixture	1.20	0.36	(0.01)	1.55	0.50	0.22	(0.00)	0.71	-	0.84
Plant and machinery (including associated civil works)	3,985.06	63.46	-	4,048.51	1,226.53	152.73	-	1,379.26	282.05	2,447.99
Office equipment	1.08	0.14	(0.00)	1.22	0.53	0.14	(0.00)	0.67	0.01	0.54
EDP, WP machines and satcom equipment	2.62	0.75	-	3.37	1.57	0.40	-	1.97	0.02	1.03
Vehicles	0.20	0.25	-	0.44	0.01	0.03	-	0.04	-	0.19
Communication Equipment	0.25	-	-	0.25	0.19	0.03	-	0.22	-	0.02
<b>Total</b>	<b>3,997.00</b>	<b>65.49</b>	<b>(0.01)</b>	<b>4,062.49</b>	<b>1,231.50</b>	<b>154.84</b>	<b>(0.01)</b>	<b>1,386.33</b>	<b>282.10</b>	<b>2,454.86</b>
Carrying amount of property, plant and equipment are hypothecated as security for borrowings. (Refer Note 20)										

Particulars	Gross carrying value			Accumulated Depreciation			Impairment		Net carrying value	
	As at 1st April 2022	Additions	Disposals/ Capitalisation	As at 31st Mar 2023	As at 1st April 2022	Depreciation charge for the year	Disposals	As at 31st Mar 2023	As at 1st April 2022	As at 1st April 2023
Roads, bridges, culverts & helpads	6.43	0.17	-	6.60	0.88	1.29	-	2.17	-	4.43
Furniture & Fixture	0.89	0.32	(0.01)	1.20	0.35	0.15	(0.01)	0.50	-	0.70
Plant and machinery (including associated civil works)	3,961.46	23.60	(0.01)	3,985.06	1,081.66	144.87	-	1,226.53	372.83	2,476.47
Office equipment	0.85	0.23	(0.00)	1.08	0.43	0.10	(0.00)	0.53	0.01	0.54
EDP, WP machines and satcom equipment	2.58	0.06	(0.02)	2.62	1.29	0.30	(0.02)	1.57	0.02	1.03
Vehicles	-	0.20	-	0.20	-	0.01	-	0.01	-	0.19
Communication Equipment	0.25	-	-	0.25	0.15	0.04	-	0.19	-	0.05
<b>Total</b>	<b>3,972.46</b>	<b>24.58</b>	<b>(0.04)</b>	<b>3,997.00</b>	<b>1,084.77</b>	<b>146.75</b>	<b>(0.03)</b>	<b>1,231.50</b>	<b>372.98</b>	<b>2,483.40</b>
Carrying amount of property, plant and equipment are hypothecated as security for borrowings. (Refer Note 20)										

4 Intangible assets

Particulars	Gross carrying value			Amortisation and impairment			Net Carrying value	
	As at 1st April 2023	Additions	Disposals/ Capitalisation	As at 31st Mar 2024	As at 1st April 2023	Depreciation charge for the year	As at 31st Mar 2024	As at 1st April 2023
Software	0.40	-	-	0.40	0.40	-	0.40	0.00
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>0.40</b>	<b>0.40</b>	<b>-</b>	<b>0.40</b>	<b>0.00</b>

Particulars	Gross carrying value			Amortisation and impairment			Net Carrying value	
	As at 1st April 2022	Additions	Disposals/ Capitalisation	As at 31st Mar 2023	As at 1st April 2022	Depreciation charge for the year	As at 31st Mar 2023	As at 1st April 2022
Software	0.40	-	-	0.40	0.35	0.05	0.40	0.05
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>0.40</b>	<b>0.35</b>	<b>0.05</b>	<b>0.40</b>	<b>0.05</b>

Carrying amount of intangible assets are hypothecated as security for borrowings. (Refer Note 20)





5 Right of Use Asset

Particulars	Gross carrying value			Accumulated depreciation			Net Carrying value	
	Restated As at 1st April 2023	Additions	Disposals/ Capitalisation	As at 31st Mar 2024	Restated As at 1st April 2023	Depreciation charge for the year	As at 31st Mar 2024	Restated As at 1st April 2023
Tug Boats Under Lease	302.42	-	-	302.42	16.39	30.30	46.69	286.03
G.E.G.	-	12.13	-	12.13	-	2.32	2.32	-
MMB (Refer note 37)	10.29	-	-	10.29	7.28	1.82	9.10	3.00
Land Lease (Refer note 37)	5.19	-	-	5.19	0.15	0.08	0.22	5.05
<b>Total</b>	<b>317.90</b>	<b>12.13</b>	<b>-</b>	<b>330.03</b>	<b>23.82</b>	<b>34.52</b>	<b>58.34</b>	<b>294.08</b>

Particulars	Gross carrying value			Accumulated depreciation			Net Carrying value	
	As at 1st April 2022	Additions	Disposals/ Capitalisation	Restated As at 31st Mar 2023	As at 1st April 2022	Depreciation charge for the year	Restated As at 31st Mar 2023	As at 31st Mar 2022
Tug Boats Under Lease	-	302.42	-	302.42	16.39	1.82	16.39	-
MMB (Refer note 37)	10.29	-	-	10.29	5.46	0.08	7.28	4.82
Land Lease (Refer note 37)	5.19	-	-	5.19	0.07	0.08	0.15	5.12
<b>Total</b>	<b>15.48</b>	<b>302.42</b>	<b>-</b>	<b>317.90</b>	<b>5.53</b>	<b>18.29</b>	<b>23.82</b>	<b>9.95</b>

Carrying amount of intangible assets are hypothecated as security for borrowings. (Refer Note 20)

a) During FY 2017-18, Leasehold land value of (as at 31 March 2022: Rs.1.69 crores) had been transferred to Konkan LNG Limited from Ratnagiri Gas and Power Pvt. Ltd. (RGPPPL). However, transfer of land in the name of Company from RGPPPL is pending in the records of Maharashtra Industrial Development Corporation. An amount of Rs. 3.50 was paid by KLL on 27.03.2022 on account of Land Lease hold.

Particulars	Description of item of property	Gross carrying value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of	Property held since which date	Reason for not being held in the name of the company
Right of Use Asset - Leasehold land	Leasehold Land	5.19	Ratnagiri Gas and Power Pvt. Ltd.	No	Since 2017-18 (The scheme of demerger was approved by NCLT on 28/02/2018)	The Leasehold land has been transferred as per the demerger scheme approved by NCLT and the Company is in process of transferring the same.



6 Capital work in progress

Particulars	Gross carrying value			Impairment		Net carrying value	
	Restated As at 1st Apr 2023	Additions	Disposals/ Capitalisation	Deletion / Adjustments	As at 31st Mar 24	As at 31st Mar 24	Restated As at 31st Mar 23
Capital work in progress	904.22	289.94	60.94	-	-	1,133.23	891.15

Restated CWIP as on 31-03-2023

Particulars	Gross carrying value			Impairment		Net carrying value	
	As at 1st April 2022	Additions	Disposals/ Capitalisation	Deletion / Adjustments	As at 31st Mar 23	As at 31st Mar 23	Restated As at 31st Mar 2022
Capital work in progress	674.96	248.41	19.15	-	904.22	891.15	630.47

Note

Note :A) Major plant of LNG division in the books of Ratnagiri Gas and Power Private Ltd. was commissioned on 22nd May 2013 (COD) after ensuring the reliability and continued availability of the LNG Terminal. Till the time the major plant was not commissioned, RGPPL was capitalizing the amount of proportionate interest to the capital work in progress (CWIP). However, post commissioning the LNG Terminal, the entire amount of interest expenditure was charged to the revenue expenditure in compliance to erstwhile AS 16 – Borrowing Cost considering Cessation of capitalisation of Borrowing Cost. Subsequent to Transfer of LNG undertaking from RGPPL to KLL (erstwhile KLPL) w.e.f. 26th March 2018, the Company started functioning as an independent company. The Company has followed same accounting treatment post demerger as RGPPL was following pre demerger by charging entire borrowing cost to revenue.

However, in FY 2021-22, The Company has capitalised the borrowing cost following Ind AS 23: Accounting for Borrowing Cost for the assets that take substantial period of time for construction, considering the adjustment as a prior period error. An interest cost of Rs.8.60 Crores for FY 2023-24 (FY 2022-23 Total: Rs.6.42 Crores/restatement impact additions of Rs. 4.77 Crores in FY 2022-23)), being a capital expenditure for construction of asset that take substantial period of time for construction. The borrowing cost has been calculated on qualifying assets more than amounting to Rs. 2.00 Crores.

b) Capitalisation rate:

(Amount of ICL-I x Interest rate1) + (Amount of ICL-II x Interest rate2)/Total amount of borrowings outstanding during the year X 100  
The capitalization rate is 8.70% p.a. (PY- 7.20% p.a)

c) Capital-Work-in Progress (CWIP) aging schedule

CWIP	Amount in CWIP as at 31st Mar 24				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
BREAK WATER WALL	270.39	213.24	103.97	519.02	1,106.62
TRUCK LOADING FACILITY	(40.18)	18.48	13.11	8.60	-
TLF - ADDITIONAL TWO BAYS	0.17	-	-	-	0.17
DESALINATION PLANT	(0.00)	(1.18)	1.13	0.05	0.00
CAPTIVE POWER SYSTEM	0.21	0.34	0.00	0.09	0.64
INDEPENDENT HEATING SYSTEM	1.43	0.38	-	0.47	2.28
OTHER ASSETS	1.76	4.67	(0.81)	2.60	8.21
Temporarily Suspended Project/s:					
Tank 500 (for future expansion)	-	-	-	15.30	15.30
			Less: Impairment	Gross Total	1,133.23
				Net Total	1,133.23

CWIP	Amount in CWIP as at 31st Mar 23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
BREAK WATER WALL	217.72	103.97	113.54	405.48	840.71
TRUCK LOADING FACILITY	18.75	13.11	8.07	0.52	40.46
TLF - ADDITIONAL TWO BAYS	0.01	-	-	-	0.01
DESALINATION PLANT	(1.17)	1.13	0.04	0.01	0.01
CAPTIVE POWER SYSTEM	0.34	0.00	0.09	-	0.44
INDEPENDENT HEATING SYSTEM	0.38	-	0.47	-	0.85
OTHER ASSETS	4.67	(0.81)	0.58	2.02	6.46
Temporarily Suspended Project/s:					
Tank 500 (for future expansion)	-	-	-	15.30	15.30
			Less: Impairment	Gross Total	904.22
				Net Total	891.15

d) In Completion schedule as at 31 March 2023 is mentioned above there is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Further the above CWIP includes an amount of Rs. 15.30 Crore on account of T-500 which has been kept under Temporarily suspended project status. The same will be part of future expansion plan.





7 Financial Assets - Non-current

		(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	
<b>7A Loans</b>				
Loan to employees#				
- Secured, Considered good	0.58	0.11	0.11	
- Unsecured, Considered good	-	-	-	
Interest Accrued on Loan to Employees	0.03	0.03	0.03	
<b>Total (A)</b>	<b>0.61</b>	<b>0.13</b>	<b>0.13</b>	
<b>7B Others</b>				
Balance with Term deposits with remaining maturity exceeding 12 months	-	-	-	
Interest accrued on term deposits	-	-	-	
Security deposits Government Departments				
- Unsecured, Considered Good	1.36	1.36	1.36	
<b>Total (B)</b>	<b>1.36</b>	<b>1.36</b>	<b>1.36</b>	
<b>Total (A+B)</b>	<b>1.97</b>	<b>1.49</b>	<b>1.49</b>	

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

8 Other Non Current Assets

		(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	
Capital advances:				
Unsecured	-	-	-	
Prepaid expenses and others	0.29	1.19	1.19	
<b>Total</b>	<b>0.29</b>	<b>1.19</b>	<b>1.19</b>	

9 Inventories

		(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	
Stores and spares*	26.78	24.13	24.13	
LNG Stock	496.26	474.86	474.86	
Fuel for DG Set	0.71	0.69	0.69	
<b>Total</b>	<b>523.74</b>	<b>499.68</b>	<b>499.68</b>	

Includes Material In Transit amounting to Rs.2.00 Cr. (PY: Rs.1.05 Cr.)

\* Carrying amount of inventories are hypothecated as security for borrowings. (Refer Note 20)  
For the purpose of method of valuation of inventories, refer Note No. 2(a)(5) of Financial Statements.

10 Financial Assets-Current- Loans

		(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	
Loan to employees				
- Secured, considered good	0.02	0.02	0.02	
- Unsecured, Considered good (PY: 7,250)	0.06	0.00	0.00	
<b>Total</b>	<b>0.07</b>	<b>0.02</b>	<b>0.02</b>	

11 Trade receivables

		(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	
(Unsecured - Considered good, unless otherwise stated)				
Trade Receivables:				
From related party	20.95	31.72	31.72	
<b>Total</b>	<b>20.95</b>	<b>31.72</b>	<b>31.72</b>	

- \* a) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. No any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.  
b) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.  
c) Carrying amount of trade receivables are hypothecated as security for borrowings. (Refer Note 20)  
d) For Trade receivable aging schedule refer note 49.



12 Cash and Bank balances

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
12A Cash & cash equivalents:			
Cash on hand	-	-	-
Balances with banks:			
- Current accounts	0.31	7.01	7.01
Balance with Banks:			
-Unspent Corporate Social Responsibility For The FY 2022-23	0.03	-	-
<b>Total (A)</b>	<b>0.34</b>	<b>7.01</b>	<b>7.01</b>

12B Bank Balances other than Cash and Cash Equivalents

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Term deposits:			
Deposits with original maturity exceeding 3 months but less than 12 months *	97.10	55.65	55.65
Deposits with original maturity exceeding 12 months but remaining maturity less than 12 months **	138.32	413.41	413.41
<b>(B)</b>	<b>235.43</b>	<b>469.05</b>	<b>469.05</b>
<b>Total (A+B)</b>	<b>235.77</b>	<b>476.06</b>	<b>476.06</b>

\* Includes deposits of Rs. 0.44 Cr. (PY: Nil) on account of Unspent Corporate Social Responsibility for the FY 2022-23.

\*\* Includes deposits of Rs.10.37 Cr. (PY: Rs.9.98 Cr.) having lien against Letter of Credit with bank.

13 Current Financial Asset - Others

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Security deposits			
- Unsecured, Considered Good	2.02	0.02	0.02
Interest accrued on term deposits	3.03	1.95	1.95
Interest accrued on House Building Advances	0.02	-	-
<b>Total</b>	<b>5.07</b>	<b>1.97</b>	<b>1.97</b>

14 Current Tax Assets (Net)

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
TDS Recoverable	3.50	3.17	3.17
<b>Total</b>	<b>3.50</b>	<b>3.17</b>	<b>3.17</b>

15 Other Current assets

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Advances to contractors and suppliers (Unsecured)	2.25	0.05	0.05
Other advances:			
Unsecured	2.07	1.53	1.53
Considered doubtful	2.76	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)	(2.76)
Balance with Government Departments:	-	-	-
GST Receivable	12.59	6.00	6.00
Prepaid expenses and others	4.09	4.69	4.69
<b>Total</b>	<b>21.00</b>	<b>12.27</b>	<b>12.27</b>





16 **Income tax (Deferred Tax Asset)**

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023:  
Profit or loss section :

	(₹ in Crore)		
Particulars	As at March 31, 2024	Restated As at March 31, 2023	As at March 31, 2023
<b>Tax Expense:</b>			
Current income tax charge	-	-	-
<b>Deferred tax (expense)/income:</b>			
Relating to the origination and reversal of temporary differences	(80.59)	70.94	69.40
Relating to changes in tax rates (Refer note C below)	-	196.23	196.23
Relating to reversal of Minimum Alternate Tax (MAT) credit (Refer note C below)	-	3.06	3.06
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(80.59)</b>	<b>270.23</b>	<b>268.69</b>

**Other Comprehensive Income section**

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

	(₹ in Crore)		
Particulars	As at March 31, 2024	Restated As at March 31, 2023	As at March 31, 2023
Income tax effect relating to these items (CY: Rs. 7,490)	(0.00)	(0.01)	(0.01)
<b>Total</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023.

	(₹ in Crore)		
Particulars	As at March 31, 2024	Restated As at March 31, 2023	As at March 31, 2023
<b>Profit/(Loss) before Tax</b>	<b>(327.17)</b>	<b>(180.61)</b>	<b>(179.58)</b>
Rate of Income tax	25.168%	25.168%	25.168%
Computed expected tax expenses	(82.34)	(45.46)	(45.20)
Disallowances / considered separately	115.48	43.96	27.57
Item allowable / considered separately	(206.24)	(192.10)	(175.97)
Unabsorbed depreciation	173.09	193.59	193.59
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>

	(₹ in Crore)		
Particulars	As at March 31, 2024	Provided during the year	Restated As at March 31, 2023
<b>Deferred tax assets relates to the following</b>			
Accumulated unabsorbed depreciation	628.97	43.56	585.40
Brought forward losses	228.76	53.28	175.48
MAT Credit Entitlement	-	-	-
Lease Liability	(9.72)	(76.30)	66.58
Disallowances of provision of employee benefits, provision for doubtful advances and loss on sale of assets	20.96	0.03	20.94
<b>Total deferred tax assets (A)</b>	<b>868.97</b>	<b>20.56</b>	<b>848.40</b>
<b>Deferred tax liabilities relates to the following</b>			
Difference between written down value of property, plant and equipment as per the Income Tax Act 1961 and the companies Act, 2013	363.33	17.17	346.15
Right of use of asset	(9.20)	(77.20)	68.01
<b>Total deferred tax liabilities (B)</b>	<b>354.14</b>	<b>(60.03)</b>	<b>414.16</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>514.83</b>	<b>80.59</b>	<b>434.25</b>

- A) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- B) During the year company received income tax notice u/s.148(a) for AY 2016-17 and u/s. 154/155 for AY 2017-18 and u/s.143(1) for AY 2018-19 & 2019-20 after disallowing interest on borrowed capital pertaining to CWIP totaling to Rs.260.58 crores, accordingly same has been reversed in brought forward business losses / accumulated unabsorbed depreciation.
- C) The Company had Rs.Nil (March 31, 2022 Rs.3.06 crores) which as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The said entitlement has lapsed on account of adoption of Section 115BAA of Income Tax Act, 1961. Such lapsing is due to exercise of statutory option being given by the Act which can be exercised irrespective of the financial performance of the company.

**Reconciliation of Deferred Tax Asset (Net):**

	(₹ in Crore)		
Particulars	As at March 31, 2024	Restated As at March 31, 2023	As at March 31, 2023
<b>Balance at the beginning of the year</b>	<b>434.24</b>	<b>704.47</b>	<b>704.47</b>
Tax (expense)/income recognised in the statement of profit or loss	80.59	(270.23)	(268.69)
Tax (expense)/income recognised in Other Comprehensive Income	(0.00)	(0.01)	(0.01)
<b>Balance at the end of the period/year</b>	<b>514.83</b>	<b>434.24</b>	<b>435.78</b>



17 Equity share capital

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>Authorised</b>			
350,00,00,000 equity shares of par value of Rs. 10/- each	3,500.00	3,500.00	3,500.00
<b>Total</b>	<b>3,500.00</b>	<b>3,500.00</b>	<b>3,500.00</b>
<b>Issued, subscribed and fully paid up</b>			
1,138,996,509 (PY - 807,996,509) equity shares	1,139.00	1,139.00	1,139.00
<b>Total</b>	<b>1,139.00</b>	<b>1,139.00</b>	<b>1,139.00</b>

(a) Movements in equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
At the beginning of the year	113.90	1,139.00	80.80	808.00
Add: Proceeds from partly paid-up shares	-	-	-	-
Add: Proceeds from addition of equity	-	-	33.10	331.00
At the end of the year	113.90	1,139.00	113.90	1,139.00

(b) Terms and Rights attached to Equity

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

(c) Shares held by holding company:

Equity Shares*	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
GAIL (India) Limited	106.49	1,064.94	106.49	1,064.94

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

Equity Shares*	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (in Crore)	Percentage	No. of Shares (in Crore)	Percentage
GAIL (India) Limited (Holding Company)	106.49	93.50%	106.49	93.50%
MSEB Holding Company Limited	7.41	6.50%	7.41	6.50%

(e) Disclosure of Shareholding of Promoters:

Shares held by promoters at the end of the Promoter name	As at March 31, 2024		% Change during the current year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	106.49	93.50%	0.00%

Shares held by promoters at the end of the Promoter name	As at March 31, 2023		% Change during the previous year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	106.49	93.50%	45.11%





Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>Authorised</b>			
150,00,00,000 Preference shares of par value of Rs. 10/- each	1,500.00	1,500.00	1,500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>			
252,003,718 Compulsorily Convertible Preference shares of par value of Rs.10/- each	252.00	252.00	252.00
<b>Total</b>	<b>252.00</b>	<b>252.00</b>	<b>252.00</b>

## (a) Movements in Preference share capital:

Particulars	(in Crore)			
	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
At the beginning of the year	25.20	252.00	25.20	252.00
Add: Issued during the period/year	-	-	-	-
At the end of the year	25.20	252.00	25.20	252.00

## (b) Terms and Rights attached to Preference

Cumulative Compulsorily Convertible Preference Shares (CCCPS) were issued during FY 2018-19. CCCPS will carry dividend @10% p.a. on the paid-up portion of face value on cumulative basis and One Fully Paid-up CCCPS is convertible into 1 (One) Equity Shares of Rs. 10 each at any time at the option of the Shareholders from the date of allotment but not later than 20 years.

## (c) Shares held by holding company:

Equity Shares*	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
GAIL (India) Limited	25.20	252.00	25.20	252.00

## (d) Preference Shares held by each shareholder holding more than 5% shares:

Preference share	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (in Crore)	Percentage	No. of Shares (in Crore)	Percentage
GAIL (India) Limited (Holding Company)	25.20	100.00%	25.20	100.00%

## (e) Disclosure of Shareholding of Promoters:

Shares held by promoters at the end of the Promoter name	As at March 31, 2024		% Change during the current year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	25.20	100.00%	0.00%

Shares held by promoters at the end of the Promoter name	As at March 31, 2023		% Change during the previous year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	25.20	100.00%	0.00%



19 Other equity

Particulars	(₹ in Crore)		
	As at March 31, 2024	Restated March 31, 2023	As at March 31, 2023
<b>Retained earnings</b>			
Balance at the beginning of the year	(819.70)	(368.88)	(368.88)
Profit / (loss) for the year	(243.99)	(450.84)	(448.26)
Re-measurement (losses)/ gain on defined benefit plans (net of tax) (CY: Rs.22,271)	0.00	0.02	0.02
Less: Adjustments made for prior period errors in current year	(2.58)	-	-
<b>Total</b>	<b>(1,066.27)</b>	<b>(819.70)</b>	<b>(817.13)</b>

20 Financial Liabilities - Non Current Borrowings

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
<b>Term loans - Secured</b>			
From Related Party:			
GAIL (India) Limited	3,993.07	3813.07	3813.07
<b>Total</b>	<b>3,993.07</b>	<b>3,813.07</b>	<b>3,813.07</b>

During FY 2019-20, the Company obtained an inter-corporate loan from GAIL India Limited amounting to Rs.2,700 crores (ICL-I) and Rs.1,113.07 crores (ICL II) has been novated by previous lenders in favour of GAIL (India) Ltd. on settlement of their dues. Both the Loans i.e. ICL-I and ICL-II carries an interest rate of 1Year SBI MCLR + Spread of 20 BPS per annum to be reset on 01st April of Every Financial Year.

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

During FY 2023-24, KLL signed an Intercompany Loan agreement (ICL III) with GAIL (India) Ltd. for Rs. 700 Crore towards project expenditure. In line with agreement, KLL availed Rs. 200 Crore loan installment during Q4, FY 2023-24. Balance loan amount of Rs. 500 Crore will be availed in line with planned expenditure on Project. The Interest rate is based on RBI Repo rate + spread of 120 BPS. Principal repayment shall start from 30/06/2027 till 31/03/2033.

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

21 Lease Liability- Non Current

Particulars	(₹ in Crore)		
	As at March 31, 2024	Restated March 31, 2023	As at March 31, 2023
Lease Liability	247.31	270.77	1.29
<b>Total</b>	<b>247.31</b>	<b>270.77</b>	<b>1.29</b>

22 Other Non Current Financial Liabilities

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Interest accrued but not due on borrowings - Related Party	364.30	188.88	188.88
<b>Total</b>	<b>364.30</b>	<b>188.88</b>	<b>188.88</b>

Interest accrued but not due on ICL-II as 31/03/2024 is Rs. 362.95 Crores (PY: 188.88 Crores)

Interest accrued but not due on ICL-III as 31/03/2024 is Rs. 1.35 Crores (PY: Nil)





## 23 Long term provisions

(₹ in Crore)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Provision for employee benefits:			
As per Last Balance Sheet	0.41	0.37	0.37
Add: Additions/Adjustments during the period/year	0.09	0.05	0.05
Less: Amount paid during the period/year			-
<b>Total</b>	<b>0.51</b>	<b>0.41</b>	<b>0.41</b>

## 24 Lease Liabilities-Current

(₹ in Crore)			
Particulars	As at March 31, 2024	Restated March 31, 2023	As at March 31, 2023
Lease Liability	33.49	24.56	2.21
<b>Total</b>	<b>33.49</b>	<b>24.56</b>	<b>2.21</b>

## 25 Trade Payables

(₹ in Crore)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Trade payables			
- Dues of micro enterprises and small enterprises	5.63	3.17	3.17
- Dues of creditors other than micro enterprises and small enterprises	34.17	26.74	26.74
<b>Total</b>	<b>39.80</b>	<b>29.91</b>	<b>29.91</b>

a) For Trade Payable aging schedule refer note 50

## 26 Other Current financial liabilities

(₹ in Crore)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Deposits/Retention Money from Customers/contractors/others	25.70	50.03	50.03
Payable for capital expenditure:	-	-	-
- Payable to Related party	1.22	1.11	1.11
- Payable to Others	38.58	17.52	17.52
Expenses payable and other liabilities	0.05	0.05	0.05
Payables to related party for deputation of employees	10.70	2.65	2.65
<b>Term loans - Secured</b>			
From Related Party:			
GAIL (India) Limited	20.00	-	-
Interest accrued but not due on borrowings - Related Party	-	62.96	62.96
<b>Total</b>	<b>96.26</b>	<b>134.33</b>	<b>134.33</b>

Interest accrued but not due on ICL-II as 31/03/2024 is Nil (PY: 62.96 Crores)(Refer note no. 41.2)



## 27 Other current liabilities

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Statutory dues Payable			
-Tax Deducted at Source (Income Tax)	5.87	5.33	5.33
-GST Payable	1.13	10.64	10.64
-Other Statutory Dues	0.01	0.01	0.01
Advance against scrap sales	-	0.08	0.08
Unspent Corporate Social Responsibility (CSR)	0.48	1.12	1.12
<b>Total</b>	<b>7.49</b>	<b>17.18</b>	<b>17.18</b>

## 28 Current provisions

Particulars	(₹ in Crore)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Provision for custom duty*	80.00	80.00	80.00
Provision for employee benefits	0.02	0.01	0.01
<b>Total</b>	<b>80.02</b>	<b>80.01</b>	<b>80.01</b>

\* Pending ascertainment of exact amount, provision of Rs.80 crore was made as on 31st March 2014. KLL has already informed to Custom department that the issue of duty on capital goods of LNG plant under restructuring is already decided by CCEA and any contrary finalization of contract at belated stage in 2023 year would be overreaching the decision of CCEA. KLL has also informed to Custom that the issue of payable liability of duty rest only with RGPPL and if there is any dispute then same can only be decided as per the mechanism prescribed in approved demerger scheme. The subject the issue is under in process.





29 Revenue from operations

Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2023
Regasification charges*	406.45	400.86	400.86
Other operating revenue**	0.42	-	-
<b>Total</b>	<b>406.87</b>	<b>400.86</b>	<b>400.86</b>

\* Includes Rs. 31.88 Crore (PY: Rs.68.49 Crore) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

\*\* Other operating revenue includes Truck Loading Facility revenue of Rs. 0.42 Crores as per existing regasification agreement

30 Other Income

Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2023
Interest income from:			
Term deposit - Banks	19.13	17.71	17.71
Interest on Income Tax Refund	0.13	0.54	0.54
Loan to employees (PY: Rs.13,508)	0.03	0.00	0.00
Other non-operating income :			
Sale of scrap	0.05	0.01	0.01
Recoveries from contractors & Others	0.25	0.48	0.48
Miscellaneous Receipt (RTI ) (CY: Rs. 70.00)	0.00	-	-
<b>Total</b>	<b>19.59</b>	<b>18.74</b>	<b>18.74</b>

31 Employee Benefit expense

Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2023
Salaries, wages and bonus	28.51	28.19	28.19
Contribution to provident and other funds	0.06	0.06	0.06
Gratuity	0.02	0.02	0.02
Staff welfare expenses	0.39	0.34	0.34
<b>Total</b>	<b>28.99</b>	<b>28.61</b>	<b>28.61</b>

\* Includes expenditure on account of secondment of GAIL (India) Limited employees Rs.27.81 Crore (PY: Rs..27.55 Crore) based on the invoices raised by GAIL (India) Limited

32 Finance Costs

Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	Restated March 31, 2023	March 31, 2023
Interest on rupee term loans	351.24	282.89	287.66
Interest on lease liability	20.73	12.83	0.29
<b>Total</b>	<b>371.97</b>	<b>295.73</b>	<b>287.95</b>

33 Depreciation and Amortisation Expense

Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	Restated March 31, 2023	March 31, 2023
Depreciation of tangible assets	154.84	146.75	146.75
Amortisation of Intangible assets	-	0.05	0.05
Depreciation of Right of use asset	34.52	18.29	1.90
<b>Total</b>	<b>189.35</b>	<b>165.09</b>	<b>148.70</b>



Particulars	(₹ in Crore)		
	For the Year ended		For the Year ended
	March 31, 2024	Restated March 31, 2023	March 31, 2023
Consumption of Stores, spares and LNG	8.45	9.05	9.05
Power and fuel (Refer note 54)	66.66	89.22	89.22
Marine Charges including ship handling charges	53.27	42.62	65.75
Common Sharing Expenses (with RGPPL)	7.63	12.54	12.54
Rent, Rates and taxes	17.39	14.67	14.67
Insurance	23.25	20.46	20.46
Repairs & maintenance:			
-Plant & machinery	41.84	23.21	23.21
-Buildings	-	-	-
-Others	0.76	0.60	0.60
Security expenses	10.64	11.68	11.68
Professional charges and consultantPY fees	1.60	1.76	1.76
Hiring of vehicles	1.98	1.58	1.58
Bank charges	0.97	1.96	1.96
Corporate Social Responsibility (CSR) expenses	-	1.17	1.17
Communication expenses	0.03	0.03	0.03
Travelling expenses	0.68	0.69	0.69
Audit Expenses *	0.16	0.14	0.14
Advertisement and publicity	0.02	0.01	0.01
Housekeeping Charges	-	-	-
Entertainment expenses	0.30	0.22	0.22
Books and periodicals	-	-	-
Legal expenses	0.34	0.26	0.26
EDP hire and other charges	-	-	-
Printing and stationery	0.07	0.06	0.06
Net loss in foreign currenPY transactions & translations	0.40	0.08	0.08
Miscellaneous expenses	0.73	1.09	1.09
<b>Total</b>	<b>237.19</b>	<b>233.09</b>	<b>256.22</b>

\* Audit Expenses include following expenses:

Particulars	(₹ in Crore)		
	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2023
Statutory Audit Fee	0.07	0.07	0.07
Tax Audit fee	0.01	0.01	0.01
Limited Review fee	0.06	0.05	0.05
Out of Pocket Expenses for Statutory Audit	0.02	0.00	0.00
<b>Total</b>	<b>0.16</b>	<b>0.14</b>	<b>0.14</b>

## 35 Earnings/(Loss) per share

Basic	(₹ in Crore)		
	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	Restated March 31, 2023	March 31, 2023
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(246.57)	(450.84)	(448.26)
Less: Dividend on preference shares (₹ in Crore)	(25.20)	(25.20)	(25.20)
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(271.77)	(476.04)	(473.46)
Weighted average number of equity shares in calculating basic EPS (Crores)	113.90	86.95	86.95
Basic earnings/(loss) per equity share (₹)	(2.39)	(5.47)	(5.45)

Diluted	(₹ in Crore)		
	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	Restated March 31, 2023	March 31, 2023
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(246.57)	(450.84)	(448.26)
Weighted average number of equity shares in calculating diluted EPS (Crore)	113.90	86.95	86.95
Weighted average number of preference shares in calculating diluted EPS (Crore)	25.20	25.20	25.20
Total no. of shares outstanding (including dilution) (Crore)	139.10	112.15	112.15
Diluted earnings/(loss) per equity share (₹)	(2.39)	(5.47)	(5.45)





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

(i) Defined Contribution Plan

a) Provident Fund \*

Since the Company has no independent trust, the contribution to Provident Fund and administrative expenses amounting to CY: Rs.0.05 Crores (PY: Rs.0.05 crores) has been deposited directly with EPFO for Own Cadre employees.

(ii) Defined Benefit Plan

a) Gratuity\*

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

In respect to own cadre employees of KLL, the gratuity scheme is unfunded and is provided by the Company. Based on the actuarial valuation carried out by independent valuer, Rs.0.02 crore (PY: Rs.0.02 crore) has been charged to revenue for Gratuity expenses. (PY: In addition to this, an amount of Rs.0.08 Crores pertaining to the previous period).

b) Demographic Assumption for Valuation of Gratuity

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

Particulars	31-03-2024	31-03-2023
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Ages	Withdrawal	Withdrawal
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

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

c) Employees' on secondment from GAIL(India) Limited

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

(iii) Other Long Term Employee Benefit Plan

a) Leave

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

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

Company as year end has 3 employees on its payroll. Liability of Rs.0.35 Crores (PY: Rs.0.28 Crores) in respect of Accrued Leave Salary has been provided in the books of accounts which is based on the actuarial valuation report.

b) Demographic Assumption for Valuation of Leave encashment

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

Particulars	31-03-2024	31-03-2023
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
iv) Leave		
Leave Availment Rate	5	5
Leave Lapse rate while in service	Nil	Nil
Leave Lapse rate on exit	Nil	Nil
Leave encashment Rate while in service	5	5

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



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

Net employee benefit expense (recognized in Employee Cost) for the year ended 31 March, 2024 and 31 March, 2023:

Particulars	Gratuity		Leave encashment	
	2023-24	2022-23	2023-24	2022-23
Current Service Cost	0.01	0.01	0.03	0.02
Net Interest Cost	0.01	0.01	0.02	0.02
Net actuarial (Gain) / Loss recognized in the year	(0.00)	(0.03)	0.03	0.02
Total expenses included in employee benefit expense and OCI	0.00	(0.00)	0.07	0.06
Actual return on plan assets		-		-

Amount recognised in Other Comprehensive Income for the year ended 31 March, 2024 and 31 March 2023:

Particulars	Gratuity	
	2023-24	2022-23
Actuarial (gain)/ loss on obligations		-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.01	(0.01)
Experience adjustments	(0.01)	(0.02)
Recognised in other comprehensive income	(0.00)	(0.03)

Changes in the present value of the defined benefit obligation for the year ended 31 March, 2024 and 31 March, 2023 are as follows:

Particulars	Gratuity		Leave encashment	
	2023-24	2022-23	2023-24	2022-23
Benefit obligation at the beginning of the year	0.15	0.16	0.28	0.22
Current service cost	0.01	0.01	0.03	0.02
Interest cost	0.01	0.01	0.02	0.02
Transfer In	-	-	-	-
Benefits paid	-	-	-	-
Actuarial (gain)/ loss on obligations	(0.00)	(0.03)	0.03	0.02
Defined benefit obligation at the end of year	0.17	0.15	0.30	0.28

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

Particulars	Gratuity		Leave encashment	
	2023-24	2022-23	2023-24	2022-23
Discount rate (in %)	7.10%	7.40%	7.10%	7.40%
Salary Escalation (in %)	6.50%	6.50%	6.50%	6.50%

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Gratuity Plan		31-Mar-24		31-Mar-23	
Assumptions		Discount rate		Discount rate	
Sensitivity Level		0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (in Crore)		(0.01)	0.01	(0.01)	0.01
Assumptions		Future salary increases		Future salary increases	
Sensitivity Level		0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (in Crore)		0.00	(0.00)	0.00	(0.00)

Leave encashment		31-Mar-24		31-Mar-23	
Assumptions		Discount rate		Discount rate	
Sensitivity Level		0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (in Crore)		(0.03)	0.03	(0.02)	0.03
Assumptions		Future salary increases		Future salary increases	
Sensitivity Level		0.5% Increase	0.5% decrease	0.5% Increase	0.5% decrease
Impact on defined benefit obligation (in Crore)		0.03	(0.03)	0.03	(0.02)

History of experience adjustment is as follows:

Particulars	Gratuity		Leave encashment	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Present value of obligation	0.17	0.15	0.30	0.28
Experience adjustments [Gain/(Loss)]	(0.00)	(0.03)	0.03	0.02

Maturity Profile of Defined Benefit Obligations is as follows:

Year	Gratuity		Leave Encashment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
0 to 1 Year	0.01	0.01	0.01	0.01
1 to 2 Year	0.00	0.00	0.01	0.01
2 to 3 Year	0.00	0.00	0.01	0.01
3 to 4 Year	0.00	0.00	0.01	0.01
4 to 5 Year	0.00	0.00	0.01	0.01
5 to 6 Year	0.00	0.00	0.01	0.01
6 Year onwards	0.15	0.13	0.30	0.24





37 Leases

The Company has lease contracts for Tug Boats, office space, port and leasehold land.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

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

Particulars	March 31, 2024	Restated March 31, 2023	March 31, 2023
Opening lease liability	295.33	5.42	5.42
Adjustments for:			
Additions	12.13	302.42	-
Deletions	-	-	-
Accretion of Interest	20.73	12.83	0.29
Foreign Exchange Loss on restatement of lease liabilities	-	-	-
Payment of lease liabilities during the year	(47.38)	(25.34)	(2.21)
Excess lease liabilities written back	-	-	-
Closing Lease Liability	<u>280.81</u>	<u>295.33</u>	<u>3.50</u>
Current	33.49	24.56	2.21
Non Current	247.31	270.77	1.29
Total	<u>280.81</u>	<u>295.33</u>	<u>3.50</u>

Maturity analysis of Lease Liabilities:

As on 31st March 2024

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Current	9.17	24.32	-	-	33.49
Non Current	-	-	117.16	130.15	247.31
Total	9.17	24.32	117.16	130.15	280.81

As on 31st March 2023

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Current	5.41	19.15	-	-	24.56
Non Current	-	-	108.62	162.15	270.77
Total	5.41	19.15	108.62	162.15	295.33

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

The effective interest rate for lease liabilities is 8.7% with maturity between 0 to 11 years.

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2024	Restated March 31, 2023	March 31, 2023
Depreciation expense of right-of-use assets	34.52	18.29	1.90
Interest expense on lease liabilities	20.73	12.83	0.29
Expense relating to short-term leases (included in other expenses)	-	-	-
Variable lease payments (included in other expenses)	35.90	22.79	45.92
Total amount recognised in profit or loss	<u>91.15</u>	<u>53.91</u>	<u>48.10</u>

The total cash outflow for leases during the year:

Principal Portion of lease liability	33.49	24.56	2.21
Interest Portion of lease liability	20.73	12.83	0.29
Total	<u>54.22</u>	<u>37.40</u>	<u>2.50</u>

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



**38 Commitment and Contingent Liabilities**

**(a) Contingent Liabilities**

- 1 Maharashtra Maritime Board (MMB) raised the demand for lease rent for berthing and unloading of LNG Ships at company's LNG Terminal, at the rate of Rs.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 Rs.14.35 crore and interest thereon. Based on company's request, MMB has declined the waiver of demand during the FY 2018-19. Thus, company has provided the lease rent payable of Rs.14.35 crores during FY 2017-18 only and paid the same in 8 instalments during FY 2018-19 & FY 2019-20 and requested MMB for waiver of interest. It has been informed orally by MMB officials that the board has accepted company's request for waiver of interest and MMB has forwarded the same to the Maharashtra State Government for acceptance of Board's decision of waiver of interest. Since, MMB has not informed the amount of interest, it is not possible to quantify the same.
- 2 Irrigation Department, Ratnagiri, Maharashtra, has given notice to Maharashtra Industrial Development Corporation for payment of royalty of Rs.98.60 Crore towards the sweet water supply from river for the period from April 1997 to December 2015. It is pertinent to mention that RGPPL had taken over the assets of the erstwhile Dabhol Power Company in October 2005 free from any past liabilities and encumbrances from the court receiver. Further, Maharashtra State Electricity Distribution Company Limited (MSEDCL) is suppose to supply 14 MLD of water to RGPPL free of cost. If RGPPL has to incur any expenditure to MIDC towards supply of water towards this claim, RGPPL may raise proportionate claim to KLL for the water supplied to LNG Terminal. The amount pertaining to KLL is not ascertainable at this stage.
- 3 DPC had left approximately 6,600 acropodes in the land of M/s Damaji Vaidya. The said acropodes (referred as cement block) were transferred to RGPPL vide the High Court order while transferring the total asset of RGPPL. M/s Damaji Vaidya had claimed the possession of acropodes as per the lease agreement signed between DPC and M/s Damaji Vaidya in the local court of Ratnagiri. However, in Aug-2014, the local court had rejected M/s Damaji Vaidya's appeal. against the local court order, M/s Damaji Vaidya had filed appeal at Mumbai High Court for possession of the said acropodes. The appeal was admitted in the court in august 2017. The then RGPPL had filed rejoinder and reply to the high court to the appeal made by M/s Damaji Vaidya. The acropodes are part of CWIP for which valuation is not ascertainable. M/s Damaji Vaidya had applied for "stay order" on 6.2.2020 and KLL had replied to their application on 19.3.2020. The matter was heard on 17.3.2020 and no stay was granted by Hon'ble High Court. Last hearing was scheduled on 09.02.2023, but matter was not listed on board before honourable Bombay high court. Matter was listed on 27.03.2024 but due to positive of time matter adjourned to 25.04.2024. Next hearing date finalised by honourable court 25.04.2024.

In 2007, M/s Bharti Shipyard had purchased the land from M/s Damaji Vaidya and now claimed rents from 2007 to till date. After several rounds of meeting with BDIL, Lease agreement made in between BDIL and KLL on 24.12.2022 and is valid up to 30.06.2023. An amount of Rs. 4.51 crores paid to M/s BDIL as lease rent for the period 01.07.2007 to 10.05.2023. Thereafter BDIL were saled to SPSPL and fresh lease agreement were made between SPSL and KLL on 08.07.2023 and is valid upto 31.05.2024. An amount of Rs. 29,80,103/- paid to M/s. SPSPL as lease rent from the period 11.05.2023 till today paying monthly lease rent as per agreement.





- 4 RGPPL has taken over the assets of the erstwhile Dabhol Power Company (DPC) in Oct 2005 free from any past liabilities and encumbrances as per order of Hon'ble Mumbai High Court from the court receiver. DPC has terminated certain workmen while vacating the site. RGPPL has engaged the services of these employees through a third party on compassionate grounds. These employees had filed a suit for absorption as regular employees of RGPPL. The local court's order which was against RGPPL has been challenged in Mumbai High Court and high Court vide its order dated 11.12.2017 has granted stay till further orders and matter is sub-judice. KLPL was made a respondent in the court case at Mumbai High Court in November 2018 and had filed reply on 26.03.2019. The matter will be heard again on 17.06.2019. Now Company is party to this dispute in respect of 17 ex-DPC employees related to LNG Block and amount is not ascertainable currently. Company has engaged services of these 17 ex-DPC employees through third party on compassionate grounds. KLL filed its reply to the Hon'ble High Court, Mumbai on 26.3.2019. As on 31.03.2022, out of 17 ex-DPC Employees, one is expired and one is retired. The Hon'ble Mumbai High Court vide order dated 18.10.2022 had stated that KLL will not take any adverse action i.r.o. the said 15 employees without taking leave of the Hon'ble High Court. The matter appeared on board on 15.04.2024 for hearing and adjourned to 20.06.2024.
- 5 A Bank Guarantee (BG) to Rs.1.50 crore and a bond of Rs.15 crore was submitted to Custom Department for approval of custom cargo service provider under the Handling of Cargoes in Custom Area Regulation, 2009. The custom department has waived the requirement of the BG but the same is yet to be released by the custom department.
- 6 Prior to demerger RGPPL had submitted a Bank Guarantee amounting to Rs.80 Crore to Custom Department in terms of CBEC letter no-F.No.574/10/2007-L.C dated 29.03.2012 towards estimated differential custom duty on import of LNG related material and interest thereof. RGPPL had provided the liability provisions of Rs.80 Crore in the books. In demerger, the same liability provision of Rs.80 Crore transferred to the company from RGPPL. (refer note 28-Current Provisions). The said Bank Guarantee continues by RGPPL.
- KLL has already informed to Custom department that the issue of duty on capital goods of LNG plant under restructuring is already decided by CCEA and any contrary finalization of contract at belated stage in 2023 year would be overreaching the decision of CCEA. KLL has also informed to Custom that the issue of payable liability of duty rest only with RGPPL and if there is any dispute then same can only be decided as per the mechanism prescribed in approved demerger scheme. The subject issue is under process.
- 7 The company is in receipt of a notice letter dated 12.04.21 from M/s. Deep Industries Limited (DIL), contractor for the hiring services of BOG compressor, claiming an amount of Rs.6.41 Crore on account of their various claims plus interest at the rate of 18% per annum till realization of dues. The company is not agreeing to the claims by DIL and considered as impugned. DIL has invoked the provisions for settling the disputes through arbitration process. Company is in process for contesting legally. Arbitration is under process. Last hearing was held on 05.04.2024 and next hearing scheduled on 27.05.2024 and 28.05.2024.



**Konkan LNG Limited**

**Notes to Financial Statements for the year ended March 31, 2024**

- 8 RGPPL Vide letter dated 22.07.2021 informed that the extension of PPA is not finalised with railways and requested to make arrangement for independent power supply at our end. KLL vide letter dated 22.07.2021 applied for power supply connection from MSEDCL.

MSEDCL vide their letter no SE/RC/Tech/DY.EE-IV/HTC-NEW dated 24.03.2022 informed that "Matter of PD Arrears in respect of Dabhol Power company shall be reviewed by the Competent Authority and decision thereof will be binding on prospective consumer". An undertaking to this effect shall be obtained from prospective consumer before release of connection.

RGPPL had taken over the assets of the erstwhile Dabhol Power Company in October 2005 free from any past liabilities and encumbrances from the court receiver. For release of connection from MSEDCL undertaking is given by KLL. The amount pertaining to KLL is not ascertainable at this stage.

- 9 On 31.03.2021, Company has 10% 'Compulsorily Cumulative Convertible Preference Shares (CCCPS)' amounting Rs.252 Crore divided into 25,20,03,718 shares of par value of Rs.10 and fully paid up. These shares were issued on 21.11.2018 at Rs. 3 paid up. One fully paid CCCPS is convertible into one equity share of Rs. 10 each at any time at the option of shareholders from the date of allotment of the CCCPS but not later than 20 years. Since the company is a loss making entity, no dividend has been recommended and declared by the Company till date.. However, in coming years when board and shareholders recommend to shareholders approve it then KLL shall be liable to pay dividend @10% per annum on the paid up portion of face value on cumulative basis since issuance of shares, subject to approval of shareholders. As on 31.03.2024, cumulative dividend on CCCPS @10% on the paid up portion is Rs. 129.20 Crores (PY: Rs.104.00 Crores).

**10 Commitments**

Estimated amount of contract remaining to be executed on capital account and not provided for is Rs.96.71 crores (Previous Year: Rs.347.90 crores). The amount is inclusive of GST and the company intends to capitalise the GST associated with such assets amounting to Rs.14.75 Crores (Previous Year: Rs.49.04 Crores).





39 Related Party Disclosures

**(I) Name of related parties and their relationship:**

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

**A) Entity where control exists / Holding Company**

GAIL (India) Limited

**B) Key Management Personnel (KMP):**

Shri Sanjay Kumar	Chairman (w.e.f 02.11.2023)
Shri M V Iyer	Chairman (20.01.2022 till 01.11.2023)
Shri Sashi Menon	Non-Executive Director (w.e.f. 28.04.2021)
Shri Vivek Wathodkar	Non-Executive Director (w.e.f. 06.07.2023)
Smt. Jyoti Dua	Non-Executive Director (w.e.f. 09.05.2023)
Smt. Nalini Malhotra	Non-Executive Director (13.04.2020 till 04.05.2023)
Shri A K Tripathi	Non-Executive Director (01.07.2022 till 04.05.2023)
Shri K K Chatiwal	Non-Executive Director (09.05.2023 till 03.07.2023)
Shri Arunachalam Kaviraj	Non-Executive Director (07.07.2021 till 01.02.2024)
Shri Tony Mathew	Chief Executive Officer (w.e.f. 30.04.2022)
Shri Dharmendra Babulalji Thakur	Chief Financial Officer (w.e.f. 02.08.2021)
Ms Nidhi Gola	Company Secretary (w.e.f. 04.08.2020)

**(II) Related party transactions**

(i) Remuneration to the key management personnel is Rs.2.41 Crore (Previous Year Rs.2.25 Crore) and amount of dues outstanding to the company as on 31st March 2024 are Nil (Previous Year - Nil)

(₹ in Crore)		
Remuneration to key management personnel*	Current Year 2023-24	Previous Year 2022-23
Shri Pankaj Patel	-	-
Shri Anil Verma	-	0.08
Shri Shaligram Mowar	-	-
Shri Tony Mathew	1.03	0.89
Shri Alok Kumar Jain	-	-
Shri Dharmendra Babulalji Thakur (w.e.f. July 2021)	0.97	0.92
Smt Nidhi Gola (w.e.f. 04.08.2020)	0.40	0.36

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

**ii) Transactions with Entity where control exists / Holding Company:**

(₹ in Crore)			
Name of the company	Nature of transaction	Current Year 2023-24	Previous Year 2022-23
GAIL (India) Limited	Salary and other benefits of employees on secondment	27.81	27.55
	Owners Engineer	3.98	4.65
	Purchase of power	-	-
	MS Team Licence	0.04	-
	Lease Rent	-	-
	Revenue from regasification*	406.87	400.86
	Interest on loan	360.50	289.31

\* Includes Rs 31.88 Crore (PY: Rs.68.49 Crore) on account of Non-cash consideration accounted for in pursuant to IndAS-115.



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

(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023
<b>Amount recoverable other than loans</b>		
- From GAIL (India) Limited	20.95	31.72
<b>Amount payable other than loans</b>		
- To GAIL (India) Limited (Deputation of employees)	10.66	2.65
- To GAIL (India) Limited (MS Team Licence)	0.04	-
- To GAIL (India) Limited (Project)	1.22	1.11
- To GAIL (India) Limited (Interest On Loan)	364.30	251.84
<b>Amount payable as loan</b>		
- To GAIL (India) Limited	4,013.07	3,813.07

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

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

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

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

Outstanding balances are unsecured and settlement occurs through banking transactions. These balances other than loans are interest free. For the year ended March 31, 2024 and March 31, 2023, 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.

**V) Loans or Advances in the nature of loans:**

(₹ in Crore)				
Particulars	March 31, 2024		March 31, 2023	
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-





**40 Segment information**

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

The Company has few business segments out of which the major segment is which is regasification of LNG, which acts as a business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the company falls within a single operating segment "Regasification of liquified natural gas".

Moreover, the company has only one customer i.e. GAIL India Limited and thus the 100% of the revenue is earned from it.

**41 Debt Restructuring**

1.a) In FY 2019-20, company had entered into a Tripartite agreement with GAIL and its lenders for debt restructuring. One time settlement amount of Rs.2,700 crore was agreed by GAIL, KLL & lenders against the total amount (loan, interest and any other amount payable by KLL to the lenders as on 30th September 2019) of Rs.3,813.07 crores which has been paid on 24th March 2020. Further, no interest is payable after 30th September 2019 to the previous lenders.

1. b) Pursuant to this debt resolution plan:

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

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

2 Payment of ICL-II interest which was payable from 01.04.2023 has been rescheduled from 01.04.2023 to 01.04.2025. Further, the payment of accumulated interest up to 31.03.2023 also has been rescheduled to 31.03.2025. Also, quarterly repayment of accrued interest has been deferred from 31.12.2023 to 31.12.2025. There is no change in other terms and conditions of the loan agreement.

**42 Information in respect of Micro, Small and Medium Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006**

	(₹ in Crore)	
	31 March 2024	31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	5.63	3.17
-Interest due on above		
	5.63	3.17



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

The Company has carried out the impairment study of its assets during the previous years through an independent expert. Based on the impairment study, the Company provided Impairment Loss of ₹ 509.85 crores in FY 2017-18 and ₹ 243.80 crores in FY 2016-17 in the books of accounts of the Company. In FY 2019-20, FY 2021-22 and FY 2022-23 based on the impairment study, Company reversed impairment loss of Rs. 280.70 Crore, Rs. 55.00 and Rs. 122.30 Crore respectively.

During FY 2023-24, the management assessed change in the the estimates used to determine the reversal of impairment loss due to following favourable events:

- a) Settlement of NPA loan with the support of parent company
- b) Current status of completion of breakwater
- c) Progress related to Ambient Air Heating System.
- d) Completion of Truck Loading Facility and additional revenue stream
- e) Improvement in Market perception as a result of becoming subsidiary of GAIL (India) Ltd., A Maharatna Govt. of India Undertaking.
- f) Future expansion of regasification facilities.

Based on impairment testing analysis, the recoverable amount had been calculated based upon the value used which was higher than carrying amount of PP&E

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

In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 14.1% on projected cash flows of remaining contract life.

Based on the analysis of independent expert, the company has reversed an impairment loss in respect of plant and equipment amounting to ₹ 73.87 crores in the statement of profit and loss in FY 2023-24 (Rs. 122.30 Crores in FY 2022-23).

Valuation assumptions:

- Contract life of 25 years is ending in 2037
- Breakwater work is expected to be completed by Dec 2024.
- Annual escalation of tariff has been considered at 5%
- Capacity Utilization has been considered as 80% (i.e. 24 cargoes) by FY 2025 and thereafter, after commissioning of new facility, an approximation of 75% % (i.e. 60 cargoes) capacity utilization which will increase up to 80% (i.e. 64 cargoes).
- Tax rate has been considered @25.17%

**44 Going Concern**

Company has prepared and presented financial statements on a going concern basis, as the management is confident on the Company's ability to continue as a going concern for a foreseeable future, in view of the updated business strategy, support extended by GAIL (India) Limited (pursuant to acquiring control of the company in a shareholder transaction) in restructuring of the debt obligations during the year and committing to financial assistance going forward. Further, Company has entered into arrangements with the contractors for construction of the breakwater as at 16 February 2020. Thus, in view of the mitigating factors as mentioned above, the management believes that the Company will be able to meet all its operational and other commitments as they arise in the foreseeable future and hence financial statements have been prepared on a going concern basis.

**45 Capital Management**

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

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





#### 46 Fair Value Hierarchy

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

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

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

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

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 are as shown below:

##### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

(₹ in Crore)

Particulars	Carrying amount 31 March 2024	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>				
Loan to employees	0.65	-	-	0.65
Interest accrued on loan to employees	0.03	-	-	0.03
Security Deposits	3.38	-	-	3.38
<b>Total</b>	<b>4.06</b>	<b>-</b>	<b>-</b>	<b>4.06</b>
<b>Financial liabilities measured at fair value:</b>				
Borrowings	4,013.07	-	-	4,013.07
Interest accrued on borrowings-Related Party	364.30	-	-	364.30
Financial Liabilities	96.26	-	-	96.26
<b>Total</b>	<b>4,473.63</b>	<b>-</b>	<b>-</b>	<b>4,473.63</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2024

##### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

(₹ in Crore)

Particulars	Carrying amount 31 March 2023	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>				
Loan to employees	0.12	-	-	0.12
Interest accrued on loan to employees	0.03	-	-	0.03
Security Deposits	1.38	-	-	1.38
<b>Total</b>	<b>1.53</b>	<b>-</b>	<b>-</b>	<b>1.47</b>
<b>Financial liabilities measured at fair value:</b>				
Borrowings	3,813.07	-	-	3,813.07
Interest accrued on borrowings-Related Party	251.84	-	-	251.84
Financial Liabilities	71.37	-	-	71.37
<b>Total</b>	<b>4,136.28</b>	<b>-</b>	<b>-</b>	<b>4,136.28</b>

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2023



#### 47 Financial risk management

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

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

##### 1 Market Risk

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

##### (a) Interest rate risk

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

The entire long term borrowings as at March 31, 2024 and March 31, 2023 is floating interest being reset annually; hence company is exposed to interest rate risk at present.

##### Interest Risk Sensitivity of the loan outstanding as at

	Increase/decrease in basis points	Effect on profit before tax (Rs. in crores)
<b>31-Mar-24</b>		
INR	10.00	18.25
INR	(10.00)	(25.79)
<b>Restated as at 31/03/2023</b>		
INR	10.00	3.93
INR	(10.00)	(3.93)
<b>31-Mar-23</b>		
INR	10.00	4.00
INR	(10.00)	(4.00)

The risk sensitivity has increased due to inclusion of ICL III in the current financial year.

##### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

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

##### 2 Liquidity Risk

The Company monitors its risk of a shortage of funds doing a liquidity planning exercise.

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





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

(₹ in Crore)				
As at 31 March 2024	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	20.00	1,960.00	2,033.07	4,013.07
Borrowings Interest Accrued but not due	-	364.30		364.30
Other Payables	10.76			10.76
Lease Liability	33.49	117.16	130.15	280.81
Payable for Capital Expenditure	39.80			39.80
Deposits from Customers/Contractors/suppliers	25.70			25.70
Trade payables	39.80			39.80
Bank overdraft	-			-
<b>Total</b>	<b>169.55</b>	<b>2,441.47</b>	<b>2,163.22</b>	<b>4,774.23</b>

Restated as at 31 March 2023	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	-	780.00	3,033.07	3,813.07
Borrowings Interest Accrued but not due	62.96	188.88	-	251.84
Other Payables	2.71	-	-	2.71
Lease Liability	24.56	108.62	162.15	295.33
Payable for Capital Expenditure	18.63	-	-	18.63
Deposits from Customers/Contractors/suppliers	50.03	-	-	50.03
Trade payables	29.91	-	-	29.91
Bank overdraft	-	-	-	-
<b>Total</b>	<b>188.80</b>	<b>1,077.50</b>	<b>3,195.22</b>	<b>4,461.52</b>

### 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 2024 and for the comparative year ended 31st March 2023.

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 ₹ 0.34 Crore as at 31 March 2024 (31 March 2023: ₹ 7.01 Crore). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.



48 Ratios

Particulars	Numerator	Denominator	31-Mar-24	Restated 31-Mar-23	31-Mar-23	% variance Increase/ (Decrease)	Reason for variance
Current Ratio	Current assets	Current liabilities	3.15	3.58	3.89	-12.05%	The decrease in Ratio is mainly due to decrease in current assets which is due to decrease in Bank Balances other than Cash and Cash Equivalents.
Debt-Equity Ratio	Total Debt	Total Equity	12.30	6.67	6.64	84.24%	The increase in ratio is mainly due to increase in total debt and decrease in total equity. Total debt has increased due to availment of new loan. Total equity has decreased due to decrease in other equity.
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	0.43	0.53	0.47	-19.30%	The ratio has decreased mainly due to increase in Finance Cost, which is increased due to increase in total debt along with increase in the rate of interest.
Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Shareholder's Equity	-0.76	-0.79	-0.78	3.78%	The increase in Ratio is mainly due to reduction in Losses after tax..
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory Average inventory is (Opening + Closing balance / 2)	0.20	0.20	0.21	-0.99%	Marginal Decrease.
Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable Average trade debtors = (Opening + Closing balance / 2)	3.86	3.16	2.40	22.13%	The increase in ratio is mainly due to decrease in average accounts receivable.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables Average trade payable = (Opening + Closing balance / 2)	Not applicable	Not applicable	Not applicable	Not Applicable	Not Applicable
Net capital turnover ratio	Net Sales	Working Capital	0.74	0.54	0.53	35.60%	The increase in ratio is mainly due to decrease in Working Capital.
Net profit ratio	Net profit after tax	Net Sales	-0.61	-1.12	-1.12	46.12%	The increase in ratio is mainly due to Deferred tax credit during the period.
Return on Capital employed	Earning before interest and taxes	Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	1.04	2.63	2.47	-60.48%	The decrease in ratio is mainly due to decrease in EBIT during the period.





49 Trade Receivables ageing schedule

(₹ in Crore)

Particulars	As at March 31, 2024 - Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	20.95	-	-	-	-	-	20.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>20.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.95</b>

(₹ in Crore)

Particulars	As at March 31, 2023 - Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	31.72	-	-	-	-	-	31.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>31.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.72</b>

50 Trade Payables ageing schedule

(₹ in Crore)

Particulars	As at March 31, 2024- Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	5.59	0.01	0.03	-	-	5.63
(ii) Others	29.87	0.21	0.84	2.80	0.15	33.86
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.02	0.30	0.31
<b>Total</b>	<b>35.46</b>	<b>0.21</b>	<b>0.87</b>	<b>2.81</b>	<b>0.44</b>	<b>39.80</b>

(₹ in Crore)

Particulars	As at March 31, 2023- Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.15	-	0.02	-	-	3.17
(ii) Others	22.96	-	2.15	1.28	0.03	26.43
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.02	0.30	0.31
<b>Total</b>	<b>26.11</b>	<b>-</b>	<b>2.17</b>	<b>1.29</b>	<b>0.33</b>	<b>29.91</b>



**51 Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, the Company is required to spend Rs. 1.17 Crores during FY 2023-24 (PY: Rs. 1.17 Crores ), computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. CSR Committee and the Board have approved the CSR Budget allocation of Rs. 1.17 Crore and Annual CSR Action plan for the FY 2022-23.

Particulars	(₹ in Crore)	
	For the Year ended March 31, 2024	March 31, 2023
(i) amount required to be spent by the company during the year	1.12	1.17
(ii) interest earned on unspent CSR funds during the year	0.06	
(iii) amount of expenditure incurred	0.68	0.05
(iv) Amount Transferred to Special Account u/s 135(6)	0.02	
(v) shortfall/(excess) for the year	0.48	1.12
(vi) total of previous years shortfall	-	-
(vii) shortfall at the end of the year	0.48	1.12
(viii) reason for shortfall	(refee note a)	(refee note a)
(ix) nature of CSR activities - Collector Office Ratnagiri	0.68	0.05
<b>Total amount spent</b>	<b>0.68</b>	<b>0.05</b>

**Note:**

- a) Two CSR agreements for of Rs. 1.14 Crore have been signed with District Administration, Ratnagiri for utilization of budget. One CSR Project is for providing medical equipment to Civil Hospital, Ratnagiri and Mental Hospital, Ratnagiri with a budget of Rs.0.69 crores and another one is for providing help for major civil repair works of ZP Primary Schools at Guhagar Taluka, Ratnagiri with a budget of Rs.0.46 crore.
- i) Project 1 (R&M of ZP School at Guhagar): Rs. 0.05 crores released as per CSR Agreement in FY 2022-23 and the project is expected to be completed in the next 6 months i.e., in FY 2024-25.
- ii) Project 2 (Providing Medical Equipment to Civil Hospital, Ratnagiri): An amount of Rs. 0.68 Crores had been released during FY 2023-24 and the project is under finalisation stage as on 31.03.2024 (FY 2023-24).
- b) The company is required to transfer the unspent amount in respect of any “ongoing projects”, to a special account within a period of thirty days from the end of the financial year in compliance with the provision of sub-section (6) of section 135 of the Act, the details of the same is as under:

Relevant Financial year	Amount identified for spending on Corporate Social Responsibility activities for “Ongoing Projects”	Unspent amount of (b) as on 31.03.2024	Amount Transferred to Special Account u/s 135(6)	Due date of transfer to the account	Actual date of transfer to the account	Number of days of delay
2022-23	1.17	0.48	0.02	30/04/2023	04/05/2023	5 Days
<b>Total</b>	<b>1.17</b>	<b>0.48</b>	<b>0.02</b>			





52 Restatement of Previous Year's financial statements

During the current year, the Company has identified a prior period error in an earlier financial year. This has been corrected in the current year and previous year's profit and loss has been restated in accordance with Ind AS 8 "Accounting Policies, change in Accounting estimates and Errors".

During the current year, the Company has identified that the general borrowing cost incurred is allocated towards the cost of capital work in progress as per the requirements of Ind AS 23. The Company has made the appropriate correction as per Ind AS 8. Accordingly, corresponding figures for profit and loss account for previous period for financial Year ended 31 March 2023 has been restated. The impact of capitalization of borrowing cost for year ended March 31, 2023 is Rs 4.77 Crores.

During the current year, the Company has also identified that few lease contracts which are identified as right to use assets as per the requirements of Ind AS 116. The Company has made the appropriate correction as per Ind AS 8. Accordingly, corresponding figures for profit and loss account for previous period for financial Year ended 31 March 2023 has been restated. The impact of capitalising lease contracts to right to use assets for year ended March 31, 2023 is Rs 286.03 Crores.

The details of the restatement as under:

Statement of Profit & Loss for the year ended March 31, 2023

Particulars	(Rs. in crores)		
	For the Year ended		
	31 March 2023 (Restated)	31 March 2023 (Audited)	Increase / (decrease)
<b>Total Income</b>	419.60	419.60	-
a. Employee benefits expenses	28.61	28.61	-
b. Finance Cost	295.73	287.95	7.77
c. Depreciation and amortization expenses	165.09	148.70	16.39
c. Impairment of non-current assets	(122.30)	(122.30)	-
d. Other expenses	233.09	256.22	(23.13)
<b>Total Expenses (a+b+c+d)</b>	<b>600.22</b>	<b>599.18</b>	<b>1.04</b>
<b>Profit/(Loss) before Tax</b>	<b>(180.61)</b>	<b>(179.58)</b>	<b>(1.04)</b>
Tax Expenses:			
Deferred tax charge / (credit)	270.23	268.69	1.54
<b>Profit/(Loss) for the Year</b>	<b>(450.84)</b>	<b>(448.26)</b>	<b>(2.58)</b>
<b>Earning/(loss) per equity share (in Rs.)</b>			
(1) Basic	(5.47)	(5.45)	0.03
(2) Diluted	(5.47)	(5.45)	0.03

Balance Sheet as at March 31, 2023

Particulars	(Rs. in crores)		
	31 March 2023 (Restated)	31 March 2023 (Audited)	Increase / (decrease)
<b>Non Current Assets</b>			
Property, Plant and Equipment	2,483.40	2,483.40	-
Capital Work-in-Progress	891.15	886.38	4.77
Deferred Tax Assets (Net)	434.24	435.78	(1.54)
Right of Use Asset	294.08	8.05	286.03
<b>Equity</b>			
Other Equity	(819.70)	(817.13)	2.58
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
- Lease Liability	270.77	1.29	(269.48)
<b>Current Liabilities</b>			
Financial Liabilities:			
- Lease Liability	24.56	2.21	(22.35)

Statement of Cash Flows for the year ended March 31, 2023

Particulars	(Rs. in crores)		
	31 March 2023 (Restated)	31 March 2023 (Audited)	Increase / (decrease)
<b>Operating activities</b>			
Profit/(loss) before tax	(180.61)	(179.58)	1.04
Depreciation and amortization expenses	165.09	148.70	(16.39)
Finance costs	295.73	287.95	(7.77)
Lease Liability	295.33	3.50	(291.83)

The corresponding effect of these changes on the assets and liabilities of the company is adequately disclosed in the balance sheet of the company.



**53 Recognition of Deferred Tax Asset:**

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

1. Long term regassification agreement with GAIL (India) Ltd. which is valid upto 31st March 2037, considering the Use or Pay clause of the said agreement.
2. The Break Water Project is expected to be completed by December 2024, will help to bring Cargos in monsoon season also (i.e. From May – August). It will help to bring more cargoes in upcoming years.
3. EIL has been appointed to execute/award ambient air heating contract, the same is expected to be completed by September 2025. This will be resulted in increasing LNG regassification send out.
4. The performance of company in FY 2020-21 and FY 2021-22 has been significantly higher than the expectation as per business plan. However, the performance of company has decreased in FY 2022-23 and FY 2023-24 due to operational hindrances caused by the external factor. This operational hindrance shall be completely addressed by FY 2025-26. The long-term view of higher performance is intact.

On the basis of the above facts and convincing evidence, the company is recognising deferred tax at each reporting date in accordance with IND AS 12: 'Income Taxes'. (Refer Note No. 16: Deferred Tax)

**54 Payment of Live Arrear to MSEDCL**

As per letter received from MSEDCL there are pending Live arrears of Rs. 3.75 Crores. As per the PPA dated. 10.04.2007 signed between RGPPL and MSEDCL, MSEDCL was to bear the power charges related with the water supply of Shiral pump house. The said PPA is valid up to 19.05.2032 which was discontinued by M/s MSEDCL reason for the same is not known to KLL. The dispute (of live arrears) is related with the PPA and power generating company which is still in existence in the same name (i.e., RGPPL). MSEDCL in their proposal dated 25.05.2022 informed that for new power supply connection outstanding arrear shall be recovered proportionately considering area allocated after Demerger. The condition is to be followed for release of new connection. For getting new connection outstanding arrear till April 2022 proportionate to KLL share was paid under protest. Numerous visit was made to the office of SE, MSEDCL(Ratnagiri) for discussion and resolution of Live arrears. Further, during the courtesy visit of new SE, MSEDCL-Ratnagiri circle at KLL on 25.09.2023 the point of live arrears was discussed at the good office of CEO-KLL. Subsequently, the follow up meeting held at SE office on 09.11.2023 in that meeting, KLL got the positive assurance for early resolution of matter. In March 2024, KLL-Electrical had requested to the office of SE for a meeting, but due to their prior commitment, meeting did not held between them, and further meeting is proposed in the first week of May 2024.

**55 Payment towards Sub division of Land to MIDC**

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

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

RGPPL has contested for the demand as per Sl. No. (ii) vide their letter dated 21.12.2020.

KLL vide its letter dated 11.05.2021 requested MIDC to consider the demand at Sl. No. (i) in line with the decision of RGPPL letter dated 21.12.2020 and also requested to raise the justified demand directly to the company for the charges applicable for land transfer from RGPPL.

KLL received a demand from MIDC vide letter no MIDC/ ROR/ DBL/ A-1/B-02315/2022 dated 24.03.2022 for the charges as per sl. no. (i) and proportionate for sl. no. (ii) to the company. Accordingly amount of Rs 3,49,64,208/- was paid and received land subdivision order on 28.03.2022. It was one of the prerequisite of getting power connection from MSEDCL.

As on 05.09.2022, a legally vetted 'Deed of Assignment' has been shared with RGPPL for signing by both KLL and RGPPL. As per the request of RGPPL, joint verification of boundaries is also completed and Deed signing is still under progress."

- 56** The company is utilising RGPPL's township facility for its employees and seconded employees and also utilising the chilling water system for its plant operation. The company had signed CSA with RGPPL on 09.02.2022 for a period of 5 years with period 26.03.2018 to 31.03.2023; and subsequently renewed up to 31-03-2026. The payment has been settled till March 2023 and final settlement of FY 2023-24 is under progress. However, company has provided liability on the basis of Provisional Invoices issued by RGPPL.

**57 Accounting and Valuation of leftover LNG:**

The company is recognizing leftover LNG from "Allowed Loss & Consumption of 0.66%" as Revenue in terms of regassification agreement with GAIL and correspondingly recognising it as Inventory of LNG stock in accordance with IND AS 115: 'Revenue from Contractors with Customers' and IND AS 2: 'Inventories'. The leftover LNG is accounted for as inventory by the Company at fair value at each reporting date.

**58 Social Security Code:**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released rules for the Code on Social Security 2020 on 3rd May 2023. There is no additional financial implication on the company as the same has been followed, adopted and complied in line with Promoter Company.





- a) **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- b) **Relationship with Struck off Companies:** During the year, the Company does not have any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- c) **Compliance with approved Scheme(s) of Arrangements:** The Company has not entered into any such scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- d) **Utilisation of Borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- e) **Undisclosed Income:** The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.
- f) **Crypto Currency or Virtual Currency:** Details of Crypto Currency or Virtual Currency: The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 60 a) The Company has a system of obtaining confirmation of balances from Lenders and other parties periodically. There are no unconfirmed balances in respect of bank accounts and borrowings. Reconciliation with beneficiaries and other customers is generally done periodically. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, If any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of management will not have a material affect.
- b) The company has bifurcated its assets and liabilities into current and non-current based on the judgement made by the management.
- 61 Previous year figures have been regrouped/reclassified wherever considered necessary.

In terms of our report of even date attached:

For and on behalf of the Board of Directors

For Sankpal Kulkarni and Associates  
Chartered Accountants  
FRN. 121256W

A N Sankpal  
Partner  
Membership No. - 104718

Place: Kolhapur  
Date:

Jyoti Dua  
(Director)  
(DIN-06904550)

D. B. Thakur  
(Chief Financial Officer)

Tony Mathew  
(Chief Executive Officer)

Sashi Menon  
(Director)  
(DIN-09160448)

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

Place: New Delhi  
Date:

9 MAY 2024





# COMMENTS OF CAG





भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली  
INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi



Dated: 15.07.2024

सेवा में,  
अध्यक्ष,  
कॉकण एलएनजी लिमिटेड,  
नई दिल्ली ।

विषय:- 31 मार्च 2024 को समाप्त वर्ष के लिए कॉकण एलएनजी लिमिटेड, नई दिल्ली के लेखाओं पर  
कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं  
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कॉकण एलएनजी लिमिटेड, नई दिल्ली के 31 मार्च 2024 को समाप्त वर्ष के लेखाओं पर  
कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की  
टिप्पणियाँ अग्रेषित कर रही हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

रस. र. पंडा  
(एस. आह्लादिनी पंडा)  
महानिदेशक

**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 LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

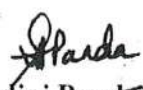
The preparation of financial statements of Konkan LNG Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller 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 09 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Konkan LNG Limited for the year ended 31 March 2024 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

Place: New Delhi  
Dated: 15.07.2024

  
(S. Ahladini Panda)  
Director General of Audit (Energy)



## KONKAN LNG LIMITED

**Registered Office:** 16, Bhikaiji Cama Place, R.K. Puram, New Delhi – 110066  
**CIN:** U11100DL2015PLC288147, **Website:** [www.konkanlng.in](http://www.konkanlng.in), **E-mail:** [nidhigola@gail.co.in](mailto:nidhigola@gail.co.in)  
**Tel.:** 0120-2424375

### 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 Limited, hereby appoint:

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

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 9<sup>th</sup> Annual General Meeting of the Company to be held **Monday, 9<sup>th</sup> September, 2024 at 11:00 a.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 31 <sup>st</sup> March, 2023 and Report of the Board of Directors and Auditors, CAG comments		
2	Re-appointment of Shri Sashi Menon, who retires by rotation, and being eligible, offers himself for re-appointment		
SPECIAL BUSINESS			
3	Approval for ratification of remuneration of the Cost Auditors for FY 2023-24		
4	Amendment in Articles of Association of the Company		

Signed this..... day of..... 2024

Affix Revenue  
Stamp Re.1/-

**Signature of shareholder**

**Signature of Proxy holder(s)**

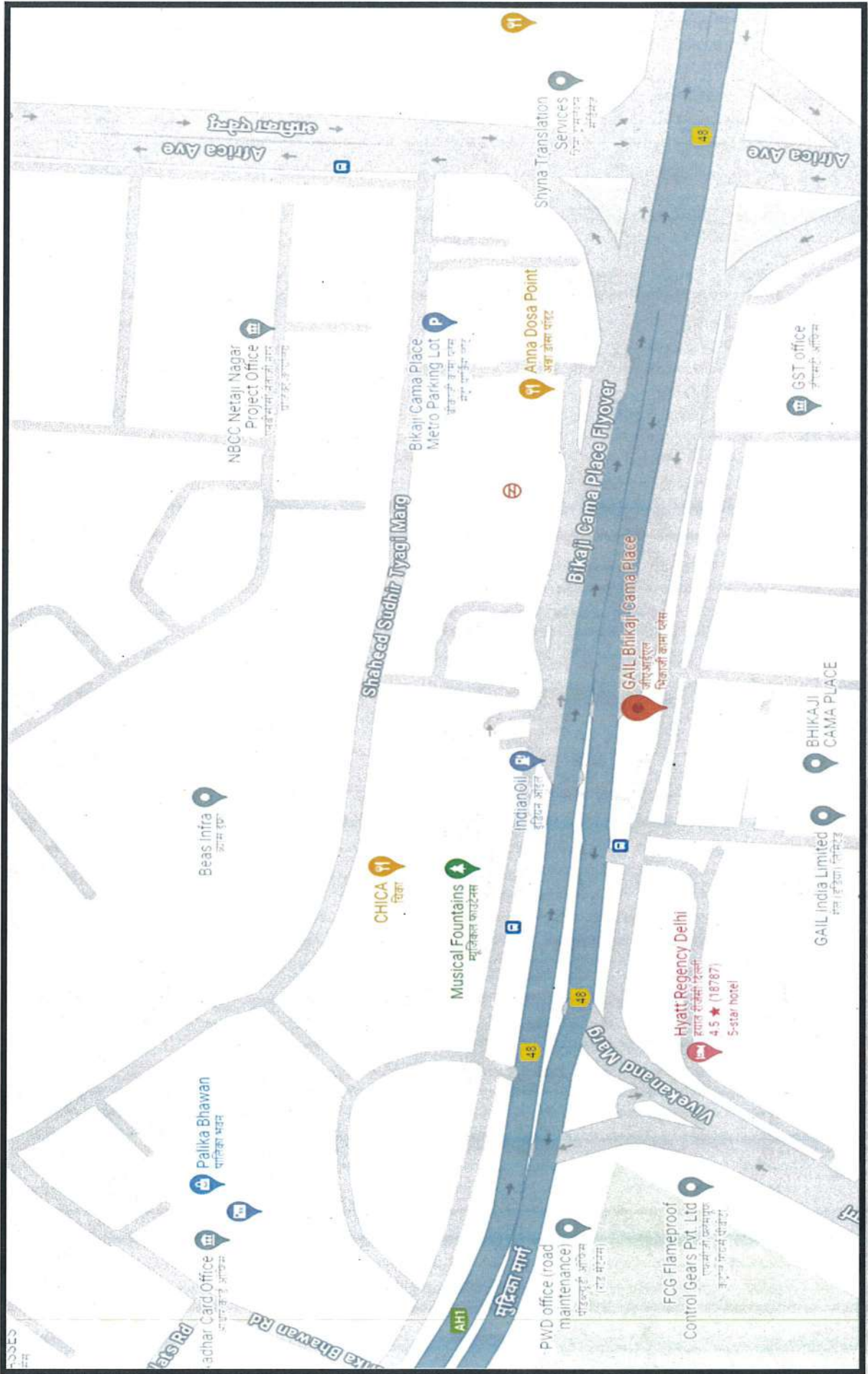
**First**

**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.



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