

KONKAN LNG LIMITED

FINANCIAL STATEMENTS FOR THE FY 2025-26

Konkan LNG Limited
CIN: U11100DL2015GOI288147

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

Independent Auditor's Report

To the Members of
Konkan LNG Limited,
(CIN: U11100DL2015GOI288147)

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Konkan LNG Limited** ("the Company") which comprise the Balance Sheet as at **March 31, 2026**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended **31st March 2026**, 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, 2026**, and *loss*, 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 the following matters in the Notes to the Ind AS financial statements:

1. **Note No. 46** to the Ind AS financial statements, which describes the negative net worth position of the Company as at **31 March 2026**, management's assessment of the Company's ability to continue as a going concern, and the basis on which the financial statements have been prepared on a going concern basis.
2. **Note 54** to the Ind AS financial Statements, which describes the basis for recognition of deferred tax assets during the year ended **31st March 2026**.

Our opinion 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 the Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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



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 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 Changes 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 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act are not applicable to the Company, being the Government Company.
 - f) With respect to the adequacy of the Internal Financial 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 5th 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) Rules 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. 40 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 that 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 the audit procedure that we have considered reasonable and appropriate in the circumstances, nothing has come to our 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 misstatement.
- (v) The Company has neither declared nor paid any dividend during the year, and accordingly, compliance with Section 123 of the Act is not applicable to the Company.
- (vi) Based on our examination, which included test checks, we report that the Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log). This feature was 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 the audit trail feature being tampered with. The audit trail has been preserved by the Company in accordance with the statutory requirements for record retention

For Sankpal Kulkarni & Associates
Chartered Accountants
FRN: 121256W


CA. Amit Patil
Partner, MRN: 126102
UDIN: 26126102SCGEJY5734
Place: Kolhapur
Date: 16th May, 2026



"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, 2026

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 for</i> 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 the 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>The company is in the process of transferring Land with MIDC authority.</td></tr><tr><td>Leasehold Land at Plot No. R-1, Dabhol Industrial Area, PO Anjanwel, Tal Guhagar, Dist Ratnagiri 415634 (Area - 50000 sq.m.) (Right to Use Asset)</td><td>2.64 Crores</td><td>Konkan LNG Limited</td><td>No</td><td>26th Feb 2026</td><td>The company is in the process of transferring Land with MIDC authority</td></tr></table>				Description of property	Gross carrying value	Held in the 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	The company is in the process of transferring Land with MIDC authority.	Leasehold Land at Plot No. R-1, Dabhol Industrial Area, PO Anjanwel, Tal Guhagar, Dist Ratnagiri 415634 (Area - 50000 sq.m.) (Right to Use Asset)	2.64 Crores	Konkan LNG Limited	No	26 th Feb 2026	The company is in the process of transferring Land with MIDC authority
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	(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. There are no discrepancies noticed on physical verification of the inventory of stores and spares, as compared to book records, which 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 follows; Aggregate amount granted during the year Rs. 22,31,385.00 Balance outstanding as at balance sheet date Rs. 1,74,34,682.00
	(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 determining 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, for 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, 2026 on account of any dispute except for the following disputed dues in respect of GST for FY 2020-21.																							
			<table><tr><th colspan="6">Statement of Disputed Dues</th></tr><tr><th>Name of the Statute</th><th>Nature of the Dues</th><th>Amount (Rs.)</th><th>Period to which the amount relates</th><th>Forum where the dispute is pending</th><th>Remarks if any</th></tr><tr><td>Good and Services Tax</td><td>GST</td><td>20,80,664</td><td>2020-21</td><td>Appellate Authority</td><td></td></tr></table>						Statement of Disputed Dues						Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending	Remarks if any	Good and Services Tax	GST	20,80,664	2020-21	Appellate Authority	
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Good and Services Tax	GST	20,80,664	2020-21	Appellate Authority																						
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 have 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 that has been noticed or reported during the year, nor have we 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 whistleblower complaints were received during the year.
xii.		The Company is not a Nidhi company. Hence, reporting under paragraph 3 (xii) of the Order is 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 the 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 Company's Internal Audit Reports issued to 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 into 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 is not applicable.
xvii.		The Company has incurred Cash Loss amounting to Rs. 47.82 crores during the financial year and has incurred cash losses in the immediately preceding financial year 2024-25, of Rs. 193.24 crores.
xviii.		There has been no resignation of statutory auditors during the year. Hence, reporting under paragraph 3 (xviii) of the Order is not applicable.
xix.		According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 evidence supporting the assumptions, nothing has come to our attention which causes us to believe



			that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further 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 date will be discharged by the Company as and when they fall due. Attention is also drawn to the matters described under the 'Emphasis of Matter' section of our main auditor's report of the same date.
xx.	(a) (b)		The Company has no unspent amount that needs to be transferred to the Fund Specified under Schedule VII in compliance with the second proviso to sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, reporting under Clause 3 (xx) (a) and (b) of the Order is not applicable for the year.
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

A. Patil

CA. Amit Patil
Partner, MRN: 126102
UDIN: 26126102SCGEJY5734
Place: Kolhapur
Date: 16th May, 2026



Sankpal Kulkarni & Associates

Chartered Accountants

"Annexure B"

(to the Independent Auditor's Report)

"Annexure B" referred to in paragraph 2 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, 2026

Sr	Direction under Section 143(5) of the Companies Act, 2013	Auditor's reply on action taken on directions
1	Assess the valuation of all the investments, both quoted and unquoted, made directly by the company or through trusts, for the post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation.	Based on the audit procedures carried out and as per the information and explanations given to us by the Company, there are no quoted and unquoted investments made directly by the Company or through trusts, for post-retirement benefits of the employees.
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security, has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications.	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. It has established controls within the SAP Business One system, including user access controls and approval mechanisms. Also, the company has conducted cybersecurity audits through a Cert-In empanelled auditor. 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 out outside the IT system of the Company. Accordingly, in our opinion, there are no implications for the integrity of the accounts.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations provided to us by the Company, there are no funds (grants/subsidies, etc.) received/receivable for specific schemes from the Central/State Government or its agencies during the year.



Sr	Direction under Section 143(5) of the Companies Act, 2013	Auditor's reply on action taken on directions
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate the risk? If yes whether the Risk Management Policy has been formulated considering global best practices? whether the Company has identified its data assets and Whether it has been valued appropriately?	Based on the audit procedures carried out and the information and explanations provided by the Company, the Company has a dedicated Risk Management Policy to mitigate risks, which is approved by the Board. And the same has been reviewed quarterly at the company level and annually at the Board level.
5	Whether the Company is complying with Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, cases of deviation may be highlighted.	Based on the audit procedures carried out and the information and explanations provided to us by the Company, the Company has complied with applicable laws, rules, and regulations wherever applicable.

For Sankpal Kulkarni & Associates

Chartered Accountants

FRN: 121256W

A. Patil

CA. Amit Patil

Partner, MRN: 126102

UDIN: 26126102SCGEJY5734

Place: Kolhapur

Date: 16th May, 2026



Sankpal Kulkarni & Associates

Chartered Accountants

Compliance Certificate

We have conducted an audit of the annual accounts of Konkan LNG Limited for the year ended 31st March 2026 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013, and certify that we have complied with all the Directions/sub-directions issued to us.

For Sankpal Kulkarni & Associates
Chartered Accountants
FRN: 121256W



CA. Amit Patil
Partner, MRN: 126102
UDIN: 26126102HGZCHP7024
Place: Kolhapur
Date: 16th May, 2026



Sankpal Kulkarni & Associates

Chartered Accountants

"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, 2026)

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, 2026, 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 are 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, 2026, 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. Amit Patil
Partner, MRN: 126102
UDIN: 26126102SCGEJY5734
Place: Kolhapur
Date: 16th May, 2026



Konkan LNG Limited
CIN: U11100DL2015GOI288147
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

Balance Sheet as at March 31, 2026

Particulars	Note No.	(₹ in Crore)	
		Audited As at March 31, 2026	Audited As at March 31, 2025
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	3,572.34	2,536.06
Capital Work-in-Progress	6	169.11	1,225.62
Intangible Assets	4	0.33	0.04
Right of Use Asset	5	208.57	232.13
Financial Assets:			
- Loans	7A	1.84	1.64
- Others	7B	5.85	-
Deferred Tax Assets (Net)	16	600.61	562.43
Other Non Current Assets	8	12.01	0.05
Total Non Current Assets (A)		4,570.66	4,557.97
Current Assets			
Inventories	9	201.51	219.58
Financial Assets			
- Loans	10	0.15	0.15
- Trade Receivables	11	16.14	26.62
- Cash and Cash Equivalents	12A	25.61	0.23
- Bank Balances other than Cash and Cash Equivalents	12B	365.52	462.93
- Other Financial Assets	13	8.94	10.07
Current Tax Assets (Net)	14	3.37	5.26
Other Current Assets	15	149.36	69.37
Total Current Assets (B)		770.59	794.20
Total Assets (A+B)		5,341.25	5,352.17
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	1,139.00	1,139.00
Instruments entirely equity in nature	18	252.00	252.00
Other Equity	19	(1,428.21)	(1,191.38)
Total Equity (C)		(37.21)	199.62
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
- Borrowings	20	4,228.07	4,213.07
- Lease Liability	21	191.94	219.66
- Other Financial Liabilities	22	667.24	507.73
Provisions	23	0.67	0.61
Total Non Current Liabilities (D)		5,087.92	4,941.07
Current Liabilities			
Financial Liabilities:			
- Borrowings	24	35.00	-
- Lease Liability	25	33.68	27.65
- Trade Payable:	26		
- Dues of micro enterprises and small enterprises		3.93	2.13
- Dues of other than micro enterprises and small enterprises		33.36	31.65
- Other Financial Liabilities	27	98.54	62.20
Other Current Liabilities	28	6.01	7.82
Provisions	29	80.02	80.02
Total Current Liabilities (E)		290.54	211.48
Total Equity and Liabilities (C+D+E)		5,341.25	5,352.17



Konkan LNG Limited
CIN: U11100DL2015GOI288147
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

For Sankpal Kulkarni and Associates
Chartered Accountants
FRN. 121256W

A. Patil

Amit Patil
Partner
Membership No. - 126102



Place: Kolhapur

Date: 16/05/2026

Jyoti Daa
Jyoti Daa
(Director)
(DIN-06904550)

Pankaj Bhutani
Pankaj Bhutani
(Director)
(DIN-11193276)

Amit Sharma
Amit Sharma
(Chief Financial Officer)

Rajesh
Rajesh
(Chief Executive Officer)

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

Place: New Delhi

Date:



Konkan LNG Limited
CIN: U11100DL2015GOI288147
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

Statement of Profit & Loss for the year ended March 31, 2026

Particulars	Note No.	(₹ in Crore)	
		Audited March 31, 2026	Audited March 31, 2025
I. Revenue from Operations	30	710.45	778.24
II. Other Income	31	30.56	23.66
III. Total Income (I+II)		741.01	801.91
a. Employee benefits expenses	32	1.29	1.11
b. Finance Cost	33	407.80	390.14
c. Depreciation and amortization expenses	34	227.22	200.76
d. Change in inventories	35	78.61	342.47
e. Other expenses	36	301.12	261.43
f. Reversal of Impairment Loss	3 & 6	-	(221.30)
IV. Total Expenses (a+b+c+d+e+f)		1,016.05	974.61
V. Profit/(Loss) before Tax (III-IV)		(275.04)	(172.70)
VI. Tax Expenses			
Current Tax			
Deferred tax charge / (credit)	16	(38.19)	(47.59)
VII. Profit/(Loss) for the year (V-VI)		(236.85)	(125.11)
VIII. Other Comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gain/(losses) of defined benefit obligations		0.03	0.01
Income tax effect relating to these items (PY ₹. 12,967)		(0.01)	(0.00)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		0.02	0.00
IX. Total comprehensive income (VII+VIII)		(236.83)	(125.10)
Earning/(Loss) per equity share (In ₹.)			
(1) Basic	37	(2.30)	(1.32)
(2) Diluted		(2.30)	(1.32)

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

For Sankpal Kulkarni and Associates
Chartered Accountants
FRN. 121256W

Jyoti Dua
Jyoti Dua
(Director)
(DIN-06904550)

Pankaj Bhutani
Pankaj Bhutani
(Director)
(DIN-11193276)

A. Patil
Amit Patil
Partner
Membership No. - 126102



Amit Sharma
Amit Sharma
(Chief Financial Officer)

Rajesh
Rajesh
(Chief Executive Officer)

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

Place: Kolhapur
Date: 16/05/2026

Place: New Delhi
Date:



Konkan LNG Limited
CIN: U11100DL2015GOI288147
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

Statement of Cash Flows for the year ended March 31, 2026

	(₹ in Crore)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Operating activities		
Profit/(loss) before tax	(275.04)	(172.70)
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortization expenses	227.22	200.76
Finance income	(28.46)	(22.80)
Finance costs	407.80	390.14
Provision for bad And doubtful advances	-	1.35
Loss on written off of assets (net)	0.67	1.73
Provisions for employees benefits	0.09	0.11
Impairment of assets/(Reversal)	-	(221.30)
Interest on refund of Income Tax	(0.30)	(0.16)
Cash flow from operating activities before working capital changes	331.99	177.12
Working capital adjustments:		
Increase / (Decrease) in Current Liabilities:		
Trade Payables	3.50	(6.01)
Other Current Financial Liabilities	36.34	(14.06)
Other Current Liabilities	(1.81)	0.33
(Increase)/ Decrease in Current Assets:		
Inventories	18.07	304.16
Trade Receivables	10.48	(5.67)
Other Current Financial Assets	(0.17)	0.92
Other Current Assets	(79.99)	(48.37)
Other adjustments:		
(Increase)/ Decrease in Non -Current Assets/Liabilities:		
Other Non Current Financial Liabilities	3.80	-
Other Non Current Financial Assets	(6.05)	(1.00)
Other Non Current Assets	-11.97	0.25
Cash flow from operating activities after working capital changes	304.20	407.67
Interest on Income tax Refund	0.30	0.16
Taxes (paid)/refund received	1.89	(1.76)
Net cash flows from operating activities (A)	306.38	406.08
Investing activities		
Sale/ (Purchase) of property, plant and equipment, intangible assets (including capital work in progress)	(184.39)	(115.28)
Investments in FDR (net)	97.41	(227.50)
Interest received	29.77	16.79
Net cash flows used in investing activities (B)	(57.21)	(325.99)
Financing activities		
Interest paid	(252.10)	(246.71)
Proceeds from long term borrowings		
Repayment of long term borrowings		
Loan Infusion	50.00	200.00
Payment of lease liability	(21.69)	(33.49)
Proceeds from partly paid-up equity shares		
Proceeds from issue of compulsarily convertible preference shares		
Net cash flows from/(used in) financing activities (C)	(223.79)	(80.20)
Net increase in cash and cash equivalents (A+B+C)	25.38	(0.11)
Cash and cash equivalents at the beginning of the year	0.23	0.34
Cash and cash equivalents at year end	25.61	0.23



Konkan LNG Limited
CIN: U11100DL2015GOI288147
GAIL Bhawan, 16, Bhikaji Cama Place, RK Puram, New Delhi-110066

Statement of Cash Flows for the year ended March 31, 2026

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

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Cash in hand	-	-
Balances with banks:		
- Current accounts	0.11	0.23
- Deposits with original maturity less than three months	25.50	-
Balances as per statement of cash flows	25.61	0.23

Notes:

1. The material accounting policies and accompanying notes form an integral part of Financial Statement
2. Cash Flow Statement has been prepared using Indirect Method as per Ind AS 7 - Statement of Cash Flows.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

(₹ in Crore)

For the Financial Year Ended 31st March 2026

Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2025	4,213.07	247.31
Cash Flows during the year	50.00	(33.32)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	11.62
Variation in exchange rates	-	-
Transaction costs on Borrowings	-	-
Other adjustments	-	-
Closing Balance as on 31st March 2026	4,263.07	225.62

For the Financial Year Ended 31st March 2025

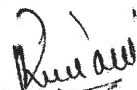
Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2024	4,013.07	280.81
Cash Flows during the year	200.00	(33.49)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	-
Variation in exchange rates	-	-
Transaction costs on Borrowings	-	-
Other adjustments	-	-
Closing Balance as on 31st March 2025	4,213.07	247.31

In terms of our report of even date attached:

For and on behalf of the Board of Directors

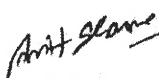
For Sankpal Kulkarni and Associates
Chartered Accountants
FRN. 121256W

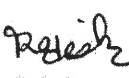

Jyoti Dua
(Director)
(DIN-06904550)


Pankaj Bhutani
(Director)
(DIN-11193276)


Amit Patil
Partner
Membership No. - 126102




Amit Sharma
(Chief Financial Officer)


Rajesh
(Chief Executive Officer)


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

Place: Kolhapur

Date: 16/05/2026

Place: New Delhi

Date:



Konkan LNG Limited
CIN: U11100DL2015GOI288147
GAIL Bhawan, 16, BhikaJI Cama Place, RK Puram, New Delhi-110066
Statement of Changes in Equity for the year ended March 31, 2026

(a) Equity Share Capital

Particulars	(₹ in Crore)	
	Number (in crores)	Amount
Equity shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31 March 2024	113.90	1,139.00
Issue of share capital	-	-
As at 31 March 2025	113.90	1,139.00
Issue of share capital	-	-
As at 31 March 2026	113.90	1,139.00

(b) Instruments entirely equity in nature

Particulars	(₹ in Crore)	
	Number (in crores)	Amount
10% Compulsorily Cumulative Convertible Preference Shares		
As at 31 March 2024	25.20	252.00
Issue of share capital	-	-
As at 31 March 2025	25.20	252.00
Issue of share capital	-	-
As at 31 March 2026	25.20	252.00

(c) Other Equity

Particulars	(₹ in Crore)	
	Retained earnings	
As at 31 March 2024	(1,066.27)	
Profit for the period	(125.11)	
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.00	
Total Comprehensive Income	(125.10)	
As at 31 March 2025	(1,191.38)	
Profit for the period	(236.85)	
Re-measurement (losses)/ gain on defined benefit plans (net of tax)	0.02	
Total Comprehensive Income	(236.83)	
As at 31 March 2026	(1,428.21)	

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

For Sankpal Kulkarni and Associates
Chartered Accountants
FRN: 121256W

A. Patil
Amit Patil
Partner
Membership No. - 126102



Place: Kolhapur

Date: 16/05/2026

Jyoti Dua
Jyoti Dua
(Director)
(DIN-06904550)

Amit Sharma
Amit Sharma
(Chief Financial Officer)

Place: New Delhi
Date:

Pankaj Bhutani
Pankaj Bhutani
(Director)
(DIN-11193276)

Rajesh
Rajesh
(Chief Executive Officer)

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



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

Note 1. Company Information

Reporting entity

Konkan LNG Limited is a Public Limited Company domiciled in India, having CIN number U11100DL2015GOI288147, 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 28th February 2018 and became effective on 26th March 2018 i.e. the date on which the same was filed with Ministry of Corporate Affairs. The address of the Company's registered office is 16, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

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

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

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 31st March 2026, were authorized for issue by Board of Directors on 16th May 2026.

2. Basis of preparation

This 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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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 relating 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, 2026

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
i) Break Water Project (based on Technical Evaluation and Management Decision)	100 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 spare parts and stand-by equipment shall qualify for recognition as PPE when the company expects to use them for more than one year. Accordingly, spares parts, stand-by equipment and servicing equipment having value of Rs.5 Lakh or more per item (Cost to Company) and are expected to be used for more than one year and depreciated over its useful life, which shall be determined based on technical estimates

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.



Konkan LNG Limited

Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited**Notes to Financial Statements for the year ended March 31, 2026**

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 are accounted for on the basis of claims admitted by the insurers.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

- 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



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.

KLL shall recognize prior period items above the threshold limit, which has been fixed at Rs. 6 crores (Excl GST) w.e.f. 01.04.2024. The threshold limit has been decided based on considering 1% of the average of the last three years revenue from operations. The company will review this limit every three years.

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 31st March 2026, 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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

(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



Konkan LNG Limited

Notes to Financial Statements for the year ended March 31, 2026

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

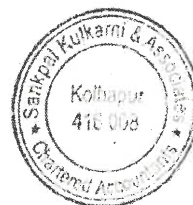
The Company measures financial instruments including derivatives, at fair value at each balance sheet date.

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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 Apr 2025	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	Adjustment during the year	As at 31st Mar 2026	As at 1st Apr 2025	For the period	Disposals	Adjustment during the year	As at 31st Mar 2026	As at 1st Apr 2025
Roads, bridges, culverts & helipads	14.30	-	3.52	(0.08)	-	17.74	4.79	1.30	-	-	6.09	-
Furniture & Fixture	2.09	0.01	0.06	(0.05)	-	2.10	0.95	0.20	(0.04)	-	1.11	-
Plant and machinery (including associated civil works)	4,059.77	22.14	1,199.72	(1.27)	-	5,280.36	1,536.82	187.06	(0.61)	-	1,723.27	-
Office equipment	1.42	0.01	0.27	(0.02)	-	1.68	0.79	0.18	(0.02)	-	0.95	-
EDP, WP machines and satcom equipment	3.54	0.03	0.56	(0.06)	-	4.07	2.31	0.49	(0.06)	-	2.74	-
Vehicles	0.44	-	-	-	-	0.44	0.09	0.05	-	-	0.14	-
Communication Equipment	0.51	-	0.06	(0.06)	-	0.51	0.26	0.05	(0.06)	-	0.25	-
Total	4,082.06	22.18	1,204.19	(1.45)	-	5,306.89	1,546.00	189.34	(0.80)	-	1,734.55	-

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 Apr 2024	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	Adjustment during the year	As at 31st Mar 2025	As at 1st Apr 2024	For the period	Disposals	Adjustment during the year	As at 31st Mar 2025	As at 1st Apr 2024
Roads, bridges, culverts & helipads	7.14	-	7.15	-	-	14.30	3.46	1.33	-	-	4.79	-
Furniture & Fixture	1.55	0.00	0.54	(0.01)	-	2.09	0.71	0.24	(0.01)	-	0.95	-
Plant and machinery (including associated civil works)	4,048.51	10.73	4.97	(4.45)	-	4,059.77	1,379.27	158.97	(1.42)	-	1,536.82	221.26
Office equipment	1.22	0.09	0.15	(0.02)	(0.01)	1.42	0.67	0.15	(0.02)	(0.01)	0.79	0.01
EDP, WP machines and satcom equipment	3.37	0.01	0.24	(0.00)	(0.07)	3.54	1.97	0.41	(0.00)	(0.07)	2.31	0.02
Vehicles	0.44	-	-	-	-	0.44	0.04	0.05	-	-	0.09	-
Communication Equipment	0.25	-	0.25	-	0.00	0.51	0.22	0.03	-	0.00	0.26	0.01
Total	4,062.49	10.83	13.31	(4.47)	(0.08)	4,082.06	1,386.33	161.20	(1.44)	(0.08)	1,546.00	221.30

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 Apr 2025	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	Adjustment during the year	As at 31st Mar 2026	As at 1st Apr 2025	For the period	Disposals	Adjustment during the year
Software	0.23	0.00	0.35	(0.02)	-	0.56	0.20	0.06	(0.02)	-
Total	0.23	0.00	0.35	(0.02)	-	0.56	0.20	0.06	(0.02)	-

Particulars	Gross carrying value				Amortisation and Impairment				Net Carrying value	
	As at 1st Apr 2024	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	Adjustment during the year	As at 31st Mar 2025	As at 1st Apr 2024	For the period	Disposals	Adjustment during the year
Software	0.40	0.05	-	-	(0.21)	0.23	0.40	0.01	-	(0.21)
Total	0.40	0.05	-	-	(0.21)	0.23	0.40	0.01	-	(0.21)

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



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

5 Right of Use Asset

Particulars	Gross carrying value				Accumulated depreciation		Net	
	As at 1st Apr 2025	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	As at 31st Mar 2026	As at 1st Apr 2025	As at 31st Mar 2026	As at 31st Mar 2025
Tug Boats Under Lease	302.42	-	-	-	302.42	76.91	30.22	195.29
G.E.G.	12.13	11.62	-	(12.13)	11.62	10.40	7.53	5.80
MMB	10.29	-	-	-	10.29	10.29	-	1.73
Land Lease	5.19	-	2.64	-	7.83	0.30	0.08	-
Total	330.03	11.62	2.64	(12.13)	332.16	97.89	37.82	208.57
								232.13

Particulars	Gross carrying value				Accumulated depreciation		Net Carrying value	
	As at 1st Apr 2024	Additions during the year	Acquisition from AUC	Sales/ Disposals during the year	As at 31st Mar 2025	As at 1st Apr 2024	As at 31st Mar 2025	As at 31st Mar 2024
Tug Boats Under Lease	302.42	-	-	-	302.42	46.69	30.22	225.51
G.E.G.	12.13	-	-	-	12.13	2.32	8.08	10.40
MMB	10.29	-	-	-	10.29	9.10	1.18	-
Land Lease	5.19	-	-	-	5.19	0.22	0.08	0.30
Total	330.03	-	-	-	330.03	58.34	39.55	271.68
								232.13

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. (RGPPIL). However, transfer of land in the name of Company from RGPPIL 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 promoter/director or employee 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	2.64	Maharashtra Industrial Development Corporation	No	26.02.2026	The execution of the lease deed is currently under progress.
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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

6 Capital work in progress

Particulars	Gross carrying value			Impairment		Net carrying value	
	As at 1st Apr 2025	Additions	Disposals/ Capitalisation	Retirement/ Deletion	As at 31st Mar 26	As at 1st Apr 2025	As at 31st Mar 25
Capital work in progress	1,225.62	150.66	1,207.17	-	169.11	169.11	1,225.62

Particulars	Gross carrying value			Impairment		Net carrying value	
	As at 1st Apr 2024	Additions	Disposals/ Capitalisation	Retirement/ Deletion	As at 31st Mar 25	As at 1st Apr 2024	As at 31st Mar 24
Capital work in progress	1,133.23	105.70	13.31	-	1,225.62	1,225.62	1,133.23

Note :A) Major plant of LNG division in the books of Ramagiri 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, RGPL 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 RGPL 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 RGPL 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. 11.37 Crores for FY 2025-26 (FY 2024-25 is Rs.20.35 Crores), 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 rate) + (Amount of ICL-II x Interest rate)/Total amount of borrowings outstanding during the year X 100
The capitalization rate - In CY 9.20% p.a.till 31.12.2025 and from 01.01.2026 is 6.45% p.a.(PY-8.85% p.a)

Capitalization Rate for Specific Borrowing (ICL-III)

: RBI Repo Rate plus a spread of 120 basis points minus Interest Income on temporary investment. Interest rate as on 31.03.2026 is 6.45% p.a. (As on 31.03.2025 is 7.70% p.a)

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

CWIP	Amount in CWIP as at 31st Mar 26				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
BREAK WATER WALL	-	-	-	-	-
TLF - ADDITIONAL TWO BAYS	0.35	0.17	0.17	-	0.69
CAPTIVE POWER SYSTEM	0.65	-	0.55	0.09	1.30
INDEPENDENT HEATING SYSTEM	81.34	4.11	1.81	0.47	87.73
ARTICULATED ARM ASSEMBLY	62.27	-	-	-	62.27
TERMINAL CAPACITY	0.01	-	-	-	0.01
EXPANSION - 6.3 MMT/PA	(0.72)	(5.69)	6.42	1.79	1.81
OTHER ASSETS	-	-	-	-	-
Temporarily Suspended Projects:					
Tank 500 (for future expansion)	-	-	-	15.30	15.30
Total	143.91	(1.41)	7.78	18.83	169.11

CWIP	Amount in CWIP as at 31st Mar 25				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
BREAK WATER WALL	93.80	270.39	213.24	622.99	1,200.42
TLF - ADDITIONAL TWO BAYS	0.17	0.17	-	-	0.34
CAPTIVE POWER SYSTEM	-	0.21	0.34	0.09	0.64
INDEPENDENT HEATING SYSTEM	4.11	1.43	0.38	0.47	6.39
ARTICULATED ARM ASSEMBLY	-	-	-	-	-
TERMINAL CAPACITY	-	-	-	-	-
EXPANSION - 6.3 MMT/PA	(5.69)	1.76	4.67	1.79	2.52
OTHER ASSETS	-	-	-	-	-
Temporarily Suspended Projects:					
Tank 500 (for future expansion)	-	-	-	15.30	15.30
Total	92.39	273.96	217.45	641.82	1,225.62

d) Further, there is no project whose completion is overdue or has exceeded its cost compared to its original plan. Further, the above includes an amount of ₹15.30 crore on account of T-500, which has been kept under temporarily suspended project status. The same will be part of the future expansion plan.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

7 Financial Assets - Non-current

		(₹ in Crore)	
		As at March 31, 2026	As at March 31, 2025
Particulars			
7A Loans			
Loan to employees #			
- Secured, Considered good		1.60	1.52
- Unsecured, Considered good		0.25	0.12
Interest Accrued on Loan to Employees			
Total (A)		1.84	1.64
7B Others			
Balance with Term deposits with remaining maturity exceeding 12 months*		5.25	-
Security deposits with Government Departments			
- Unsecured, Considered Good		1.95	1.35
Less: Allowance for bad and doubtful debts		(1.35)	(1.35)
Total (B)		5.85	-
Total (A+B)		7.69	1.64

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

* Fixed deposit marked under lien.

8 Other Non Current Assets

		(₹ in Crore)	
		As at March 31, 2026	As at March 31, 2025
Particulars			
Capital advances:			
Unsecured, Considered Good		12.00	-
Prepaid expenses		0.02	0.05
Total		12.01	0.05

9 Inventories

		(₹ in Crore)	
		As at March 31, 2026	As at March 31, 2025
Particulars			
Stores and spares*		29.62	28.23
LNG Stock		171.89	191.35
Total		201.51	219.58

* Includes Material In Transit & Fuel for DG Set amounting to ₹1.16 crore & ₹0.74 crore respectively (PY: ₹0.001 crore and ₹0.70 crore)

* 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 (5) A (5) of Financial Statements.

10 Financial Assets-Loans-Current

		(₹ in Crore)	
		As at March 31, 2026	As at March 31, 2025
Particulars			
Loan to employees			
- Secured, considered good		0.15	0.15
- Unsecured, Considered good		-	-
Total		0.15	0.15



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

11 Trade Receivables - Current

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured - Considered good, unless otherwise stated)		
Trade Receivables:		
Others		
From related party	16.14	26.62
From others	0.00	0.00
Total	16.14	26.62

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 10 to 30 days

c) Carrying amount of trade receivables are hypothecated as security for borrowings. (Refer Note 20)

d) For Trade receivable aging schedule refer note 51.

12 Cash and Bank balances

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
12A Cash & cash equivalents:		
Cash on hand	-	-
Balances with banks:		
- Current accounts	0.11	0.21
Balance with Banks:		
-Short Term Deposits (less than 3 months)	25.50	-
-Unspent Corporate Social Responsibility For The FY 2022-23	-	0.01
Total (A)	25.61	0.23

12B Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Term deposits:		
Deposits with original maturity exceeding 3 months but less than 12 months	351.82	448.69
Short Term Deposit - Banks (Lien with bank)	13.70	13.81
Short Term Deposit - Unspent CSR	-	0.43
(B)	365.52	462.93
Total (A+B)	391.13	463.16

13 Current Financial Asset - Others

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits		
- Unsecured, Considered Good	1.21	1.03
Interest accrued on term deposits	7.74	9.04
Total	8.94	10.07



14 Current Tax Assets (Net)

Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
TDS Receivable	3.37	5.26
Total	3.37	5.26

15 Other Current assets

Particulars	(₹ in Crores)	
	As at March 31, 2020	As at March 31, 2019
Advances to contractors and suppliers (Unsecured)	0.12	0.12
Other advances:		
Unsecured	2.33	1.70
Considered doubtful	2.76	2.76
Less: Allowance for bad and doubtful debts	(2.76)	(2.76)
Balance with Government Departments		
GST Receivable	144.12	64.97
Prepaid expenses	2.80	2.58
Total	149.36	69.37



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

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025:

Profit or loss section :

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Tax Expense:		
Current income tax charge	-	-
Deferred tax (expense)/income:		
Relating to the origination and reversal of temporary differences	(38.19)	(47.59)
Relating to changes in tax rates	-	-
Income tax expense reported in the statement of profit or loss	(38.19)	(47.59)

Other Comprehensive Income section

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

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Income tax effect relating to these items (PY: Rs. 12,967)	(0.01)	(0.00)
Total	(0.01)	(0.00)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025

Particulars	As at March 31, 2026	As at March 31, 2025
Profit/(Loss) before Tax	(275.04)	(172.70)
Rate of Income tax	25.168%	25.168%
Computed expected tax expenses	(69.22)	(43.47)
Disallowances / considered separately	227.22	(20.54)
Item allowable / considered separately	(490.32)	(89.40)
Unabsorbed depreciation	332.32	153.40
Income tax expense reported in the statement of profit or loss	-	-

Particulars	As at March 31, 2026	Provided during the year	As at March 31, 2025
Deferred tax assets relates to the following			
Accumulated unabsorbed depreciation	760.33	88.97	671.37
Brought forward losses	238.47	(45.29)	283.76
MAT Credit Entitlement	(52.49)	5.93	(58.42)
Lease Liability	-	-	-
Disallowances of provision of employee benefits, provision for doubtful advances and loss on sale of assets	21.00	0.02	20.99
Total deferred tax assets (A)	967.31	49.62	917.69
Deferred tax liabilities relates to the following			
Difference between written down value of property, plant and equipment as per the Income Tax Act 1961 and the companies Act, 2013	423.48	5.97	417.51
Right of use of asset	(56.78)	5.46	(62.24)
Total deferred tax liabilities (B)	366.70	11.43	355.26
Net Deferred Tax Assets (A-B)	600.61	38.19	562.42

- 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.

Reconciliation of Deferred Tax Asset (Net):

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	562.43	514.83
Tax (expense)/income recognised in the statement of profit or loss *	38.19	47.59
Tax (expense)/income recognised in Other Comprehensive Income	(0.01)	(0.00)
Balance at the end of the period/year	600.61	562.43

* Net off expired business loss of Rs.292.50 Crores pertaining to AY 2018-19 (FY 2017-18).



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

17 Equity share capital

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
350,00,00,000 equity shares of par value of ₹10/- each	3,500.00	3,500.00
Total	3,500.00	3,500.00
Issued, subscribed and fully paid up		
1,138,996,509 (PY - 1,138,996,509) equity shares of par value of ₹10/- each	1,139.00	1,139.00
Total	1,139.00	1,139.00

(a) Movements in equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
At the beginning of the year	113.90	1,139.00	113.90	1,139.00
Add: Proceeds from partly paid-up shares	-	-	-	-
Add: Proceeds from addition of equity	-	-	-	-
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 ₹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, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		% 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, 2025		% Change during the previous year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	106.49	93.50%	0.00%



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026
18 Instruments entirely equity in nature

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
150,00,00,000, 10% Preference shares of par value of ₹10/- each.	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, subscribed and fully paid up		
252,003,718, 10% Compulsorily Convertible Preference shares of par value of ₹10/- each	252.00	252.00
Total	252.00	252.00

(a) Movements in Preference share capital:

Particulars	As at March 31, 2026		As at March 31, 2025	
	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 ₹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:

Preference share	As at March 31, 2026		As at March 31, 2025	
	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, 2026		As at March 31, 2025	
	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, 2026		% 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, 2025		% Change during the previous year
	No. of shares (in Crore)	% of total shares	
GAIL (India) Limited (Holding Company)	25.20	100.00%	0.00%



Konkan LNG Ltd.
Notes to Financial Statements for the year ended March 31, 2026

19 Other equity

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Balance at the beginning of the year	(1,191.38)	(1,066.27)
Profit / (loss) for the year	(236.85)	(125.11)
Re-measurement (losses)/ gain on defined benefit plans (net of tax) (PY: ₹38,554)	0.02	0.00
Total	(1,428.21)	(1,191.38)

20 Financial Liabilities - Non Current Borrowings

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Term loans - Secured		
From Related Party:		
GAIL (India) Limited	4,228.07	4,213.07
Total	4,228.07	4,213.07

During FY 2019–20, the Company obtained an inter-corporate loan (ICL-I) amounting to ₹2,700 crore from GAIL (India) Limited. Additionally, loans aggregating to ₹1,113.07 crore (ICL-II) were novated in favour of GAIL (India) Limited upon settlement of dues with the previous lenders. Both ICL-I and ICL-II carry an interest rate linked to the RBI Repo Rate plus a spread of 120 basis points with effect from 01 January 2026 and the rate of interest will reset upon change of repo rate of RBI and the new rate shall be applicable from the beginning of next month and shall be applicable thereafter till it is revised. Prior to this, the interest rate was linked to the 1-year SBI MCLR plus a spread of 20 basis points per annum, with resets on 1st April of each financial year.

ICL-I is repayable commencing from 31 March 2027 and is scheduled to be fully repaid by 31 March 2031. Repayment of ICL-II will begin in FY 2030–31, subject to the complete repayment of ICL-I, and is scheduled to be fully repaid by 30 September 2032.

During FY 2023–24, KLL entered into an Intercorporate Loan Agreement (ICL III) with GAIL (India) Limited for an amount of ₹700 crore to fund project expenditure. In accordance with the agreement, KLL has availed ₹450 crore up to FY 2025–26. The remaining ₹250 crore is proposed to be drawn in line with the planned project expenditure. The interest rate on the loan is linked to the RBI Repo Rate plus a spread of 120 basis points. Repayment of the principal is scheduled to commence from 30 June 2027 and will continue until 31 March 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

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability	191.94	219.66
Total	191.94	219.66



Konkan LNG Ltd.

Notes to Financial Statements for the year ended March 31, 2026

22 Other Non Current Financial Liabilities

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings - Related Party*	663.44	507.73
Deposits Retention Money from Customers contractors others	3.80	-
Total	667.24	507.73

* Interest accrued but not due on ICL-II as 31.03.2026 is ₹611.49 Crores (PY: ₹484.56 Crores)

* Interest accrued but not due on ICL-III as 31.03.2026 is ₹51.95 Crores (PY: ₹23.17 Crores)

23 Long term provisions

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits:		
As per Last Balance Sheet	0.61	0.51
Add: Additions/Adjustments during the period year	0.06	0.10
Less: Amount paid during the period year	-	-
Total	0.67	0.61

24 Financial Liabilities - Current Borrowings

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Term loans - Secured		
From Related Party: *		
GAIL (India) Limited	35.00	-
Total	35.00	-

*Refer Note No. 20

25 Lease Liabilities-Current

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Lease Liability	33.68	27.65
Total	33.68	27.65

26 Trade Payables - Current

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Trade payables		
- Dues of Micro Enterprises and Small Enterprises	3.93	2.13
- Dues of creditors other than Micro Enterprises and Small Enterprises	33.36	31.65
Total	37.29	33.78

a) For Trade Payable aging schedule refer note 52



Konkan LNG Ltd.
Notes to Financial Statements for the year ended March 31, 2026
27 Other Financial Liabilities-Current

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Deposits/Retention Money from Customers/contractors/others	16.55	13.58
Payable for capital expenditure		
- Payable to Related party	0.14	0.47
- Payable to Others	78.99	45.91
Expenses payable and other liabilities	0.00	0.05
Payables to related party for deputation of employees	2.86	2.18
Total	98.54	62.20

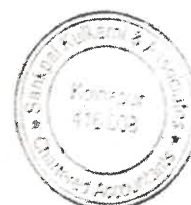
28 Other Current Liabilities

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Statutory dues Payable		
-Tax Deducted at Source (Income Tax)	5.30	6.04
-GST Payable	0.70	1.33
-Other Statutory Dues	0.01	0.01
Unspent Corporate Social Responsibility (CSR)	-	0.44
Total	6.01	7.82

29 Current Provisions

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Provision for custom duty*	80.00	80.00
Provision for employee benefits	0.02	0.02
Total	80.02	80.02

* Pending ascertainment of exact amount, provision of ₹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 issue is under process.



Konkan LNG Ltd.**Notes to Financial Statements for the year ended March 31, 2026****30 Revenue from Operations**

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Regasification charges*	612.23	469.47
LNG Sale	81.09	300.00
Other operating revenue**	17.13	8.77
Total	710.45	778.24

* Includes ₹60.09 Crore (PY: ₹47.58 Crore) on account of Non-cash consideration accounted for in pursuant to IndAS-115.

** Other operating revenue includes LNG truck loading service charges of ₹13.89 crore (PY: ₹8.77 crore) as per the existing regasification agreement. It also includes berthing and pilotage charges of ₹3.24 crore (PY: Nil), following the implementation of port charges for LNG vessels w.e.f. 01.10.2025.

31 Other Income

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Interest income from:		
Interest income Term deposit - Banks	29.70	29.14
Less : Interest Income transferred to Capital Work In Progress	(1.24)	(6.34)
Term deposit - Banks	28.46	22.80
Interest on Income Tax Refund	0.30	0.16
Loan to employees	0.13	0.09
Other non-operating income :		
Sale of scrap	0.60	0.17
Recoveries from contractors & Others	0.51	0.43
Miscellaneous Receipt - Insurance refund and etc.	0.56	0.01
Total	30.56	23.66

32 Employee Benefit expense

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Salaries, wages and bonus	0.78	0.77
Contribution to provident and other funds	0.07	0.07
Gratuity	0.07	0.03
Staff welfare expenses	0.37	0.24
Total	1.29	1.11



Konkan LNG Ltd.**Notes to Financial Statements for the year ended March 31, 2026****33 Finance Costs**

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Interest on rupee term loans	403.10	397.67
Less: Interest expenses transeferred to Capital Work In Progress	12.61	26.70
Interest on rupee term loans	390.49	370.97
Interest on lease liability	17.31	19.16
Total	407.80	390.14

34 Depreciation and Amortisation Expense

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Depreciation of tangible assets	189.34	161.20
Amortisation of Intangible assets	0.06	0.01
Depreciation of Right of use asset	37.82	39.55
Total	227.22	200.76

35 (Increase) / Decrease in Inventories

Particulars	(₹ in Crore)	
	For the Year ended	
	March 31, 2026	March 31, 2025
Inventories at the end of the period	171.89	191.35
Inventories at the beginning of the period	191.35	496.26
Change during the year	19.46	304.91
Add: Adjustment for Non Cash Consideration Including Consumption*	59.16	37.56
Total	78.61	342.47

* During the financial year ended 31 March 2026, the Company has recognized a reversal of previously recorded inventory revaluation losses due to an increase in Net Realisable Value (NRV) exceeding the carrying value of inventory.

Accordingly, a reversal amounting to ₹5.15 crore pertaining to the financial year 2024-25 and ₹11.54 crore pertaining to the financial year 2025-26 has been recognized in the Statement of Profit and Loss for the year ended 31 March 2026.

The reversal has been recorded in accordance with applicable accounting standards, as the NRV of the inventory as at the reporting date exceeded its respective carrying value.



(₹ in Crore)

Particulars	For the Year ended	
	March 31, 2026	March 31, 2025
Consumption of Stores, spares and LNG	7.03	9.50
Power and fuel	63.61	62.29
Marine Charges including ship handling charges	54.85	48.27
Common Sharing Expenses (with RGPPL)	11.44	8.63
Rent	14.42	11.68
Rates and taxes	1.23	1.07
Insurance	17.07	17.37
Salary - Deputation Employees*	27.90	27.89
Repairs & maintenance:		
-Plant & machinery	88.11	57.80
-Buildings	-	0.00
-Others	1.03	0.81
Security expenses	4.62	4.35
Professional charges and consultancy fees	1.91	1.72
Hiring of vehicles	2.37	1.95
Bank charges	0.01	0.06
Corporate Social Responsibility (CSR) expenses	-	-
Communication expenses	0.04	0.03
Travelling expenses	1.45	0.99
Audit Expenses **	0.21	0.22
Advertisement and publicity	0.03	0.00
Entertainment expenses	0.44	0.34
Legal expenses	0.45	1.74
Printing and stationery	0.11	0.08
Net loss in foreign currency transactions & translations	0.78	0.38
Miscellaneous expenses	-	-
- Loss on sale / written off of assets (net)	0.67	1.73
- Bad Debts/Claims/Advances/Stores written off (Refer Note 55)	-	1.35
- Other Expenses	1.32	1.17
Total	301.12	261.43

* The Salary - Deputation Employees has been booked after transferring an amount of ₹2.68 Crores (PY: NIL) in CWIP

** Audit Expenses include following expenses:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
Statutory Audit Fee	0.07	0.07
Tax Audit fee	0.01	0.01
Limited Review fee	0.06	0.06
Out of Pocket Expenses for Statutory Audit	0.07	0.08
Total	0.21	0.22



Konkan LNG Ltd.**Notes to Financial Statements for the year ended March 31, 2026****37 Earnings/(Loss) per share**

Basic	For the Year Ended	
	March 31, 2026	March 31, 2025
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(236.85)	(125.11)
Less: Dividend on preference shares (₹ in Crore)	(25.20)	(25.20)
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(262.05)	(150.31)
Weighted average number of equity shares in calculating basic EPS	113.90	113.90
Basic earnings/(loss) per equity share (₹)	(2.30)	(1.32)

Diluted	For the Year Ended	
	March 31, 2026	March 31, 2025
Profit/ (Loss) attributable to Equity Shareholders (₹ in Crore)	(236.85)	(125.11)
Weighted average number of equity shares in calculating diluted EPS	113.90	113.90
Weighted average number of preference shares in calculating diluted EPS (Crore)	25.20	25.20
Total no. of shares outstanding (including dilution) (Crore)	139.10	139.10
Diluted earnings/(loss) per equity share (₹)	(2.30)	(1.32)



Konkan LNG Limited**Notes to Financial Statements for the year ended March 31, 2026****38 Disclosure as per Ind AS 19 'Employee Benefits' - KLL own cadre employees****A) All the employees of Konkan LNG Limited (other than KLL cadre employees) are deputed from the parent Company i.e. GAIL (India)**

- (i) The Parent Company has raised invoices on the monthly basis by charging GST on the secondment of employees at Konkan LNG Limited. The Company has disclosed the cost of employees deputed from the parent Company under Other expenses - Salary - Deputation Employees (Note 36).
- (ii) The Company has three no. of employee on it's payroll as on 31st March 2026. Salaries and allowances of KLL cadre employees are paid by the Company which have been accounted under Employee benefit expense (Note 32).

B) 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.0.07 Crores (PY: Rs.0.07 crores) has been deposited directly with EPFO for KLL cadre employees.

(ii) Defined Benefit Plan**a) Gratuity***

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹0.25 crore (previously ₹0.20 crore) on superannuation, resignation, termination, disablement or on death.

In respect to KLL cadre employees, the gratuity scheme is unfunded and is provided by the Company. Based on the actuarial valuation carried out by independent valuer, Rs.0.07 crore (PY: Rs.0.03 crore) has been charged to revenue towards Gratuity expenses.

During the financial year ended 31 March 2026, the Company has recognized a past service cost of ₹0.04 crore in respect of its defined benefit gratuity plan. The past service cost has arisen on account of change in the gratuity benefit structure pursuant to amendments under the New Labour Code, whereby the maximum gratuity limit has been increased from ₹20 lakhs to ₹25 lakhs. In accordance with Ind AS 19 – Employee Benefits, the said past service cost has been recognized immediately in the Statement of Profit and Loss under employee benefits expense.

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	31-03-2026	31-03-2025
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

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 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 is accounted on the basis of invoice or debit note raised by GAIL (India) Limited, and is recognized in the Statement of Profit and Loss.



(iii) Other Long Term Employee Benefit Plan

a) Leave

For KLL cadre employees, the Company provides for earned leave benefit (including compensated absences) and half-pay leave 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 has 3 employees on its payroll as on 31st March, 2026. Liability of Rs.0.46 Crores (PY: Rs.0.43 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	31-03-26	31-03-25
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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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, 2026 and 31 March, 2025:

Particulars	Gratuity		Leave encashment	
	2025-26	2024-25	2025-26	2024-25
Total Service Cost	0.05	0.01	0.03	0.03
Net Interest Cost	0.01	0.01	0.03	0.02
Net actuarial (Gain) / Loss recognized in the year	(0.03)	(0.01)	(0.03)	0.03
Total expenses included in employee benefit expense and OCI	0.04	0.02	0.03	0.08
Actual return on plan assets				

Amount recognised in Other Comprehensive Income for the year ended 31 March, 2026 and 31 March 2025:

Particulars	Gratuity	
	2025-26	2024-25
Actuarial (gain)/ loss on obligations		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.01)	0.01
Experience adjustments	(0.01)	(0.01)
Recognised in other comprehensive income	(0.03)	(0.01)

Changes in the present value of the defined benefit obligation for the year ended 31 March, 2026 and 31 March, 2025 are as follows:

Particulars	Gratuity		Leave encashment	
	2025-26	2024-25	2025-26	2024-25
Benefit obligation at the beginning of the year	0.20	0.17	0.43	0.35
Current service cost	0.05	0.01	0.03	0.03
Interest cost	0.01	0.01	0.03	0.02
Transfer In	-	-	-	-
Benefits paid	-	-	-	-
Actuarial (gain)/ loss on obligations	(0.03)	(0.01)	(0.03)	0.03
Defined benefit obligation at the end of year	0.24	0.20	0.46	0.43

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

Particulars	Gratuity		Leave encashment	
	2025-26	2024-25	2025-26	2024-25
Discount rate (in %)	6.81%	7.15%	6.81%	7.15%
Salary Escalation (in %)	6.50%	6.50%	6.50%	6.50%

A quantitative sensitivity analysis for significant assumption as at 31 March 2026 and 31 March 2025 is as shown below:

Gratuity Plan		31-Mar-26		31-Mar-25	
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)		(0.02)	0.02	(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-26		31-Mar-25	
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)	0.04	(0.03)	0.04
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)		0.04	(0.04)	0.04	(0.03)

History of experience adjustment is as follows:

Particulars	Gratuity		Leave encashment	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Present value of obligation	0.24	0.20	0.46	0.43
Experience adjustments (Gain/(Loss))	(0.03)	(0.01)	(0.03)	0.03

Maturity Profile of Defined Benefit Obligations is as follows:

Year	Gratuity		Leave Encashment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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	0.21	0.17	0.40	0.38



39 Leases

The Company has lease contracts for Tug Boats, GEG, port and leasehold land (including township 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, 2026	March 31, 2025
Opening lease liability	247.31	280.81
Adjustments for:		
Additions	11.62	-
Deletions	-	-
Accretion of interest	17.31	19.16
Foreign Exchange Loss on restatement of lease liabilities	-	-
Payment of lease liabilities during the year	(50.63)	(52.66)
Excess lease liabilities written back	-	-
Closing Lease Liability	<u>225.62</u>	<u>247.31</u>
Current	33.68	27.65
Non Current	191.94	219.66
Total	<u>225.62</u>	<u>247.31</u>

Maturity analysis of Lease Liabilities:

As on 31st March 2026

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Current	8.67	25.01	-	-	33.68
Non Current	-	-	172.81	19.13	191.94
Total	8.67	25.01	172.81	19.13	225.62

As on 31st March 2025

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Current	8.10	19.55	-	-	27.65
Non Current	-	-	160.84	58.82	219.66
Total	8.10	19.55	160.84	58.82	247.31

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 7.20% p.a.(Tug Boats) and 6.70% p.a. (GEG) with maturity between 0 to 11 years.

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets	37.82	39.55
Interest expense on lease liabilities	17.31	19.16
Expense relating to short-term leases (included in other expenses)	-	-
Variable lease payments (included in other expenses)	37.38	34.49
Total amount recognised in profit or loss	<u>92.52</u>	<u>93.21</u>

The total cash outflow for leases during the year:

Principal Portion of lease liability	33.32	33.49
Interest Portion of lease liability	17.31	19.16
Total	<u>50.63</u>	<u>52.66</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.



40 Commitment and Contingent Liabilities

(a) Contingent Liabilities

- 1 During FY 2012-13, Maharashtra Maritime Board (MMB) raised the demand for lease rent for berthing and unloading of LNG ships at the 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, the company has paid lease rent from April 01, 2012, to March 31, 2015, along with interest and requested MMB for a waiver of lease rent from October 06, 2005, to March 31, 2012, amounting to Rs.14.35 crore and interest thereon. Based on the company's request, MMB has declined the waiver of demand during the FY 2018-19. Thus, the company has provided the lease rent payable of Rs. 14.35 crores during FY 2017-18 only and paid the same in 8 installments during FY 2018-19 & FY 2019-20 and requested MMB for a waiver of interest. Since MMB has not informed us of the amount of interest, it is not possible to quantify the same.

A meeting for the waiver of interest and execution of the lease agreement between CEO KLL and the principal secretary (Port) of the Government of Maharashtra, along with CEO MMB, was held on 27.01.2023. Follow-up letter communication dated 12.11.2024 sent to CEO MMB for execution of agreement. Further, a meeting with MMB was held on 10.07.2025 in this regard. However, response from GoM/MMB is still awaited. The financial impact on this account is not ascertainable at this stage.

- 2 The Irrigation Department, Ratnagiri, Maharashtra, has given notice to the Maharashtra Industrial Development Corporation for payment of royalty of Rs. 98.60 crore towards the sweet water supply from the 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 supposed to supply 14 MLD of water to RGPPL free of cost. If RGPPL has to incur any expenditure to MIDC towards the supply of water towards this claim, RGPPL may raise a proportionate claim to KLL for the water supplied to the LNG Terminal. The financial impact on this account is not ascertainable at this stage.
- 3 Dabhol Power Company (DPC) casted Accropodes for the construction of the breakwater were lying at the land located in Usgaon Village for which DPC entered into a lease agreement with villagers. DPC went into liquidation and had left approximately 6,600 accropodes in the land situated in Usgaon village.

In Suit No. 875 of 2002, the Hon'ble Bombay High Court had passed a Consent Order dated 22nd September, 2005, whereby the entire assets of the erstwhile DPC were taken over by the Ratnagiri Gas and Power Pvt. Ltd., including all the said accropodes.

Shri Damaji Yashwant Vaidya and Others, claiming ownership of the land and the accropodes/boulders stored thereon, filed Special Civil Suit No. 142 of 2009 (Old RCS No. 212 of 2006) before the Civil Judge (S.D.), Ratnagiri, seeking declaration of ownership and injunction against RGPPL. By judgment dated 30 August 2014, the Court dismissed the suit with costs, holding that they had no rights over the accropodes/boulders. The plaintiffs have challenged the said judgment by filing appeal before the Hon'ble Bombay High Court. The application was last listed on 18 July 2025, with no updated hearing date as on date and the matter is pending before the Hon'ble Bombay High Court. The financial impact on this account is not ascertainable at this stage.

- 4 RGPPL took over the assets of the erstwhile Dabhol Power Company (DPC) in Oct 2005 free from any past liabilities and encumbrances as per the order of the 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 the High Court, vide its order dated 11.12.2017, has granted a stay till further orders, and the matter is sub judice. KLPL (now KLL) was made a respondent in the court case at Hon'ble Mumbai High Court in November 2018 and had filed a reply on 26.03.2019. The matter will be heard again on 17.06.2019. Now the company is party to this dispute in respect of 17 ex-DPC employees related to the LNG block, and the amount is not ascertainable currently. The company has engaged the services of these 17 ex-DPC employees through a 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 has 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 was listed for hearing on 20.03.2025 and adjourned to 19.06.2025.

The matter was listed for hearing on 26.02.2026 before Hon'ble Bombay High Court, Kolhapur and the Senior Counsel for the Petitioner sought time for argument and adjourned to 12.03.2026 for hearing. The matter was listed on 12.03.2026 for hearing and adjourned to 10.04.2026 with no updated hearing date as on date. The financial impact on this account is not ascertainable at this stage.



Konkan LNG Limited

Notes to Financial Statements for the year ended March 31, 2026

- 5 Prior to the demerger, RGPPL had submitted a bank guarantee amounting to Rs.80 crore to the customs department in terms of CBEC letter no-F.No.574/10/2007-L.C dated 29.03.2012 towards estimated differential customs duty on the import of LNG-related material and interest thereof. RGPPL had provided the liability provisions of Rs.80 crore in the books. In the demerger, the same liability provision of Rs.80 Crore transferred to the company from RGPPL. (Refer to note 28—Current Provisions.). The said bank guarantee is being renewed by RGPPL from time to time.

KLL has already informed the customs department that the issue of duty on capital goods of the LNG plant under restructuring is already decided by the CCEA, and any contrary finalization of the contract at a belated stage in 2023 would be overreaching the decision of the CCEA. KLL has also informed Custom that the issue of payable liability of duty rests only with RGPPL, and if there is any dispute, then the same can only be decided as per the mechanism prescribed in the approved demerger scheme. The subject issue is under process.

Further, an amount of ₹4.25 crores may also have to be incurred by company towards renewal of said BG depending upon the outcome of the mentioned case.

- 6 The company is in receipt of a notice letter dated 12.04.21 from M/s. Deep Industries Limited (DIL), a 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 considers the same as non-tenable. DIL has invoked the provisions for settling the disputes through the arbitration process. Arbitration is in process. Last hearing was conducted on 13.02.2026 and next hearing is scheduled on 02.05.2026.

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

MSEDCL vide 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 the decision thereof will be binding on prospective consumers." An undertaking to this effect shall be obtained from the prospective consumer before the release of the 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, an undertaking was given by KLL. The amount pertaining to KLL is not ascertainable at this stage.

- 8 On 21.11.2018, the company issued 10% Compulsorily Cumulative Convertible Preference Shares (CCCPS) amounting to Rs.252 crore divided into 25,20,03,718 shares of par value of Rs.10 and fully paid up to GAIL (India) Limited. 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 the board recommends dividend to shareholders, then KLL shall be liable to pay a dividend @10% per annum on the paid-up portion on a cumulative basis since the issuance of shares, subject to the approval of shareholders. As on 31.03.2026, the cumulative dividend on CCCPS @10% on the paid-up portion is Rs. 179.60 crores (PY: Rs.154.40 Crores).

- 9 For FY 2020-21, GST Department vide order dated 27.02.2025 had issued a demand order u/s. 73 (9) of the CGST Act, 2017 for 2 points amounting to Rs. 21,26,354/-. The company has accepted the one point and accordingly deposited the demand amount of Rs. 45,690/-. The balance demand of Rs.20,80,664/- is a matter under dispute. The company has filed an appeal against the subject order before the Hon'ble First Appellate Authority by depositing 10% of the tax amount on 24.05.2025. The said appeal has been admitted by the first appellate authority and hearing in this case is expected to be held in due course of time.



Konkan LNG Limited

Notes to Financial Statements for the year ended March 31, 2026

- 10 During FY 2017-18, Leaschold land had been transferred to Konkan LNG Limited from Ratnagiri Gas and Power Pvt. Ltd. (RGPPL). However, transfer of land in the name of Company from RGPPL is pending in the records of Maharashtra Industrial Development Corporation. RGPPL has raised a invoice on company for Gram Panchayat Tax from FY 2018-2019 to FY 2021-22 pertaining to Company and the same has been duly accounted in the books.

As per the provisions of The Maharashtra Village Panchayats Act, the Gram Panchayat (s) of Anjanvel, Veldur and Ranvi levied a Gram Panchayat Tax of Rs. 2.02 crore on Ratnagiri Gas and Power Private Ltd (RGPPL) for FY 2021-22.

RGPPL filed appeal against the above demand before Panchayat Samiti Guhagar (first appellate authority). The said demand was rejected by the first appellate authority. RGPPL filed appeal before Zila Parishad Ratnagiri (second appellate authority) against the order of first appellate authority. The second appeal was also rejected by the Zila Parishad Ratnagiri. RGPPL filed appeal before the Hon'ble Bombay High Court against the orders passed by the Zila Parishad Ratnagiri in the subject matter and the matter is sub-judice as on date.

Similar demands have been received by RGPPL from the Gram Panchayat(s) of Anjanvel, Veldur and Ranvi of Rs.2.02 Crores for FY 2022-23, Rs.2.50 Crores for FY 2023-24. Appeal (s) have been filed by RGPPL before Panchayat Samiti Guhagar against the Tax Demand(s) for FY 2022-23 and FY 2023-24. Further, RGPPL has also received demand from Gram Panchayat(s) of Anjanwel, Veldur and Ranvi of Rs.2.50 crore for FY 2024-25 and penalty of Rs. 0.36 crore for the FY 2022-23 and FY 2023-24.

The company has not received any demand from the respective Gram Panchayat(s) directly as the land in possession of the company is in the names of RGPPL. However, depending upon the outcome of appeal filed by RGPPL before the Hon'ble Bombay High Court in this matter, RGPPL may claim proportionate demand of Gram Panchayat Tax of Rs.2.79 Crores (including penalty) from the company in the ratio of land in possession of the company.

11 Commitments

Estimated amount of contracts (Inclusive of Taxes & Net of Advances) remaining to be executed on Capital account as on 31st March 2026 is Rs. 281.95 crore (PY: Rs. 117.87 crore)



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

41 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
Shri Sashi Menon	Non-Executive Director (w.e.f. 28.04.2021 till 30.06.2025)
Smt. Jyoti Dua	Non-Executive Director
Shri A K Tripathi	Non executive Director
Shri Prasoon Kumar	Non executive Director
Shri Pankaj Bhutani	Additional Director (w.e.f 14.07.2025)
Shri Yogesh Madhukar Gadkari	Non-executive Director (w.e.f 13.08.2025)
Shri Tony Mathew	Chief Executive Officer (w.e.f. 30.04.2022 till 15.04.2025)
Shri Rajesh	Chief Executive Officer (w.e.f. 16.04.2025)
Shri Dharmendra Babulalji Thakur	Chief Financial Officer (w.e.f. 02.08.2021 till 26.07.2025)
Shri Amit Sharma	Chief Financial Officer (w.e.f. 26.07.2025)
Ms Nidhi Gola	Company Secretary

(II) Related party transactions

(i) Remuneration to the key management personnel is Rs.2.65 Crore (Previous Year Rs.2.46 Crore) and amount of dues outstanding as on 31st March 2026 are Nil (Previous Year - Nil)

	(₹ in Crore)	
Remuneration to key management personnel*	FY 2025-26	FY 2024-25
Shri Tony Mathew	0.15	1.05
Shri Rajesh	1.13	-
Shri Dharmendra Babulalji Thakur	0.44	1.00
Shri Amit Sharma	0.51	-
Smt Nidhi Gola	0.41	0.41

* Remuneration has not been directly paid by the company to the respective individuals but has been reimbursed (including GST) to GAIL (India) Limited as 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	FY 2025-26	FY 2024-25
GAIL (India) Limited	Salary and other benefits of employees on secondment	30.58	27.89
	Owners Engineer	1.36	4.91
	MS Team Licence	0.01	0.04
	Purchase of Service (Calibration)	-	0.24
	LNG Sale	81.09	300.00
	Revenue from regasification and TLF*	626.12	478.24
	Inter Corporate Loan availed	50.00	200.00
	Interest on loan	403.10	397.67

* Includes Rs 60.09 Crore (PY: Rs 47.58 Crore) on account of Non-cash consideration accounted for in pursuant to IndAS-115.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

III) Outstanding balances with related parties are as follows:

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Amount recoverable other than loans		
- From GAIL (India) Limited	16.14	26.62
Amount payable other than loans		
- To GAIL (India) Limited (Deputation of employees)	2.86	2.14
- To GAIL (India) Limited (MS Team Licence)	-	0.04
- To GAIL (India) Limited (Project)	0.14	0.47
- To GAIL (India) Limited (Interest On Loan)	663.44	507.73
Amount payable as loan		
- To GAIL (India) Limited	4,263.07	4,213.07

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

The transactions carried out with the related parties during the existence of related party relationship as per Ind AS 24 are in the ordinary course of business.

V) Loans or Advances in the nature of loans:

Particulars	March 31, 2026		March 31, 2025	
	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	-	-	-	-



42 Segment Information

The company is operating in the single operating segment i.e. Natural Gas Business. Accordingly, there is only one Reportable Segment for the Company which is "Natural Gas Business".

All the business operations of the company are in India. Accordingly, revenue from customers and all assets are located in India only.

Information about major customers: During the year ended 31st March, 2026, one customer (PY: One) has contributed more than 10% of revenue i.e., GAIL (India) Ltd which is our promoter company as well. Further, there is no other customer of the company who contribute more than 10% of the revenue.

43 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.

1. b) Pursuant to this debt resolution plan:

(i). GAIL lent 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). In addition to above, GAIL also novated loan of Rs.1113.07 Crores (i.e. Rs.3,813.07 crore less Rs.2,700 crore) to the company.

(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 In FY 2022-23, KLL restructured its ICL II loans with GAIL. As per restructuring of loan agreement, 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.

3 The company has signed the new loan agreement i.e., ICL III dated 22.12.2023 for availing Rs. 700 crores for carrying out major Capital Expenditure such as Break water Project, Ambient Air Heating System, Captive Power Plant, Overhauling of Unloading Arm etc

4 In FY 2024-25, company again restructured its ICL I and ICL II loans with GAIL.

ICL-I

Principal repayment has been rescheduled from 31.03.2025 to 31.03.2027 without any change in total repayment time period. There is no change in other terms and conditions of the loan agreement.

ICL-II

Payment of interest which was payable from 01.04.2025 has been rescheduled to 01.04.2027. Further, the payment of accumulated interest of up to 31.03.2025 also has been rescheduled to 31.03.2027. Also, quarterly repayment of accrued interest has been deferred from 31.12.2025 to 31.12.2027. There is no change in other terms and conditions of the loan agreement.



Konkan LNG Limited**Notes to Financial Statements for the year ended March 31, 2026**

- 5 In FY 2025-26, company once again restructured its ICL I and ICL II loans with GAIL.

ICL-I & II:

- a) The interest rate has been revised from 1-Year SBI MCLR + 0.20% p.a. (effective rate ~9.20%) to RBI Repo Rate + 1.20% p.a. (effective rate ~6.45%) with effect from January 1, 2026.
b) The revised interest rate shall be reset dynamically based on changes in the RBI Repo Rate and will be applicable from the beginning of the subsequent month after such revision.
c) Earlier, the interest rate was reset annually at the beginning of each financial year.
d) The change in interest rate has resulted in saving of Rs. 29.97 crores during Q4 FY 2025-26.

ICL-III:

- a) The timeline for loan disbursement has been extended from March 31, 2026 to March 31, 2027.
b) The moratorium period for interest payment has been extended up to March 31, 2027 (earlier March 31, 2026).
c) The first interest payment is now due on April 30, 2027 instead of April 30, 2026.
d) Interest accrued up to March 31, 2027 shall be repaid in 8 equal quarterly installments from December 31, 2027 to September 30, 2029 (earlier December 31, 2026 to September 30, 2028).

There are no other changes in the terms and conditions of the respective loan agreements.

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

	(₹ in Crore)	
	31 March 2026	31 March 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	3.93	2.13
-Interest due on above	-	-
	<u>3.93</u>	<u>2.13</u>



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

The company has carried out the impairment study of its assets 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 14.50% on projected cash flows of remaining contract life.

Based on the analysis of independent expert, there is no impairment of assets of the company.

Valuation assumptions:

- Contract life of 25 years is ending in 2037
- Breakwater work is capitalised in May 2025
- Annual escalation of tariff has been considered at 5%
- The projected capacity utilization of the Company has been considered at 40% for FY 2026-27. Thereafter, upon commissioning of the new facility, the utilization is expected to increase progressively and is estimated at approximately 81% (equivalent to around 81 cargoes per annum) from FY 2031-32 onwards, based on the management's current business projections and anticipated operational capacity.
- Tax rate has been considered @25.168%

46 Going Concern

The financial statements of the Company have been prepared on a going concern basis. While the Company's net worth stands eroded as at the reporting date, management has assessed the Company's ability to continue as a going concern after considering, inter alia, the long-term business plans of the Company, expected operational performance and cash flows, continued support from GAIL (India) Limited, including assistance provided in restructuring debt obligations during the year, and the confirmed and committed financial support from GAIL (India) Limited to enable the Company to meet its financial and operational obligations as they fall due.

Management has also reviewed detailed cash flow projections covering a period of at least twelve months from the reporting date while performing the going concern assessment.

Based on the aforesaid assessment and considering the mitigating factors referred to below, management is of the view that the Company will be able to continue its operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, notwithstanding the erosion of its net worth as at the reporting date.

Accordingly, management has concluded that the use of the going concern basis of accounting is appropriate in the preparation of these financial statements and that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

- i) Long-term regasification agreement with GAIL (India) Ltd., which is valid up to 31st March 2037.
- ii) The Breakwater project was capitalised on 22.05.2025, which enabled the successful berthing of eight cargoes in the monsoon period, vis-à-vis nil cargoes during the previous year's monsoon period.
- iii) The company is executing several capital projects, namely AAHS, EHV, TLF, and two additional bays, etc., enabling the company to optimally use the plant capacity.
- (iv) Debt restructuring of ICL-1 & ICL-2 w.r.t interest rate reduction, which would result in a significant reduction of finance cost w.e.f 01.01.2026.

47 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.



48 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, 2026 and March 31, 2025 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2026:

(₹ in Crore)

Particulars	Carrying amount 31 March 2026	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Loan to employees	1.74	-	-	1.74
Interest accrued on loan to employees	0.25	-	-	0.25
Security Deposits	3.16	-	-	3.16
Total	5.15	-	-	5.15
Financial liabilities measured at fair value:				
Borrowings	4,228.07	-	-	4,228.07
Interest accrued on borrowings-Related Party	667.24	-	-	667.24
Financial Liabilities	98.54	-	-	98.54
Total	4,993.85	-	-	4,993.85

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2026

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2025:

(₹ in Crore)

Particulars	Carrying amount 31 March 2025	Fair value		
		Level 1	Level 2	Level 3
Financial assets measured at fair value:				
Loan to employees	1.67	-	-	1.67
Interest accrued on loan to employees	0.12	-	-	0.12
Security Deposits	2.38	-	-	2.38
Total	4.17	-	-	4.17
Financial liabilities measured at fair value:				
Borrowings	4,213.07	-	-	4,213.07
Interest accrued on borrowings-Related Party	507.73	-	-	507.73
Financial Liabilities	62.20	-	-	62.20
Total	4,783.00	-	-	4,783.00

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2025



49 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 ICL-I, ICL-II & ICL III as at March 31, 2026, and March 31, 2025, carry floating interest rates that are reset upon change of the repo rate of the RBI; hence, the 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)
31-Mar-26		
INR	10.00	4.90
INR	(10.00)	(4.90)
31-Mar-25		
INR	10.00	4.61
INR	(10.00)	(4.61)

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, if required. 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.



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

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

(₹ in Crore)

As at 31 March 2026	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	35.00	3,965.00	263.07	4,213.07
Borrowings Interest Accrued but not due	-	663.44	-	663.44
Other Payables	-	-	-	-
Lease Liability	33.68	172.81	19.13	225.62
Payable for Capital Expenditure	79.12	-	-	79.12
Deposits from Customers/Contractors/suppliers	16.55	3.80	-	20.36
Trade payables	37.29	-	-	37.29
Bank overdraft	-	-	-	-
Total	201.64	4,805.05	282.20	5,238.89

As at 31 March 2025	0 to 1 year	1 to 5 years	> 5 years	Total
Borrowings Principal	-	2,370.00	1,843.07	4,213.07
Borrowings Interest Accrued but not due	-	507.73	-	507.73
Other Payables	2.24	-	-	2.24
Lease Liability	27.65	160.84	58.82	247.31
Payable for Capital Expenditure	46.38	-	-	46.38
Deposits from Customers/Contractors/suppliers	13.58	-	-	13.58
Trade payables	33.78	-	-	33.78
Bank overdraft	-	-	-	-
Total	123.63	3,038.57	1,901.89	5,064.10

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 2026 and for the comparative year ended 31st March 2025.

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 cash and cash equivalents are held with public sector bank and leading private sector Banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.



50 Ratios

Sl. No.	Particulars	Particulars	31-Mar-26	31-Mar-25	% variance Increase/ (Decrease)	Reason for variance
1	Current Ratio	a) Current assets	770.59	794.20	-29.38%	The decrease in the ratio is primarily attributable to an increase in current liabilities, driven by higher CAPEX liabilities and the regrouping of Inter-Company Loan 1 (ICL) from non-current to current liabilities.
		b) Current liabilities	290.54	211.48		
		Current Ratio	2.65	3.76		
2	Debt-Equity Ratio	a) Total Debt	4263.07	4213.07	-642.85%	The decrease in ratio is mainly due to a decrease in total equity and also an increase in total debt. Total debt has increased due to the avilment of a new loan. Total equity has decreased due to a decrease in other equity because of a loss in the current FY.
		b) Total Equity	-37.21	199.62		
		Debt-Equity Ratio	-114.57	21.11		
3	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.	359.99	196.90	74.91%	The ratio has increased primarily due to higher EBITDA, driven by the absence of an impairment loss reversal in the current period compared to the previous period.
		Debt service = Interest & Lease Payments + Principal Repayments	407.80	390.14		
		Debt Service Coverage Ratio	0.88	0.50		
4	Return on Equity Ratio	Net Profits after taxes - Preference Dividend (if any)	-236.85	-125.11	1115.68%	The ratio has increased mainly due to a decrease in PAT, as there is no impairment reversal compared to previous year, along with a reduction in shareholders' equity due to the current year's loss
		Shareholder's Equity	-37.21	199.62		
		Return on Equity Ratio	6.37	-0.63		
5	Inventory turnover ratio	Cost of goods sold OR sales	710.45	778.24	61.15%	The increase in ratio is mainly due to an increase in revenue and a decrease in average accounts inventories due to the sale of LNG.
		Average Inventory Average inventory is (Opening + Closing balance / 2)	210.54	371.66		
		Inventory turnover ratio	3.37	2.09		
6	Trade Receivables turnover ratio	Net Credit Sales	710.45	778.24	1.56%	The increase in ratio is mainly due to an increase in revenue and a decrease in average accounts receivable.
		Avg. Accounts Receivable Average trade debtors = (Opening + Closing balance / 2)	21.38	23.79		
		Trade Receivables turnover ratio	33.23	32.72		
7	Trade payables turnover ratio	Net Credit Purchases	301.12	261.43	19.25%	The increase in ratio is mainly due to a increase in net credit purchases and an increase in average accounts payable.
		Average Trade Payables Average trade payable = (Opening + Closing balance / 2)	35.54	36.79		
		Trade payables turnover ratio	8.47	7.11		
8	Net capital turnover ratio	Net Sales	710.45	778.24	10.81%	The increase in ratio is mainly due to an increase in revenue and corresponding decrease in working capital.
		Working Capital	480.05	582.73		
		Net capital turnover ratio	1.48	1.34		
9	Net profit ratio	Net profit after tax	-236.85	-125.11	-107.39%	The decrease in ratio is mainly due to an decrease in PAT, as there is no impairment reversal compared to last year, and also due to an increase in revenue.
		Net Sales	710.45	778.24		
		Net profit ratio	-0.33	-0.16		
10	Return on Capital employed	Earning before interest and taxes	132.76	217.44	-36.24%	The decrease in ratio is mainly due to an decrease in EBIT, as there is no impairment reversal compared to last year and corresponding decrease in capital employed.
		Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4225.86	4412.69		
		Return on Capital employed	3.14	4.93		



Konkan LNG Limited
Notes to Financial Statements for the year ended March 31, 2026

51 Trade Receivables ageing schedule

(₹ in Crore)

Particulars	As at March 31, 2026 - Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	16.14	-	-	-	-	-	16.14
(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	-	-	-	-	-	-	-
Total	16.14	-	-	-	-	-	16.14

(₹ in Crore)

Particulars	As at March 31, 2025 - Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	26.62	-	-	-	-	-	26.62
(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	-	-	-	-	-	-	-
Total	26.62	-	-	-	-	-	26.62

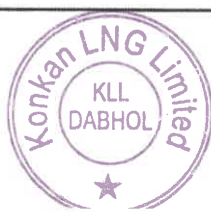
52 Trade Payables ageing schedule

(₹ in Crore)

Particulars	As at March 31, 2026- Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.87	0.06	-	-	-	3.93
(ii) Others	29.51	0.88	-	0.21	2.44	33.05
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.31	0.31
Total	33.38	0.95	-	0.21	2.75	37.29

(₹ in Crore)

Particulars	As at March 31, 2025- Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.09	-	0.02	0.03	-	2.13
(ii) Others	22.79	0.00	4.91	0.00	3.64	31.34
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	0.31	0.31
Total	24.88	0.00	4.93	0.03	3.95	33.78



53 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 2022-23, 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, 2026	March 31, 2025
(i) amount required to be spent by the company during the year	0.44	0.48
(ii) interest earned on unspent CSR funds during the year	(0.00)	0.03
(iii) amount of expenditure incurred	-	-
(iv) Amount Transferred to Special Account u/s 135(6)	0.44	0.06
(v) shortfall/(excess) for the year	-	0.44
(vi) total of previous years shortfall	-	-
(vii) shortfall at the end of the year	-	0.44
(viii) reason for shortfall	(refer note a)	(refer note a)
(ix) nature of CSR activities - Collector Office Ratnagiri	-	-
Total amount spent	0.00	0.00

Note:

- a) The KLL Board has approved CSR Fund Allocation of ₹1.17 Crores along with the Annual CSR Action Plan FY 2022-23, comprising two projects proposed by District Collector, Ratnagiri Dist., viz. 1) Providing medical equipment in Regional Mental Hospital Ratnagiri and Civil Hospital, Ratnagiri, with a fund of ₹68.90 lakhs for FY 2022-23 and 2) providing help for the major repairing project of Zilla Parishad Primary Schools in Ratnagiri Dist. with a fund of ₹46.00 lakhs for FY 2022-23 and 2023-24 and ₹2.10 lakhs for other CSR projects.

During the FY 2022-23, the CSR project on providing medical equipment was not implemented, and funds were made available for the FY 2023-24, and the project was executed as of 31.03.2024, and ₹40,079/- was unutilized in the project by the agency, and the amount was transferred to the Prime Minister's National Relief Fund on 28.03.2025. Also, an amount of ₹ 6,01,756, which was earned from CSR fund deposits, has been transferred to the Prime Minister's National Relief Fund on 28.03.2025.

An amount of ₹4.60 lakhs was released under the CSR Project on providing help for major repair works of ZPP Schools; however, the project was not executed by District Administration as on 31.03.2024 and proposed a new project having the same financial implication of ₹46.00 lakhs. As the project was not executed by District Administration, the refund of ₹4.60 lakhs was sought by KLL.

Due to non-execution of the Project of Zilla Parishad Primary Schools in Ratnagiri Dist. by the Collector Office, the Ratnagiri KLL Board has dropped the above-approved CSR Project for FY 2023-24 and additional CSR Projects for FY 2024-25 comprising the project on 'Development of two Smart Schools' with a fund of ₹46.00 lakhs as proposed by the District Administration was approved. However, this project was also not executed by District Administration as on 31.03.2025.

In compliance with the provisions of the Companies Act, 2013, the unutilized CSR amount of ₹41.40 lakhs was transferred to the PM National Relief Fund on 24.04.2025. Further, interest of ₹2.57 lakhs accrued on the said amount was also remitted to the Fund on 28.04.2025.

Additionally, a refund of ₹4.60 lakhs has been sought from the District Administration, Ratnagiri vide letters dated 11.08.2025, 24.12.2025, 12.02.2026, and 16.03.2026, and the same shall be transferred to the PM National Relief Fund upon receipt.



54 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 probable future taxable profits will be available in subsequent years. The company has considered following favourable evidence to conclude that sufficient probable taxable profits would be available to absorb deferred tax in future periods:

- i) Long term regasification agreement with GAIL (India) Ltd. which is valid upto 31st March 2037.
- ii) The project for completion of the breakwater works was successfully commissioned on 12.04.2025. Subsequently, the port received approval from the Directorate General of Shipping (MMB) to operate as an all-weather port with effect from 22.05.2025. During the monsoon period from June to September 2025, eight cargo vessels were successfully berthed, as against none during the corresponding period of the previous year.
- iii) EIL has been appointed to execute/award the ambient air heating contract; the same is expected to be completed by March 2027. Also, the captive power plant/Extra High Voltage (EHV) is under progress and expected to be completed by March 2028. This will result in increasing LNG regasification send-out.
- iv) 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 decreased in FY 2022-23, FY 2023-24, FY 2024-25 and FY 2025-26 due to operational hindrances caused by the external factors. The long-term view of higher performance is intact.

On the basis of the above facts and favorable evidence, the company has recognized deferred tax at the reporting date in accordance with IND AS 12: 'Income Taxes'.

55 Payment of Live Arrear to MSEDCL

As per the letter received from MSEDCL, there are pending live arrears of Rs. 4.56 crores, out of which KLL has paid Rs. 1.35 crore. As per the PPA dated 10.04.2007 signed between MSEDCL and RGPPL, MSEDCL was to bear the power charges related to the water supply of the Shiral pump house. The said PPA is valid up to 19.05.2032, which was discontinued by M/s MSEDCL. The reason for the same is not known to KLL. The dispute (of live arrears) is related to the PPA and power-generating company, which is still in existence under the same name (i.e., RGPPL). MSEDCL, in their proposal dated 25.05.2022, informed that for new power supply connections, outstanding arrears shall be recovered proportionately considering the area allocated after the demerger. The condition is to be followed for the release of a new connection. For getting a new connection, outstanding arrears till April 2022 proportionate to KLL's share were paid under protest. Numerous visits were made to the office of SE, MSEDCL (Ratnagiri), for discussion and resolution of live arrears. Further, during the visit of the new SE, MSEDCL-Ratnagiri circle at KLL on 25.09.2023, the point of live arrears was discussed. Subsequently, the follow-up meeting were held at the SE office on 09.11.2023. The company had requested SE-MSEDCL, Ratnagiri, through letters dated 22.04.2024, 06.06.2024, 19.09.2024, 04.03.2025, 15.05.2025 and 22.07.2025 for early resolution of live arrears.

56 Payment towards Sub division of Land to MIDC

RGPPL had filed an application with Maharashtra Industrial Development Corporation (MIDC) for the subdivision of the plot in favor of the company, in view of the demerger as per the NCLAT order dated 28.02.2018. In response to the said application, the following demands are raised by MIDC vide their letter dated 29.10.2020 to RGPPL.

- i) Rs. 0.80 Crs towards differential premium for subdivision 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 the demand as per Sl. No. (ii) vide their letter dated 21.12.2020.

Company 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.

Company received a demand from MIDC vide letter no. MIDC/ ROR/ DBL/ A-I/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, an amount of Rs 3,49,64,208/- was paid, and a land subdivision order was received on 28.03.2022. It was one of the prerequisites of getting a 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.

Company vide letters dated 25.05.2024, 28.10.2024, 27.12.2024, 06.05.2025, 11.06.2025, 04.07.2025, 27.09.2025, 24.10.2025, 07.11.2025, 19.12.2025, 09.02.2026 and 04.03.2026 have followed up with RGPPL to sign the Deed of Assignment.



57 Custom duty claim

"During commissioning of the LNG terminal in 2012, LNGC Excelerate was called onto KLL's (erstwhile RGPPL) LNG Dabhol Port by GAIL (INDIA) LTD under the agreement with M/s. Excelerate Energy, USA for commissioning of the LNG terminal. RGPPL had an agreement with GAIL to purchase 1,960,086 MMBTU of LNG from the said vessel on high sea sale basis. However, due to some technical challenges during commissioning of LNG terminal the entire LNG was not unloaded at KLL (erstwhile RGPPL) terminal. Customs duty was paid according to the total volume of LNGC. Since, only partial quantity was unloaded the remaining custom duty was reworked and refund of Rs. 3.06 Crores was claimed from AC Customs, Dapoli. AC Customs passed an order dated 26.11.2013 for refund of the said claim and directed for crediting the said amount in the Consumer Welfare fund. An appeal to the said order was made to Commissioner (Appeal), Customs Goa. Commissioner (Appeal) modified the order dated 19.08.2014 and allowed for the refund of Rs. 30,39,991/- but upheld the order for crediting the balance Rs. 2,75,99,349/- to the Consumer Welfare Fund.

An appeal was made to CESTAT Mumbai for the refund of balance amount of Rs. 2, 75, 99,349/-. Vide appeal no. 90054 of 2014. The final hearing was held on 08.08.2024 and the final order was passed by authority dated 09.12.2024 in which the "impugned order is set aside and the appeal is allowed by way of remand for fresh adjudication of the case by the learned Commissioner (Appeals). KLL has filed a request letter dated 30.01.2025 to commissioner (appeals) customs, Pune for granting the opportunity for personal hearing on case. Further, on 20.03.2025 KLL has visited and submitted hard copy documents to commissioner customs and received the acknowledgement.

The company has received the favourable order from Commissioner of Customs (Appeal), Pune vide order 15.12.2025. Further, refund application has also filed by the company before Assistant Commissioner of Customs, Dapoli vide application dated 21.03.2026 and the refund is expected in due course of time.

58 Sale of RLNG

On 30 October 2025, Konkan LNG Limited entered into an agreement with GAIL (India) Limited for the sale of 7,80,000 MMBTU of RLNG inventory at the "Platts WIM price". As per the terms of the agreement, 3,90,000 MMBTU was sold in October 2025 and 3,90,000 MMBTU in November 2025. The Company raised invoices for the respective quantities at the end of each month in accordance with the agreed pricing mechanism. The sale has been completed, and the consideration has been fully realized. The impact of the said transaction has been duly accounted for in the financial statements.

59 ITC on Breakwater

KLL becomes non-operative during the monsoon season for around 5 months, i.e., from May to September, and has been non-operative during this period due to heavy swell in the ocean and bad weather conditions, as there is no breakwater wall to facilitate the operation during the monsoon period. It is to be noted that the entire plant and associated equipment, including Breakwater, are designed for a total terminal capacity of 5 MMTPA. The contract for construction of the breakwater wall was awarded to Larsen & Turbo for an order value of Rs. 737.60 crores plus GST ITC of Rs. 132.77 crores. KLL filed an application for determination of its eligibility to take the input tax credit in terms of section 16 read with section 17 of CGST/SGST/IGST paid/to be paid to various contractors/vendors under the Breakwater project. The order of the Authority of Advance Ruling (AAR) dated 24.05.2019, the Appellate Authority for Advance Ruling (AAAR) dated 06.11.2019, and the Hon'ble Bombay High Court dated 04.07.2024 has disallowed the eligibility of ITC on the breakwater project.

Further, after referring to the judgment of the Hon'ble Supreme Court of India in the case of M/s Safari Retreat Private Ltd. and discussion with Advocates, KLL has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India vide appeal No. 847 of 2025. After various hearings, the Hon'ble Supreme Court of India has passed a final order dated 17.02.2025 stating, "We set aside the impugned judgment dated 28th June, 2024, and restore Writ Petition No. 313 of 2021 to the file of the High Court of Judicature at Bombay to enable the High Court to make adjudication in terms of the decision in the case of M/s Safari Retreats Private Ltd. (supra) and what is observed in paragraph Nos. 66 and 67 thereof. The appeal is accordingly allowed." Accordingly, KLL has filed the case in Bombay High Court for eligibility to take the input tax credit on the Breakwater construction project. The hearing was held on 10.06.2025 before Hon'ble Bombay High Court, where the matter was remanded back to AAR and hearing was scheduled on 15.10.2025 before AAR. AAR has passed the order vide dated 18.12.2025 where the said authority has denied the eligibility for availing ITC on breakwater. An appeal against the AAR order was filed by the company before AAAR vide letter dated 23.01.2026. The hearing date is awaited.

As per the legal opinion obtained regarding the eligibility of GST Input Tax Credit (ITC) on the Breakwater Project, an amount of Rs 129.98 crore, which includes unclaimed GST ITC of Rs 63.17 crore has not been availed in GSTR and has been accounted for as 'GST Receivable' in the books of accounts at the time of capitalisation of the asset.

60 Accounting and Valuation of leftover LNG:

The company is recognizing leftover LNG from "Allowed Loss & Consumption of 0.66%" as revenue in terms of the regasification agreement with GAIL and correspondingly recognizing 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. The rate considered for the purpose of valuation is the "Platts VIM" rate.



61 Reduction of Equity Share Capital

During the year, the Company initiated the process of reduction of its equity share capital in accordance with the provisions of the Companies Act, 2013

The Board of Directors, in its meeting held on 28 October 2024, approved the proposal for reduction of equity share capital comprising 74,055,220 equity shares of ₹10 each held by GAIL (India) Limited and MSEB Holding Company Limited, subject to necessary approvals

Subsequently, the shareholders of the Company, at the Extra-Ordinary General Meeting held on 11 April 2025, approved the aforesaid reduction of equity share capital by passing the requisite resolution.

The Company thereafter filed a petition with the Hon'ble National Company Law Tribunal (NCLT) on 13 June 2025 seeking its approval for the proposed reduction of share capital. The matter has been heard from time to time, and necessary directions have been complied with, including issuance of notices to creditors, regulatory authorities, and publication requirements.

As at 31 March 2026, the approval of the Hon'ble NCLT is pending, and accordingly, no accounting effect has been given in the financial statements in respect of the proposed reduction of equity share capital.

The Company will give effect to the reduction of share capital upon receipt of the final order from the Hon'ble NCLT and completion of other statutory formalities, if any.

- 62** The Department of Investment and Public Asset Management, Ministry of Finance, vide Office Memorandum No. F.No.5/2016-Policy dated 18.11.2024, has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs), which, inter alia, cover provisions relating to the payment of dividends. However, the Company has not declared any dividend for the period under consideration due to the losses incurred during the year.

63 Social Security Code:

The government of India notified four labour code namely - The code on wages, 2019, The industrial relation code, 2020, The code on social security, 2020, and the occupational safety, health and working condition code, 2020, collectively referred to as the "New Labour codes", consolidating 29 existing labour laws. The new labour code have been made effective from November 21, 2025. The Ministry of Labour & Employment has published draft Central rules and FAQs to enable assessment of financial impact due to change in regulations arising from these regulatory changes. The company continues to monitor the finalisation of Central and State rules and clarification from the Government on the new labour code. Based on same, the company will evaluate impact, if any, on the measurement of employee benefit expenses and would provide appropriate accounting treatment.

64 Additional Regulatory Information:

- 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.



Konkan LNG Limited

Notes to Financial Statements for the year ended March 31, 2026

- 65 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.
- 66 Events occurring after the balance sheet date. The company evaluates material events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As on date, there are no material subsequent events to be recognized or reported that has not already been stated.
- 67 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

Jyoti Daa
Jyoti Daa
(Director)
(DIN-06904550)

Pankaj Bhutani
Pankaj Bhutani
(Director)
(DIN-11193276)

A. Patil
Amit Patil
Partner
Membership No. - 126102



Amit Sharma
Amit Sharma
(Chief Financial Officer)

Rajesh
Rajesh
(Chief Executive Officer)

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

Place: Kolhapur

Date: 16/05/2026

Place: New Delhi

Date:

