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

(All amounts are in Rupees lac, unless otherwise stated)

Nature and purpose of other reserves

General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

In terms of our report of even date

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of **Petronet LNG Limited**

Sd/-
Hitesh Garg
Partner
Membership No - 502955

Sd/-
Akshay Kumar Singh
Managing Director & CEO
DIN:03579974

Sd/-
Vinod Kumar Mishra
Director (Finance)
DIN: 08125144

Place : New Delhi
Date : 8 June 2021

Sd/-
Rajan Kapur
Vice President -Company Secretary
Membership No - A10674

Notes to the standalone financial statements for the year ended 31 March 2021

1. Reporting Entity

Petronet LNG Limited referred to as “PLL” or “the Company” is domiciled in India. The Company’s registered office is at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi – 110001.

The Company was formed by Bharat Petroleum Corporation Limited (‘BPCL’), GAIL (India) Limited (‘GAIL’), Indian Oil Corporation Limited (‘IOCL’) and Oil and Natural Gas Corporation Limited (‘ONGC’) primarily to develop, design, construct, own and operate a Liquefied Natural Gas (‘LNG’) import and regasification terminals in India. PLL was incorporated on 2 April 1998 under the Companies Act, 1956 and received certificate of commencement of business on 1 June 1998. The Company is involved in the business of import and regasification of LNG and supply to BPCL, GAIL, IOCL and others. Presently, the Company owns and operates LNG Regasification Terminal with name plate capacity of 17.5 MMTPA at Dahej, in the State of Gujarat and 5 MMTPA at Kochi, in the State of Kerala.

2. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

i. Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (‘Ind AS’), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; and by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

These financial statements were authorised for issue by the Board of Directors on 8 June' 2021.

ii. Basis of measurement

The financial statements have been prepared on a historical cost basis except the following items, which are measured on alternative basis on each reporting date:

- Certain financial assets (including derivative instruments) that are measured at fair value
- Defined benefit liabilities/(assets): fair value of plan assets less present value of defined benefit obligation

iii. Functional and presentation currency

These financial statements are presented in the Indian Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest lac, unless otherwise indicated.

iv. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Judgements

Information about the judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements have been given below:

- Leases: Whether an arrangement qualifies as a lease under Ind AS 116 and in assessment of the lease term and discount rate. Judgement in exercised for assessing the lease term in arrangements where the option to extend or to terminate the lease exist. While doing so, the facts and circumstances are considered to decide economic merits and certainty of exercising an option.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Notes to the standalone financial statements for the year ended 31 March 2021

- Identification of distinct performance obligation based on assessment of the products and services in the contract and based on certain factors, determining point of satisfaction of the obligation whether it is at a specific point or over a period.
- Transaction Price determination: Transaction price could be fixed or variable with indexed based escalations. Transaction price is not adjusted for the time value of money in the case where advances are received from customers to secure long term contracts.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31 March 2021 is included below:

- Impairment test: Estimates used for impairment of property, plant and equipment of separate cash generating unit, key assumptions underlying recoverable amounts:
- Useful life of property, plant & equipment
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Estimation of defined benefit obligation
- Estimation of current tax and deferred tax expense
- Estimation of Expected credit loss on trade receivables

v. Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

On transition to the Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on fixed assets is calculated on Straight Line Method (SLM) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013. Useful life of the assets required to be transferred under Concession Agreement have been restricted up to the end of Concession Agreement.

Cost of leasehold land is amortized over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

vi. Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software/Licenses is considered as 3 years.

Notes to the standalone financial statements for the year ended 31 March 2021

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

vii. 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. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps, currency options and embedded derivatives in the host contract.

A. Financial Assets

(a) Initial recognition and measurement

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

(b) Subsequent measurement and Classifications

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a period, for other basic lending risks, costs (e.g. liquidity risk and administrative costs), and profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition

(i) Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

(ii) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

(iii) Financial Assets at Fair Value through Profit and Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of the profit and loss.

(iv)Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per the Ind AS 27 -Separate Financial Statements.

Impairment of investments:

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group 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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in the OCI is recognised in profit or loss.

(d) Impairment of financial assets

The Company assesses the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to the standalone financial statements for the year ended 31 March 2021

With regard to trade receivable, the Company applies the simplified approach as permitted by the Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition.

(B) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss or amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of amortised cost, net of directly attributable transaction costs.

(b) Subsequent measurement

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

(i) Financial Liabilities measured at amortised cost

After the initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(ii) 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.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in the 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 the P&L. However, the Company may transfer the cumulative gain or loss within equity. All the other changes in fair value of such liability are recognised in the statement of profit or loss.

(c) Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(C) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the

Notes to the standalone financial statements for the year ended 31 March 2021

borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

viii. Inventories

Raw material, stores and spares are valued at lower of cost or net realizable value. Cost of raw material is determined on the first-in, first-out principle for respective agreements of LNG.

Cost of stores and spares is determined on weighted average cost.

ix. Revenue Recognition

The Company earns revenue primarily from providing regasification services and sale of RLNG.

(a) Sale of goods & service

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is recognised on output basis measured by units of gas dispatched, units of gas processed etc.

- Revenue from the sale of RLNG is recognised at the point in time when control is transferred to the customer at the point of dispatch.
- Revenue from the sale of regassification services is recognised at a point in time when the control of RLNG is transferred to the customers at the point of dispatch.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

The Company disaggregates revenue from contracts with customers by the nature of goods and services.

(b) Interest Income

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(c) Dividend Income

Dividend income is recognised, when the right to receive the dividend is established.

x. Foreign currency transactions

(a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

Notes to the standalone financial statements for the year ended 31 March 2021

(c) Non-monetary items denominated in foreign currency (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

(d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

xi. Employee benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

c. Defined benefit plans

The Company has only two defined benefit plan i.e. gratuity and post-retirement medical benefit. The Company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, a consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liabilities, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after considering any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The Company has following long term employment benefit plans:

Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

xii. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a

Notes to the standalone financial statements for the year ended 31 March 2021

qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

xiii. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to the items recognised directly in equity or in Other Comprehensive Income

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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 realised; such reductions are reversed when the probability of future taxable profits improve.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xiv. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets 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 cash generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An

Notes to the standalone financial statements for the year ended 31 March 2021

impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xv. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

xvi. Segment Reporting

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

The board of directors of Petronet LNG Limited has been identified as being the chief operating decision maker by the Management of the Company. Refer note no 39 for segment information presented.

xvii. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

xviii. Lease Accounting

The Company measures the lease liability at present value of remaining lease payments discounted using the weighted average incremental borrowing rate as at the date of initial application and Right of Use asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company as a lessee

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Notes to the standalone financial statements for the year ended 31 March 2021

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross Block				Depreciation					Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Additions	Impairment	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible Assets											
Freehold Land	10,778	-	-	10,778	-	-	-	-	-	10,778	10,778
Leasehold Land	7,075	-	-	7,075	460	93	-	-	553	6,522	6,615
Buildings*	52,928	62	-	52,990	8,928	1,984	-	-	10,912	42,078	44,000
Plant & Equipments*	8,87,059	2,355	(146)	8,89,268	1,80,601	40,501	1,145	(94)	2,22,153	6,67,115	7,06,458
Office Equipments	1,542	257	(60)	1,739	634	425	-	(53)	1,006	733	908
Furniture & Fixtures	616	125	(39)	702	201	79	-	(32)	248	454	415
Speed Boat	38	-	-	38	25	5	-	-	30	8	13
Vehicles	542	1	(32)	511	82	69	-	(30)	121	390	460
Total	**9,60,578**	**2,800**	**(277)**	**9,63,101**	**1,90,931**	**43,156**	**1,145**	**(209)**	**2,35,023**	**7,28,078**	**7,69,647**

Particulars	Gross Block				Depreciation					Net Block	
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	Additions	Impairment	Deletions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible Assets											
Freehold Land	10,778	-	-	10,778	-	-	-	-	-	10,778	10,778
Leasehold Land	7,075	-	-	7,075	368	92	-	-	460	6,615	6,707
Buildings*	49,616	3,312	-	52,928	6,991	1,937	-	-	8,928	44,000	42,625
Plant & Equipments*	8,45,640	41,422	(3)	8,87,059	1,40,802	39,799	-	-	1,80,601	7,06,458	7,04,838
Office Equipments	1,105	648	(211)	1,542	425	400	-	(191)	634	908	680
Furniture & Fixtures	556	104	(44)	616	153	80	-	(32)	201	415	403
Speed Boat	38	-	-	38	20	5	-	-	25	13	18
Vehicles	424	166	(48)	542	70	57	-	(45)	82	460	354
Total	**9,15,232**	**45,652**	**(306)**	**9,60,578**	**1,48,829**	**42,370**	**-**	**(268)**	**1,90,931**	**7,69,647**	**7,66,403**

Note:

* Plant & Equipment and Buildings includes Jetty & Trestle having net value of Rs.72,310 (Dahej Phase 1 & additional Jetty) & Rs.30,316 (Kochi). As per concession agreement, the ownership of Jetty & Trestle (Dahej Phase 1) would be transferred to the Gujarat Maritime Board in the year 2035. The additional Jetty at Dahej would also be transferred to Gujarat Maritime Board as per the yet to be executed concession agreement. The ownership of Jetty & Trestle (Kochi) would be transferred to Cochin Port Trust in the year 2039.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

4. Capital Work-in-Progress

Particulars	As at 31 March 2020	Additions	Deletions	As at 31 March 2021
Dwarka Office Building	122	1,939	-	2,061
Others	346	761	(620)	487
Total	**468**	**2,700**	**(620)**	**2,548**

Particulars	As at 31 March 2019	Additions	Deletions	As at 31 March 2020
Dahej Ph-III 17.5 MMTPA	33,022	-	(33,022)	-
Others	1,799	-	(1,331)	468
Total	**34,821**	**-**	**(34,353)**	**468**

5. Intangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible Assets Licenses/Softwares	1,168	25	-	1,193	1,148	23	-	1,171	22	20
Total	**1,168**	**25**	**-**	**1,193**	**1,148**	**23**	**-**	**1,171**	**22**	**20**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible Assets Licenses/Softwares	1,168	-	-	1,168	1,063	85	-	1,148	20	105
Total	**1,168**	**-**	**-**	**1,168**	**1,063**	**85**	**-**	**1,148**	**20**	**105**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

6. Right to Use Asset

Particulars	Gross Block				Depreciation				Net Block
	As at 31 March 2020	Additions	Adjustment/ Deletion*	As at 31 March 2021	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2021
Land	13,151	-	224	13,375	177	579	-	756	12,619
Building	1,252	-	71	1,323	186	191	-	377	946
LNG Vessel and Tug	3,69,907	-	(12,149)	3,57,758	34,795	33,314	-	68,109	2,89,649
Total	**3,84,310**	**-**	**(11,854)**	**3,72,456**	**35,158**	**34,084**	**-**	**69,242**	**3,03,214**

Particulars	Gross Block				Depreciation				Net Block
	As at 01 April 2019	Additions	Adjustment /Deletion*	As at 31 March 2020	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2020
Land	4,737	-	8,414	13,151	-	177	-	177	12,974
Building	1,323	-	(71)	1,252	-	186	-	186	1,066
LNG Vessel and Tug	3,76,837	-	(6,930)	369,907	-	34,795	-	34,795	3,35,112
Total	**3,82,897**	**-**	**1,413**	**384,310**	**-**	**35,158**	**-**	**35,158**	**3,49,152**

* The modification in the LNG Vessels and Tugs is on account of off-hire of one of the vessels for repairs and maintainance purpose. The corresponding impact of the same has been adjusted in the lease liability.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
7 Investments in Joint Ventures		
Investment in equity instruments (fully paid-up) (Unquoted at cost)		
9,00,00,000 Equity Shares (previous year 9,00,00,000) of Rs. 10 each, fully paid up in Adani Petronet (Dahej) Port Pvt. Ltd.	9,000	9,000
1,10,36,558 Equity Shares (previous year 1,10,36,558) of USD 1 each (INR equivalent Rs. 67.40 each), fully paid up in India LNG Transport Co (No 4) Pvt Ltd. (Pledged with Sumitomo Mitsui Banking Corporation)	7,438	7,438
	16,438	**16,438**
Aggregate book value of quoted investments	**NIL**	**NIL**
Aggregate book value of un-quoted investments	**16,438**	**16,438**
8 Investments		
Investments carried at fair value through profit and loss account (Unquoted)		
Investment in equity instruments (fully paid-up)		
300 Ordinary Shares (previous year 300) of US$ 1 each, fully paid up in India LNG Transport Company (No. 3) Limited, Malta (Rs. 13,476) (Pledged with Sumitomo Mitsui Banking Corporation)	0.13	0.13
	0.13	**0.13**
Aggregate book value of quoted investments	**NIL**	**NIL**
Aggregate book value of un-quoted investments	**0.13**	**0.13**
9 Loans		
Unsecured, considered good		
Loan to others	2,122	2,231
	2,122	**2,231**
10 Other non-current financial assets		
Unsecured, considered good		
Security deposits		
- with Government authorities	207	199
- with Others	216	209
Employee advances	28	29
Balances with banks in deposit accounts having remaining maturity more than 1 year	-	5,000
	451	**5,437**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
11 Income tax assets (net)		
Advance tax (Net of Provision for Income Tax)	10,053	13,065
	10,053	**13,065**
12 Other non-current assets		
Unsecured, considered good		
Capital advances	400	-
Taxes and Duties recoverable (Refer note 38B - d,f,h)	13,749	8,555
	14,149	**8,555**
13 Inventories		
Raw materials	26,092	40,667
Stores and spares	7,496	7,296
Stores and spares in transit	130	126
	33,718	**48,089**
(Refer note 2(viii) on valuation)		
14 Current financial investments		
Investments carried at fair value through profit and loss account (Quoted)		
Mutual funds	1,38,519	18,467
	1,38,519	**18,467**
Aggregate book value of quoted investments	**1,38,519**	**18,467**
Aggregate book value of un-quoted investments	**NIL**	**NIL**
15 Trade receivables		
Unsecured and considered good		
-from related parties	1,82,730	151,427
-from others	4,723	8,830
Unsecured and considered credit impaired		
- from related parties	21	178
Less: Allowances for doubtful receivables	(21)	(178)
	1,87,453	**1,60,257**

i) In view of expected increase in capacity utilisation at Kochi terminal, the customers of the Company are asking for lower regasification tariff for Kochi Terminal w.e.f. 1st April 2019. The Company is in discussion with its customers for volumes tied up with respect to the said terminal and pending the finalisation of tariff the Company has recognised revenue on the basis of offered regasification tariff. The management is confident that revised price will not be materially different from the offered tariff and there will not be any material financial impact on the Company on account of revision of regasification tariff for Kochi Terminal.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

ii) The Company has invoiced Rs. 19,844 Lacs (excluding GST) as “Use or Pay charges” to its 3 customers, over a period of 4 years, for under utilisation of committed regasification facility at Dahej Plant, as per the terms of long-term regasification agreement and booked the same as income in respective years. Till 31st March 2021, total amount of Rs. 14,392 Lacs (excluding GST) has been withheld and Rs. 5,452 Lac (excluding GST) has been paid under protest. The Company is in discussion with respective customers for resolution of the issue. The company is confident that issue will be resolved in due course and no material adjustment is expected on settlement.

	As at 31 March 2021	As at 31 March 2020
16 Cash and cash equivalents		
Balance with banks:		
- In current account	283	828
- In term deposits (with original maturity of less than 3 months)	84,650	96,774
Cash in hand	0.3	0.2
	84,933	**97,602**
17 Other bank balances		
In term deposits (with maturity of more than 3 months but less than 12 months)	3,47,300	3,44,080
In earmarked accounts		
- Unclaimed dividend account	2,001	1,519
	3,49,301	**3,45,599**
18 Other current financial assets		
Interest accrued on term deposits	7,149	13,101
Advance to related party (refer note no 44B)	275	-
Unbilled Revenue*	11,215	17,751
	18,639	**30,852**
***Movement in contracts assets during the year**		
Balance at the beginning of the year	17,751	7,537
Revenue recognised during the year	11,215	17,751
Invoices raised during the year	(17,751)	(7,537)
Balance at the end of the year	**11,215**	**17,751**
19 Other current assets		
Advances to vendors	720	1,765
Taxes and duties recoverable	1,617	727
Prepaid expenses	1,282	1,513
Other Miscellaneous Advances	7	11
	3,626	**4,016**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
20 Share capital		
Authorised:		
3,00,00,00,000 (31 March 2020 - 3,00,00,00,000) equity shares of Rs.10/- each	3,00,000	3,00,000
Issued, subscribed & fully paid up:		
1,50,00,00,088 (31 March 2020 - 1,50,00,00,088) equity shares of Rs.10/- each	1,50,000	1,50,000
	1,50,000	**1,50,000**

a. Terms and rights attached to equity shares

The Company has only one class of equity shares each having a par value of Rs. 10/- per share. They entitle the holder to participate in dividend and to share in the proceeds of winding up of the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote per share.

b. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding at the 31 March 2020	1,50,00,00,088	1,50,000
Equity Shares issued during the year in consideration for cash	-	-
Equity Shares issued during the year in consideration other than cash	-	-
Outstanding at the 31 March 2021	**1,50,00,00,088**	**1,50,000**

d. Shareholders holding more than 5% shares in the company

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters' Holding				
Bharat Petroleum Corporation Ltd.	18,75,00,000	12.5%	18,75,00,000	12.5%
GAIL (India) Ltd.	18,75,00,000	12.5%	18,75,00,000	12.5%
Indian Oil Corporation Ltd.	18,75,00,000	12.5%	18,75,00,000	12.5%
Oil & Natural Gas Corporation Ltd.	18,75,00,000	12.5%	18,75,00,000	12.5%

	As at 31 March 2021	As at 31 March 2020
21 Other equity		
a. Debenture redemption reserve		
Balance at the beginning of the year	-	15,000
Addition/ (Deduction) during the year	-	(15,000)
Balance at the end of the year	-	-

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
b. General reserve		
Balance at the beginning of the year	72,800	72,800
Add: Transfer from surplus balance in the statement of Profit & Loss	-	-
Balance at the end of the year	**72,800**	**72,800**
	-	
c. Retained earnings		
Balance at the beginning of the year	8,72,926	7,68,999
Add: Profit for the year after taxation as per statement of Profit and Loss	2,94,937	2,69,760
Less: Transfer to/(from) debenture redemption reserves	-	15,000
Less: Dividend on equity shares	(2,25,000)	(1,50,000)
Less: Dividend distribution tax on equity shares	-	(30,833)
	9,42,863	**8,72,926**
d. Remeasurement of defined benefit plans		
Balance at the beginning of the year	(429)	(192)
Addition during the year	(284)	(237)
Balance at the end of the year	**(713)**	**(429)**
Total Equity (a+b+c+d)	**10,14,950**	**9,45,297**
Dividend		
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended 31 March 2020 @ Rs 7 per share (Rs. 4.5 per share for the year ended 31 March 2019)	1,05,000	67,500
Dividend Distribution tax on final dividend	-	13,875
Interim dividend for the year ended 31 March 2021 Rs 8 per share (Rs 5.5 per share for the year ended 31 March 2020)	1,20,000	82,500
Dividend Distribution tax on interim dividend	-	16,958
	2,25,000	**1,80,833**
Proposed Dividends on Equity Shares :		
Proposed dividend for the year ended 31 March 2021 Rs 3.5 per share (31 March 2020: Rs. 7 per share)*	52,500	1,05,000
	-	-
	52,500	**1,05,000**

*Proposed dividend on equity shares are subject to the approval at the annual general meeting and have not been recognised as liabilities.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
22 Borrowings		
Term loans (Secured)		
- From other than bank	2,301	6,441
	2,301	6,441
Less: Interest accrued	(1)	(2)
	2,300	**6,439**

a. Term Loans are secured by first ranking mortgage and first charge on pari passu basis on all movable and immovable properties, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis.

Term of repayment and interest are as follows :

Loan From	Repayment Terms	Year of Maturity	Effective Rate of Interest p.a.	Carrying Amount As at 31 March 2021	Carrying Amount As at 31 March 2020
IFC (Washington)	Half yearly	2022	5.26%	6,441	10,122
				6,441	**10,122**
Less: Interest accrued but not due on borrowings				(1)	(2)
Less : Shown in current maturities of Long term debt				(4,140)	(3,681)
Balance shown as above				**2,300**	**6,439**

23 Lease Liability		
Lease Liability (refer note no 2 (xviii) and 41)	3,32,165	3,58,851
	3,32,165	**3,58,851**
24 Long-term provisions		
Provision for employee benefits		
- Compensated Absences (Refer note 43(iii))	2,263	1,486
- Post retirement medical benefits	825	-
	3,088	**1,486**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
25 Income Tax		
A Income Tax Expenses		
i) Amounts recognised in profit or loss		
Current tax expense		
Current year	1,02,500	86,000
Adjustment for prior years	-	-
	1,02,500	**86,000**
Deferred tax expense		
Changes in recognised temporary differences	(672)	(44,695)
	(672)	**(44,695)**
Total Tax Expense	**1,01,828**	**41,305**
ii) Deferred Tax related to items recognised in Other Comprehensive Income		
Remeasurements of defined benefit liability	96	80
	96	**80**

iii) Reconciliation of effective tax rate	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	25.17%	3,96,765	25.17%	3,11,065
Tax using the Company's domestic tax rate		99,858		78,289
Tax effect of:				
Non-deductible expenses	0.49%	1,970	0.13%	393
Non-taxable income	-	-	-	-
Tax-exempt income	-	-		
Impact on deferred tax due to decrease in future tax rate*	-	-	-12.02%	(37,377)
Changes in estimates related to prior years	-	-	-	-
Total Tax Expenses	**25.66%**	**1,01,828**	**13.28%**	**41,305**

*The Company during the previous year has elected to exercise the option of lower tax rate of 25.17% under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Impact of remeasurement of deferred tax liabilities (DTL) on account of the above option is reversal of DTL by Rs Nil (Rs 374 Crore during the year ended on 31st March 2020)

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

B Deferred Tax Liabilities (Net)

Movement in deferred tax balances

	As at 31 March 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
Deferred Tax Assets				
Employee benefits	400	93	96	589
Trade receivables	45	(40)	-	5
Right to Use Asset	12,573	2,420	-	14,993
Sub- Total (a)	**13,018**	**2,473**	**96**	**15,587**
Deferred Tax Liabilities				
Property, plant and equipment	1,01,780	1,738	-	1,03,518
Current Investments	(2)	52	-	50
Others	69	9	-	78
Sub- Total (b)	**1,01,847**	**1,799**	**-**	**1,03,646**
Net Deferred Tax Liability (b)-(a)	**88,829**	**(674)**	**(96)**	**88,059**

	As at 31 March 2019	Recognized in P&L	Recognized in OCI	As at 31 March 2020
Deferred Tax Assets				
Employee benefits	433	(113)	80	400
Trade receivables	1,436	(1,391)	-	45
Right to Use Asset		12,573		12,573
Sub- Total (a)	**1,869**	**11,069**	**80**	**13,018**
Deferred Tax Liabilities				
Property, plant and equipment	1,35,369	(33,589)	-	1,01,780
Current Investments	103	(105)	-	(2)
Others	-	69		69
Sub- Total (b)	**1,35,472**	**(33,625)**	**-**	**1,01,847**
Net Deferred Tax Liability (b)-(a)	**1,33,603**	**(44,694)**	**(80)**	**88,829**

	As at 31 March 2021	As at 31 March 2020
26 Other non-current liabilities		
Revenue received in advance*		
- from related parties (See Note No 44)	68,638	71,650
- from others	26,620	29,931
	95,258	**1,01,581**

* The Company has entered into long term agreements for 20 years for providing LNG regasification services (w.e.f. Sept' 2016) by allocating 7 MMTPA out of the total regasification capacity from its Dahej terminal. The advance received by the Company is adjustable against charges on regasification service during the course of the agreement.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Contracts liability		
Non-Current Portion of Contracts liability (note 26)	95,258	101,581
Current Portion of Contracts liability (note 28)	16,781	17,581
Total	**1,12,039**	**1,19,162**
Movement in Contracts liability		
Balance at the beginning of the year	1,19,162	1,19,483
Revenue recognised during the year	(31,680)	(10,874)
Advance received during the year	24,557	10,553
Balance at the end of the year	**1,12,039**	**1,19,162**
27 Other current financial liability		
Current maturities of long-term debt (other parties)	4,140	3,681
Lease Liability (refer note no 2 (xviii) and 41)	26,688	34,342
Interest accrued but not due on borrowings	1	2
Unpaid dividend	2,001	1,519
Other payables for:		
- Capital goods	6,439	8,447
- Security deposits / Retention money	349	188
	39,618	**48,179**
28 Other current liabilities		
Statutory dues	37,563	31,566
Revenue received in advance		
- related parties (Refer note No 44)	13,155	10,051
- others	3,626	7,530
Purchase price adjustment of LNG	2,437	-
Other payables	757	1,667
`	**57,538**	**50,814**
29 Short-term provisions		
Provision for employee benefits		
- Gratuity (Refer note 43)	259	-
- Compensated Absences (Refer note 43)	77	101
- Incentives	1,868	1,711
- Post Retirement Medical Benefit Scheme	7	-
Provision for Unspend CSR	4,532	-
	6,743	**1,812**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
30 Revenue from operations		
Sale of RLNG	23,71,558	33,11,815
Regasification services	2,26,467	2,26,387
Other operating revenues	4,265	6,998
	26,02,290	**35,45,200**
31 Other Income		
Interest income from financial assets measured at amortised cost		
- on bank deposits	20,169	27,416
- on shareholders' loan	96	196
Other Interest Income	10	2
Dividend Income (on current investment - non trade)	2,907	900
Gain on sale/fair value of Investments	4,193	5,942
Foreign exchange fluctuations (net)	8,420	-
Excess provision/ liability written back	158	487
Miscellaneous income	2,862	2,314
	38,815	**37,257**
32 Cost of materials consumed		
Opening Stock of LNG	40,667	30,814
Add: Purchases	20,53,575	30,59,447
Less: Closing Stock of LNG	26,092	40,667
	20,68,150	**30,49,594**
33 Employee benefits expense		
Salaries and wages	11,660	10,789
Contribution to provident and other funds	2,202	1,181
Staff welfare expenses	849	606
	14,711	**12,576**
34 Finance cost		
Interest on long term loans	566	4,066
Interest on short term loans	52	124
Other borrowing costs	789	845
Interest on Lease Commitments	32,188	35,285
	33,595	**40,320**
35 Depreciation and amortisation expense		
Depreciation on tangible assets	43,157	42,370
Amortisation on intangible assets	23	85
Amortisation on ROU assets	34,084	35,158
Impairment provision on Asset	1,145	-
	78,409	**77,613**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
36 A) Other expenses		
Stores and spares consumed	4,018	2,619
Power and fuel	18,112	23,136
Repairs and maintenance:		
- Buildings	910	502
- Plant and machinery	1,541	1,123
- Others	197	165
Dredging expenses	3,495	3,463
Rent	649	558
Rates and taxes	2,152	1,978
Insurance	2,264	1,282
Travelling and conveyance	1,122	1,606
Legal, professional and consultancy charges	2,516	1,829
Foreign exchange fluctuations (net)	-	27,645
Directors' sitting fees	65	24
Loss on sale/ write off of property, plant and equipment (net)	58	5
Corporate social responsibility (Refer note 46)	6,342	11,625
Others expenses	6,034	6,523
Total	**49,475**	**84,083**
B) Exceptional Items		
Lease Rent Arrears *	-	7,206
	-	**7,206**

* To secure against future escalation in lease rent for the Kochi LNG Terminal and also to settle ongoing litigations with the Cochin Port Trust (CPT), the Company had entered into one-time settlement of lease rent to CPT (for the period from 2010 to 2039). Accordingly expenses of Rs. Nil (Rs 7,206 lac for the year ended 31st March, 2020) has been recognised as an exceptional item.

37 Earning per share (EPS)

	As at 31 March 2021	As at 31 March 2020
Profit/ (loss) for the period	2,94,937	2,69,760
Weighted average number of equity shares of Rs. 10/- each (In lac)	15,000	15,000
EPS - Basic and Diluted (Rs)	19.66	17.98

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

38 Contingent liabilities, contingent assets and commitments

A. Commitments

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs 11,630 lac (as on 31 March 2020 Rs. Nil).

b. "The Company has entered into following long term LNG purchase agreements:

a. 7.5 MMTPA with Ras Laffan Liquified Natural Gas Company Limited (2), Qatar for a period upto April 2028.

b. 1.44 MMTPA with Mobil Australia Resources Company PTY Ltd, Australia for a period upto 2035.

Since the Company has entered into materially back to back sale agreements against the above purchase agreements, there is no foreseeable loss on these agreements as on the balance sheet date. The Company has issued Standby Letter of Credit of Rs. 3,10,898 lac (Rs. 4,31,924 lac as on 31 March 2020) to Ras Laffan Liquified Natural Gas Company Limited (2) and Rs. 80,954 lac (Rs 78,334 lac as on 31 March 2020) to Mobil Australia Resource Company PTY Ltd against the Long Term Purchase Agreements."

B. Contingent Liabilities

"In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of internal legal team. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows."

a. The Collector of Electricity Duty, Gandhinagar (Gujarat) had issued notices classifying the business activities of the Company as "Storage (HTP-IIA)" instead of "Industrial Undertaking (HTP I)" and hence levied Electricity Duty @ 45% (revised rates @25%) instead of 20% (Revised rate @15%) of the consumption charges. The Company has challenged the legality and validity of the notices by way of writ petitions before the Hon'ble High Court of Gujarat who had quashed the supplementary bill/demand notice and remanded the case back to the Collector of Electricity Duty vide order dated 1 July 2014. The Company has made its submissions before the Collector of Electricity Duty, Gandhinagar and the order is awaited. The total demand till 31 March, 2021 is Rs. 7,357 lac (as on 31 March 2020 Rs. 6,156 lac).

b. The Collector of Stamps, Bharuch had issued notice to the Company to pay stamp duty @ Re.1 per Rs.1000/ or part thereof of the value mentioned in the Delivery Order of the goods imported through ports in Gujarat pursuant to the amendment to Section 24 of the Bombay Stamp Act, 1958. The Hon'ble High Court of Gujarat has quashed the notice. Stamp authorities have filed Special Leave Petition (SLP) in Hon'ble Supreme Court against the same and the case is pending as on date. The potential liability from the effective date of amendment i.e. 1 April 2006 till 31 March 2021 on the CIF value would be Rs. 29,514 lac (Rs. 27,673 lac as on 31 March 2020).

c. The Company has received refund of Rs.112 lac, Rs.284 lac and Rs.346 lac from Customs department vide CESTAT order dated 7 November 2013, 9 September 2011 and 31 May 2010 respectively mainly pertaining to custom duty on short landing of LNG. The Custom Authorities have filed appeal against the order of the CESTAT with the Hon'ble High court of Gujarat and the outcome of the case is pending as on date.

d. Taxes and duties recoverable includes custom duty recoverable amounting to Rs.959 lac (in relation to short landing of LNG under spot purchase agreement). The company has received favourable order in respect of the above issue from Commissioner (Appeals) and CESTAT. However, the refund of the custom duty has been denied by department and

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Commissioner (Appeals) on the ground of time barred refund application. The company has preferred an appeal against the above order with CESTAT and received a negative order. Company filed an WRIT Petition with Hon'ble Gujarat High Court against the CESTAT order, and got favourable ruling. The Company has got refund of the above amount (Rs 959 lac) in June 2020. The department has preferred an appeal with Hon'ble Supreme Court against the order of Hon'ble High court of Gujarat, the outcome of which is pending as on date.

e. The company had received demand for Service Tax on vessel hire charges for the period 16 May 2008 to 30 September 2009 amounting to Rs.4,005 lac (including Interest). The Company had paid the demand under protest and preferred an appeal before CESTAT against the above demand and received favourable order on 24 October 2013. The Company had received the refund (including interest), however the department had preferred an appeal against the CESTAT order before the Hon'ble Supreme Court, the outcome of which is pending as on 31.03.2021.

f. The Principal Commissioner of service tax has issued order against the company regarding service tax demand on boil off quantity of LNG during regasification process (for the period April 2009 to March 2015) amounting to Rs.1,780 lac. The company paid the demand under protest amounting to Rs.3,256 lac (including interest and penalty). Further, the company had suo moto paid service tax and interest amounting to Rs.2,039 lac under protest for the period April'15 – June'17. The company has received preferable order from CESTAT/Commissioner of service tax in respect of amount deposited by the company .However, refund against the amount deposoited by the company is pending to be received from department as on 31.03.2021.

g. Kochi terminal of the Company is having Co-developer status in Puthuvypeen SEZ (PSEZ). As a Co-developer, it is entitled for the tax and duty benefits on the materials/ services received for authorized operation of its Kochi terminal. After exit of only unit (viz GAIL) from this SEZ , PSEZ officials have denied endorsement of certain service invoices on which tax benefits were availed. Total amount of tax benefits availed on such invoices is Rs. 4,776 lac during the period from April 2019 to Februry 2020. In case invoices are not endorsed, refund of GST/ input credit may be denied to the vendors which may be claimed by some of the vendors from the Company. Matter is appropriately taken up with the SEZ authorities.

h. The Company has filed Service Tax Refund Application for services availed in the Special Economic Zone for the LNG Terminal at Kochi, amounting to Rs.1,526 lac (as on 31 March 2020 Rs.1,652 lac). The Company has received the favourable order from CESTAT for Rs.774 lac, refund of which is pending as on 31 March 2021 on account of further query by Assistant Commissioner. For balance Rs. 752 lac, the application is pending at Assistant Commissioner level as on date.

i. There are certain claims amounting Rs. 25,131 lac plus interest and cost of arbitration as on 31 March 2021 made by a Contractor against capital works for which the Company has also made certain counter claims. The claim includes two matters of arbitration amounting to Rs. 10,666 lac plus interest and cost of arbitration and Rs. 14,465 lac plus interest and cost of arbitration for Kochi and Dahej terminal respectively. Both the arbitration proceedings are still in progress. Pending conclusion of arbitration and settlement final outcome of the claim is not ascertainable.

j. There are some income tax related matters which are pending at various forum. The potential liability in these case from AY 2008-09 to AY 2016-17, as on 31st March 2021 is Rs.1805 lac (Rs. 1,559 lac as on 31 March 2020).

C. Contingent Assets

The Company has no contingent assets as at 31 March 2021 (Rs Nil as on 31 March 2020).

39 Segment information

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility. The company has a single operating segment "Natural Gas Business". Accordingly, there is only one Reportable Segment for the Company which is "Natural Gas Business", hence no specific disclosures have been made.

Entity wide disclosures

A. Information about products and services

Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The major sales of the Company are made to customers which are domiciled in India. Also, all the assets other than non-current financial assets (investment and loan) of the Company are located in India.

C. Information about major customers (from external customers)

The Company derives revenues from the following customers which amount to 10 per cent or more of an entity's revenues:

Customer	For the year ended 31 March 2021	For the year ended 31 March 2020
GAIL	13,01,585	18,35,078
IOCL	7,28,115	10,03,445
BPCL	3,68,044	4,52,073

40 Information on Covid- 19 Impact

The COVID-19 pandemic has caused significant social and economic disruption, all over the globe. The operations of the Company were not materially interrupted during the lockdown due to outbreak of COVID-19, as natural gas is declared as one of the essential commodities by the Government of India. The Company's natural gas purchase and sale contracts are largely back to back over long term period. Further, due to the strategic location of the LNG Terminal of the Company at Dahej, Gujarat, it is the most sought-after terminal in India.The Dahej Terminal caters to about 2/3rd of the country's LNG imports and meets around 40% of the country's natural gas demand.The Kochi Terminal caters to a specific region in the state of Kerala, and is the only source of natural gas in the vicinity. The Company has adopted the best practices for safe and secured operation of the two LNG terminals during the lockdown period.

As per the market assessments, the Company is of the view that there would be slowdown in the demand of natural gas in a very short term period during the lockdown, and the demand would bounce back with the gradual easing off of the lockdown. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Considering the above, and the Company's healthy liquidity position, there is no uncertainty in the going concern of the Company and the Company will be able to meet its financial obligations over the foreseeable future.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

41 Leases

(a) Nature of leasing activities

The Company has entered into lease arrangements for land, vessels, tugboats and office premises.

(b) Amount Recognised in profit and loss during the year

	Amount	Amount
Short term leases	649	558
Variable lease payments *	13,624	12,397
	14,273	**12,955**

* The amount recognised in the profit/loss mainly pertains to the variable portion of the LNG vessel and tug hire charges which are not classified as lease

(c) Reconciliation of Lease liability

	For the year ended	
	31 March 2021	31 March 2020
Opening Balance of Lease liability	**3,93,193**	**-**
Transition impact on account of adoption of Ind AS 116	-	3,82,897
Modification during the year	(11,854)	1,413
Interest Expenese	32,188	35,285
Foreign exchange adjustments	(8,317)	27,682
Repayment of Lease liabilty	(46,357)	(54,084)
Closing Balance of Lease liability	**3,58,853**	**3,93,193**

(d) Future minimum lease payments (corresponding to the Right to Use assets) are as follows:

	As on 31 March 2021		
Minimum lease payments due:	**Total Amount Payable against Lease**	**Finance charges**	**Net present values of Lease Liability**
Within 1 year	56,685	29,997	26,688
1-2 years	58,326	27,534	30,792
2-3years	57,166	24,753	32,413
3-4 years	58,498	21,750	36,747
4-5 years	60,066	18,324	41,742
After 5 years	2,70,192	79,724	1,90,470
Total	**5,60,933**	**2,02,081**	**3,58,853**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

42 The information required to be disclosed under the Micro, Small and Medium Enterprises (Development) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

(a) the principal amount is Rs 865 lac (Nil as on 31 March 2020) and the interest is Nil (Nil as on 31 March 2020) due thereon remaining unpaid to any supplier;

(b) the amount of interest is Nil (Nil as on 31 March 2020), paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(c) the amount of interest due and payable for the period of delay in making payment is Nil (Nil as on 31 March 2020) (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

(d) the amount of interest accrued and remaining unpaid is Nil (Nil as on 31 March 2020) at the end of each accounting year; and

(e) the amount of further interest remaining due and payable Nil (Nil as on 31 March 2020) even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

43 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution to the defined contribution plan, recognised as expenses for the year is as under:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to Govt. Provident Fund	511	450
Contribution to Superannuation Fund	638	563

(ii) Defined Benefit Plan:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(b) Post-retirement medical scheme plan (PRMS)

The Company provides Post-Retirement Medical Benefit to its employees . Under the scheme, eligible retired employees of the Company (along with their spouse) are allowed to claim reimbursement against the medical expenses for hospitalisation through insurance policy coverage. The Company has accounted for PRMS for the first time in the current financial year and accordingly comparitive figures have not been disclosed.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Gratuity plan & PRMS and amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2021		31 March 2020	
	Gratuity	Post Retirement Medical Scheme (unfunded)	Gratuity	Post Retirement Medical Scheme (unfunded)
Net defined benefit liability-				
Liability for Gratuity and PRMS	(259)	(832)	-	-
Total employee benefit liabililities	**(259)**	**(832)**	**-**	**-**
Non-current	-	(825)	-	-

B. Movement in net defined benefit (asset) liability-Gratuity

1) The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) /liability and its components:

	31 March 2021			31 March 2020		
	Defined benefits obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefits obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	**1,467**	**(1,467)**	**-**	**1,037**	**(1,011)**	**26**
Included in proft or loss						
Current service cost	199	-	199	147		147
Interest cost (income)	102	(102)	-	80	(78)	2
	301	**(102)**	**199**	**227**	**(78)**	**149**
Included in OCI						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	260		260	212	-	212
- experience adjustment	86	34	120	104	1	105
	346	**34**	**380**	**316**	**1**	**317**
Other						
Contributions paid by the employer		(320)	(320)	-	(492)	(492)
Benefits paid	(78)	78	-	(113)	113	-
	(78)	**(242)**	**(320)**	**(113)**	**(379)**	**(492)**
Balance as at 31 March	**2,036**	**(1,777)**	**259**	**1,467**	**(1,467)**	**-**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Movement in net defined benefit (asset) liability-PRMS

2) The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) /liability and its components of PRMS (Unfunded).

	31 March 2021			31 March 2020		
	Defined benefits obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefits obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	-	-	-	-	-	-
Included in proft or loss						
Current service cost	832	-	832	-	-	-
Interest cost (income)	-	-	-	-	-	-
	832	**-**	**832**	**-**	**-**	**-**
Included in OCI						
- Actuarial loss (gain) arising from:						
- financial assumptions	-	-	-	-	-	-
- experience adjustment	-	-	-	-	-	-
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-

C. Plan assets-Gratuity

	31 March 2021	31 March 2020
Funds Managed by Insurer (investment with insurer)	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

D. Actuarial assumptions-Gratuity

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation aaumptions are as follows which have been selected by the company.

	31 March 2021	31 March 2020
Discount rate	6.98%	6.99%
Expected rate of future salary increase	7.00%	6.00%

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

b) Demographic assumptions

	31 March 2021	31 March 2020
i) Retirement age (years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	
iii) Ages	**Withdrawal rate**	
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

c) Maturity Profile of defined benefit obligation:

Year	Amount
Within 1 Year	51
1-2 Year	39
2-3 Year	58
3-4 Year	59
4-5 Year	37
More than 5 Year	87

The company expects to contribute Rs.263 lacs to gratuity fund during next financial year

d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(135)	145	(93)	102
Expected rate of future salary increase (0.5% movement)	145	135	102	(94)

Senstivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Senstivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

E. Actuarial assumptions -PRMS

a) Economic assumptions

The principal assumptions are the discount rate & cost growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches that of the liabilities. Medical cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows & have been received as input from the company.

Assumptions Rate	31 March 2021
i) Discounting Rate	6.98%
ii) Future Medical Cost Increase	6.00%
a) Outdoor Treatment	
b) Indoor Treatment	

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

b) Demographic Assumptions

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. Attrition rates as given below have been received as input from the company.

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

c) Maturity Profile of defined benefit obligation:

a) While in service - 100% of IALM (2006-08) rates have been assumed which also includes the allowance for disability benefits.

Mortality Rates inclusive of disability(while in service) for specimen ages

Age	Mortality Rate
15	0.06%
20	0.09%
25	0.10%
30	0.11%
35	0.13%
40	0.18%
45	0.29%
50	0.49%
55	0.79%
60	1.15%

b) After Retirement - 100% of (1996-98) rates have been assumed.

Mortality Rates for specimen ages (Retired Employee)

Age	Rate
65	1.39%
70	2.43%
75	4.33%
80	7.08%
85	10.69%
90	15.15%
100	26.65%

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

1) Sensitivity Analysis of the defined benefit obligation.

a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	**832**
a) Impact due to increase of 0.50%	-82
b) Impact due to decrease of 0.50 %	85

b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	**832**
a) Impact due to increase of 0.50%	86
b) Impact due to decrease of 0.50 %	-83

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

2) Maturity Profile of Defined Benefit Obligation

	Year	Rs. in lac
a)	0 to 1 year	7
b)	1 to 2 year	9
c)	2 to 3 year	10
d)	3 to 4 year	13
e)	4 to 5 year	15
f)	5 to 6 year	17
g)	6 Year onwards	761

(iii) Other long-term employee benefits:

During the year ended 31 March 2021, the Company has incurred an expense on compensated absences amounting to Rs. 961 lac (previous year Rs. 620 lac). The Company determines the expense for compensated absences basis the actuarial valuation using the Projected Unit Credit Method.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

44 Related Parties

(disclosures as per Ind AS 24)

A. Related parties and their relationships

I. Joint Venturer (Promoters)

Indian Oil Corporation Limited (IOCL)
Bharat Petroleum Corporation Limited (BPCL)
Oil and Natural Gas Corporation Limited (ONGC)
GAIL (India) Limited (GAIL)

Joint Ventures / Associates / Subsidiary in which Joint Venturer is a Venturer

ONGC Petro Additions Limited (OPAL)
Indraprastha Gas Limited (IGL)
Mahanagar Gas Limited (MGL)
Dahej SEZ Limited (DSL)
Hindustan Petroleum Corporation Limited (HPCL)
GSPL India Gasnet Limited (GIGL)
Adani Total Pvt Ltd (ATPL)

ii. Joint Venture

Adani Petronet (Dahej) Port Pvt. Ltd (APPPL).
India LNG Transport Co (No 4) Pvt. Ltd. (ILT4)

iii. Subsidiary

Petronet Energy Limited (PEL) (wholly owned subsidary)

iv. Key Managerial Personnel (KMP)

Dr. M. M. Kutty (upto 30.04.2020)	Non-Executive Chairman
Shri Tarun Kapoor (w.e.f. 11.05.2020)	Non-Executive Chairman
Shri Prabhat Singh (upto 13.09.2020)	Managing Director & CEO
Shri Akshay Kumar Singh (w.e.f. 01.02.2021)	Managing Director & CEO
Shri Rajender Singh (upto 19.07.2019)	Director (Technical)
Shri Pramod Narang (w.e.f. 26.11.2020)	Director (Technical)
Shri Vinod Kumar Mishra	Director (Finance) & CFO
Shri Sanjiv Singh (upto 30.06.2020)	Nominee Director - IOCL
Shri Shrikant Madhav Vaidya (w.e.f. 01.07.2020)	Nominee Director - IOCL
Dr. Ashutosh Karnatak (appointed w.e.f. 07.08.20219 upto 27.08.20219. Reappointed as Director w.e.f. 29.08.2019 till 05.05.2020)	Nominee Director - GAIL
Shri B.C. Tripathi (upto 31.07.2019)	Nominee Director - GAIL
Shri Manoj Jain (w.e.f. 06.05.2020)	Nominee Director - GAIL
Shri Shashi Shanker (upto 31.03.2021)	Nominee Director - ONGC
Shri D. Rajkumar (upto 19.07.2020)	Nominee Director - BPCL
Shri Arun Kumar Singh (w.e.f. 10.08.2020)	Nominee Director - BPCL
Shri Sanjeev Kumar (w.e.f. 04.09.2019)	Nominee Director - GMB/ GoG
Dr. T. Natarajan (upto 21.08.2019)	Nominee Director - GMB/ GoG
Dr. Jyoti Kiran Shukla (upto 30.03.2021)	Independent Director
Shri Sidhartha Pradhan	Independent Director
Dr. Siddhartha Shekhar Singh	Independent Director
Shri Sunil Kumar Srivastava	Independent Director
Shri Arun Kumar (w.e.f. 09.04.2019)	Independent Director

v. Not for Profit Enterprise

Petronet LNG Foundation, a Company limited by guarantee (PLF)

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

B. Transactions with the above in the ordinary course of business

Nature of Transaction	Party Name	For the year ended	
		31 March 2021	31 March 2020
Sale of RLNG	GAIL	12,31,703	17,61,627
	IOCL	6,89,878	9,63,510
	BPCL	3,44,565	4,28,972
	OPAL	14,499	15,277
	ONGC	88,665	1,11,632
	HPCL	-	4,877
	IGL	-	2,049
Regasification Services and Other Services	GAIL	69,882	73,451
	IOCL	38,236	39,935
	BPCL	23,479	23,102
	ONGC	8,061	8,903
	MGL	-	1
	ATPL	3,679	-
Balance Write Off	GAIL	-	(3,930)
Interest Income	ILT 4	-	32
Contribution to Foundation	PLF	1,455	1,620
Advance received /(adjusted) against long term regas agreement	GAIL	(3,400)	(3,400)
	IOCL	(2,000)	(2,000)
	BPCL	(1,825)	(1,630)
Loans and Advances given/ (Repaid)	ILT4	-	(622)
	PEL*	275	-
Sitting fees/ Commission to the Directors (other than whole time directors)	Siddhartha Shekhar Singh	17	7
	Sidhartha Pradhan	26	12
	Sunil Kumar Srivastava	23	10
	Jyoti Kiran Shukla	23	14
	Arun Kumar	18	3
Dividend Received	APPPL	-	900
	ILT4	2,907	-
Recovery of expenses	GAIL	21	267
	IOCL	17	1
	BPCL	18	2
Reimbursement of expenses	GAIL	-	103
Payment of lease and related services	IOCL	626	526
	GAIL	1	1
	BPCL	10	1
	Dahej SEZ	4	8
Remuneration to Key Managerial Personnel		**31 March 2021**	**31 March 2020**
a) short-term employee benefits		361	301
b) post-employment benefits		10	43
c) other long-term benefits		11	36
Total		**382**	**380**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Nature of Transaction	Party Name	As at	
		31 March 2021	31 March 2020
Amount recoverable at year end	GAIL**	86,048	77,873
	IOCL	51,615	34,969
	BPCL	38,437	35,921
	ONGC	6,068	2,696
	ATPL	279	-
	Total	**1,82,447**	**1,51,459**
Amount Payable at year end	GAIL	-	(54)
	IOCL	-	(111)
	Total	**-**	**(165)**
Advance Outstanding at year end	GAIL	35,969	39,092
	IOCL	27,141	23,747
	BPCL	12,752	16,040
	ONGC	758	-
	PEL*	275	-
	ATPL	4,368	-
	OPAL	805	2,822
	Total	**82,068**	**81,701**

* The Company has subscribed to share capital amonting to Rs 10 Crore of newly incorporated wholly owned subsidiary Petronet Energy Limited (PEL), which was incorporated on 26 Feb 2021, out of which Rs 2.75 Crore has been paid in advance as share application money. The financials of the PEL has not been considered for consolidation, pending issue of share capital as on 31st March 2021.

** The amount recoverable is net of provision for doubtful debts of Rs 21 lac (Rs 178 lac as on 31 March 2020)

The transactions were made on normal commercial terms and conditions and at market rates.

45 Remuneration to Auditor (exclusive of taxes)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Statutory Audit Fee (including limited review fees)	22	22
Tax audit and Audit of unitwise of financials	7	7
Taxation Services	6	6
Fees for certification	7	7
Reimbursement of expenses	-	1
Total	**42**	**43**

46 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.Details are as under:

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Particulars	For the year ended 31 March 2021
Contribution towards -	
Health care	906
War Widows Welfare	404
Education	341
Misc Head	159
Admin Expenses	90
Accrual towards unspent obligation in relation to	
Ongoing project	3187
Other than Ongoing project	1255
Total	**6,342**
Amount recognized in statement of profit and loss	**6,342**

Particulars	For the year ended 31 March 2021
Amount required to spent as per section 135 of the Companies Act, 2013	**6,342**
Amount approved by the board to be spent during the year	**9,900**
Amount spent during the year on	
(i) Construction / acquisition of any asset	-
(ii) On purposes other than (i) above	1,900
Amount yet to be spent	**4,442**

Unspent CSR amount in respect of ongoing projects (as per Section 135(6) of the Companies Act, 2013)

CSR expense from unspent ongoing CSR project Bank account	Amount to be deposited in unspent CSR Bank Account within 30 days	Amount deposited in unspent CSR Bank Account within 30 days	Date of Deposit in Bank
-	3,187	3,187	30.04.2021

Unspent CSR amount in respect of other than ongoing projects (as per Section 135(5) of the Companies Act, 2013)

Opening Balance	Amount required to be deposited in Specified Fund of Sch. VII within 6 months	Amount deposited in Specified Fund of Sch. VII within 6 months	Closing Balance
-	1,255	-	1,255

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

47 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current investments	0.13	-	0.13	-
Loans	-	2,122	-	2,231
Other non-current financial assets	-	451	-	5,437
Current investments	1,38,519	-	18,467	-
Trade receivables	-	1,87,453	-	1,60,257
Cash and cash equivalents	-	84,933	-	97,602
Bank balances other than above	-	3,49,301	-	3,45,599
Other current financial assets	-	18,639	-	30,852
	1,38,519	**6,42,899**	**18,467**	**6,41,978**
Financial liabilities				
Borrowings	-	2,300	-	6,439
Lease Liability	-	3,32,165	-	3,58,851
Trade payables	-	1,03,545	-	1,16,607
Other financial liabilities	-	39,618	-	48,179
	-	**4,77,628**	**-**	**5,30,076**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	1,38,519	-	-	1,38,519
Total financial assets	**1,38,519**	**-**	**0.13**	**1,38,519**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans	-	-	2,122	2,122
Other non-current financial assets	-	-	451	451
Trade receivables	-	-	1,87,453	1,87,453
Cash and cash equivalents	-	-	84,933	84,933
Bank balances other than above	-	-	3,49,301	3,49,301
Other current financial assets	-	-	18,639	18,639
Total financial assets	**-**	**-**	**6,42,899**	**6,42,899**
Financial liabilities				
Borrowings	-	-	2,300	2,300
Lease Liabiltiy	-	-	3,32,165	3,32,165
Trade payables	-	-	1,03,545	1,03,545
Other financial liabilities	-	-	39,618	39,618
Total financial liabilities	**-**	**-**	**4,77,628**	**4,77,628**

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 4
Financial assets				
Financial Investments at FVPL				
Investments				
Equity Shares	-	-	0.13	0.13
Mutual funds	18,467	-	-	18,467
Cross currency interest rate swaps	-	-	-	-
Total financial assets	**18,467**	**-**	**0.13**	**18,467**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 4
Financial assets				
Loans	-	-	2,231	2,231
Other non-current financial assets	-	-	5,437	5,437
Trade receivables	-	-	1,60,257	1,60,257
Cash and cash equivalents	-	-	97,602	97,602
Bank balances other than above	-	-	3,45,599	3,45,599
Other current financial assets	-	-	30,852	30,852
Total financial assets	**-**	**-**	**6,41,978**	**6,41,978**
Financial liabilities				
Borrowings	-	-	6,439	6,439
Lease Liabiltiy			3,58,851	3,58,851
Trade payables	-	-	1,16,607	1,16,607
Other financial liabilities	-	-	48,179	48,179
Total financial liabilities	**-**	**-**	**5,30,076**	**5,30,076**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity shares	
	31 March 2021	31 March 2020
Opening balance	0.13	0.13
Acquisitions	-	-
Gains/losses recognised in profit or loss	-	-
Closing balance	**0.13**	**0.13**

Valuation process

The amount invested and fair value of unquoted equity shares as on 31 march 2021 is Rs 0.13 (Rs 0.13 as on 31 March 2020). The fair value is determined using level 3 input i.e. discounted cash flows.

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans	2,122	2,122	2,231	2,231
Other non-current financial assets	451	451	5,437	5,437
Trade receivables	1,87,453	1,87,453	1,60,257	1,60,257
Cash and cash equivalents	84,933	84,933	97,602	97,602
Bank balances other than above	3,49,301	3,49,301	3,45,599	3,45,599
Other current financial assets	18,639	18,639	30,852	30,852
	6,42,899	**6,42,899**	**6,41,978**	**6,41,978**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Borrowings	2,300	2,300	6,439	6,439
Lease Liability	3,32,165	3,32,165	3,58,851	3,58,851
Trade payables	1,03,545	1,03,545	1,16,607	1,16,607
Other financial liabilities	39,618	39,618	48,179	48,179
	4,77,628	**4,77,628**	**5,30,076**	**5,30,076**

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, current maturities of long term debt, unpaid dividend, and other payable for capital goods are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:-

- credit risk;
- liquidity risk; and
- market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

The Company has made investments in Debt based Mutual Funds. These Mutual funds invests in NCD / Bonds / CP / CD of various companies and banks. In case, the investee company defaults on repayment, such losses may have to be borne by the investors of Mutual funds.

"Company generally takes Stand by Letter of Credit (SBLC) from its customers, the exceptions being its Promoters namely BPCL, GAIL, IOCL and ONGC. Option to take SBLC from Promoter is also being explored by the

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Company.The Company establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables. Basis the evaluation, the management has determined that there are credit impairment loss on the trade and other receivables.

The gross carrying amount of trade receivables is Rs. 1,87,474 lac (31 March 2020 – Rs. 1,60,435 lac).

During the period, provision amounting to Rs 21 lac for doubtful debts as on 31 March 2021, has been netted off against trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is generally when counterparty fails to make payments within 365 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables

	31 March 2021	31 March 2020
Opening balance	178	4,109
Changes in loss allowance calculated at life time expected credit losses	(157)	(3,931)
Closing balance	**21**	**178**

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies , considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

	As on 31 March 2021	As on 31 March 2020
Floating rate		
Expiring within one year (bank overdraft and other facilities)		
- Fund/ Non fund based (secured)	2,07,339	2,56,045
Total	**2,07,339**	**2,56,045**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of 1 year (as at 31 March 2020 - 1 year).

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

	Carrying Amounts 31 March 2021	Contractual Cash Flows				
		upto 6 months	6 months to 1 year	between 1 and 2 years	between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	2,300	-	-	2,300	-	-
Lease Liability (current and non- current)	3,58,853	13,188	13,500	30,792	1,10,903	1,90,470
Trade payables	1,03,545	1,03,545	-	-	-	-
Current maturities of long term debt- other parties	4,140	1,840	2,300	-	-	-
Interest accrued but not due on borrowings	1	1	-	-	-	-
Unpaid dividend	2,001	2,001				
Other payables for:						
- Capital goods	6,439	6,439	-			
- Security deposits / Retention money	349	103	25	70	144	8
Total non- derivative liabilities	**4,77,628**	**1,27,116**	**15,825**	**33,162**	**1,11,046**	**1,90,478**

	Carrying Amounts 31 March 2020	Contractual Cash Flows				
		upto 6 months	6 months to 1 year	between 1 and 2 years	between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	6,439		-	6,439		
Lease Liability (current and non- current)	3,93,193	20,676	13,666	26,688	99,952	2,32,211
Trade payables	1,16,607	1,16,607	-	-	-	-
Current maturities of long term debt- other parties	3,681	1,840	1,841	-	-	-
Interest accrued but not due on borrowings	2	2	-	-	-	-
Unpaid dividend	1,519	1,519				
Other payables for:						
- Capital goods	8,447	8,447	-			
- Security deposits / Retention money	188	77	9	7		95
Total non- derivative liabilities	**5,30,076**	**1,49,168**	**15,516**	**33,134**	**99,952**	**2,32,306**

iii. Market risk

Market risk is the risk that changes in market prices – such as commodity prices (LNG), foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Price risk

To protect the company from fluctuation of commodity prices, same are passed through to the off-takers in long term contract. In spot or short term contract, they are generally pass through to the customers except in few cases, up to 2 cargo load, where the company keeps the commodity price risk with themselves to take benefit from market fluctuation.

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

b) Currency risk

PLL imports LNG mainly from Qatar and Australia through long term chartered vessels. The foreign exchange involved in making payment to LNG suppliers, loading port charges and shipper is recovered from off-takers / customers under sale contract, both long term and short term. Company does not take any exposure on account of currency in Foreign Currency Loans by parallely taking derivatives to hedge against the the foreign exchange fluctuation on loan, if any. In respect of other payments on account of repair and capex of plant, operating expenses of plant and corporate offices etc. same are monitored on a regular basis to keep the open position at an acceptable level.

Exposure to currency risk

The Company's exposure to currency risk is as follows:

As at 31 March 2021

	EUR	USD
Financial asset		
Loan	-	2,122
Net exposure to foreign currency risk(assets)	**-**	**2,122**
Financial asset		
Trade payables	196	95,571
Lease Liability	-	3,23,809
Other payables for Capital goods	-	1,305
Net exposure to foreign currency risk(liabilites)	**196**	**4,20,685**
Net statement of financial position exposure	**196**	**4,18,563**

As at 31 March 2020

	USD
Financial asset	
Loan	2,231
Net exposure to foreign currency risk(assets)	**2,231**
Financial Liabilities	
Trade payables	1,09,970
Lease Liability	3,55,497
Other payables for Capital goods	1,994
Net exposure to foreign currency risk(liabilites)	**4,67,461**
Net statement of financial position exposure	**4,65,230**

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables (in particular interest rates) remains constant.

Impact of 10% movement in foreign exchange conversion rate

	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD	31,322	(31,322)	31,322	(31,322)
EUR	15	(15)	15	(15)
31 March 2020				
USD	34,813	(34,813)	34,813	(34,813)

c) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary especially if the borrowing is made in foreign currency. Company has some amount of loan taken from International Finance Corporation, which is at variable rate. The Company ensures that such amount is kept at an acceptable level. The investment of surplus funds made by company in debt based of mutual funds is also subject to this risk. Company makes investment in a manner which minimises such risk and also takes regular feedback from the market experts on such investments. The Company has also given loans to India LNG Transport Company (No. 3) Limited, Malta which is at Bank Rate and any change in Bank Rate will impact the earnings.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount	
	31 March 2021	31 March 2020
Variable-rate instruments		
Financial assets		
- Loan	2,122	2,231
Financial liabilities		
- Variable rate borrowing	6,440	10,120
	8,562	**12,351**

	31 March 2021		
	Average interest	Balance	% of total loans
Financial Asset : Loan	4.39%	2,122	100%
Financial Liability: IFC "A loan"	5.40%	6,440	100%

	31 March 2020		
	Average interest	Balance	% of total loans
Financial Asset : Loan	5.83%	2,231	100%
Financial Liability: IFC "A loan"	7.85%	10,120	100%

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in Rupees lac, unless otherwise stated)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable-rate instruments	(32)	32	(32)	32
Cash flow sensitivity (net)	**(32)**	**32**	**(32)**	**32**
31 March 2020				
Variable-rate instruments	(59)	59	(59)	59
Cash flow sensitivity (net)	**(59)**	**59**	**(59)**	**59**

A change of 100 basis points in interest rates would have increased or decreased equity by Rs. 32 lac after tax (Previous year Rs. 59 lac). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

48 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Regn. No. 006711N /N500028

For and on behalf of **Petronet LNG Limited**

Sd/-
Hitesh Garg
Partner
Membership No - 502955

Sd/-
Akshay Kumar Singh
Managing Director & CEO
DIN:03579974

Sd/-
Vinod Kumar Mishra
Director (Finance)
DIN: 08125144

Place : New Delhi
Date : 8 June 2021

Sd/-
Rajan Kapur
Vice president -Company Secretary
Membership No - A10674