

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Kakinada Refinery and Petrochemicals Private Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Kakinada Refinery and Petrochemicals Private Limited ("the Company"), which comprise the Balance sheet as at 31st March 2021, the statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statements and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

Without qualifying our report, we draw attention to

- (a) Attention is invited to Note No.28 of Financial Statements explaining the position of the company on the aspect of delay in execution of contemplated petroleum refinery project which brings in significant uncertainty on the ability of the company to continue its operations in the absence of any significant progress in implementation of the project, notwithstanding the above financial statements have been prepared as a going concern.



Information other than the Ind AS financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board Report including Annexures to Board's Report like Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information etc., but does not include the standalone Ind AS financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

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

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

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls are not applicable to the company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- h) As required by section 197(16) of the Act, in our opinion and to the best of our information and explanations given to us, the Company is a private limited company and hence provisions of section 197 of the Act in relation to managerial remuneration is not applicable.

Place: Chennai
Date: 30-09-2021



For Brahmayya & Co.,
Chartered Accountants
Firm Regn No: 000511S

N Sri Krishna
Partner
Membership No. 26575
UDIN: 21026575AAAARJ1598

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. Pursuant to the programme, certain fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii) According to information and explanations given to us and on the basis of our examination of books of accounts the company does not have any inventory, accordingly clause (ii) of para 3 of CARO 2016 is not applicable
- iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect to the loans given.
- v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from the public in accordance with the provisions of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Thus, reporting under clause 3(vi) of the order is not required.
- vii) According to the information and explanations given to us and on the basis of our examination of the books of account in respect of statutory dues:



- a) The company has generally been regular in depositing undisputed statutory dues, barring few instances of delays in making payment towards Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and any other Statutory Dues to the appropriate authorities. There were no undisputed amounts payable towards Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other Statutory Dues as on 31st of March, 2021 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii) In our opinion and according to the information and explanations given by the management, that, the company did not have any outstanding dues to financial institutions, banks, government or debenture holders and accordingly reporting under this clause do not arise.
- ix) The company did not raise any money by way of Initial Public Offer, further public offer (including debt instruments) or term loans. Thus, reporting under clause 3(x) of the order is not required.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and to the best of our information and according to the explanations given to us, the Company is a private limited company and hence provisions of section 197 of the Act read with schedule V in relation to managerial remuneration is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. As the Company is a Private Limited Company, Section 177 is not applicable and accordingly, reporting under paragraph 3(xiii) of CARO 2016 to that extent does not arise.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



For Brahmayya & Co.,
Chartered Accountants
Firm Regn No: 000511S

N Sri Krishna
Partner
Membership No.26575
UDIN:21026575AAAARJ1598

Place: Chennai
Date:30-09-2021

KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED
AUDITED BALANCE SHEET AS AT 31ST MARCH 2021

Amount in Rs.

Particulars	Notes	31st March,2021	31st March,2020
		IND AS	IND AS
ASSETS			
Non-current assets			
Property , Plant and Equipment	3	1,481	4,436
Capital Work In Progress	4	0	-
Financial assets		-	-
Loans	5	5,00,00,000	4,63,84,359
Non-current tax assets (net)	6	-	-
Other non current assets	7	72,91,508	72,80,658
		5,72,92,989	5,36,69,453
Current assets			
Financial Assets		-	-
Cash and cash equivalents	8	1,41,470	5,64,724
Other Financial Assets	9	4,46,027	56,34,727
Other current assets	7	-	-
		5,87,497	61,99,451
Total assets		5,78,80,486	5,98,68,904
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	20,02,00,000	20,02,00,000
Other Equity	11	(14,27,22,957)	(14,25,73,526)
LIABILITIES			
Non-current liabilities			
Current liabilities			
Financial Liabilities		-	-
Trade Payables		-	-
Due to micro enterprises and small enterprises		-	-
Due to others		-	-
Other Financial Liabilities	12	3,87,789	19,86,979
Current tax liability (net)	13	15,656	2,55,453
Other current liabilities	14	-	-
Total Equity and Liabilities		5,78,80,486	5,98,68,904
Significant Accounting Policies & Disclosures	1&2	(0)	(0)

As per our report of even date
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005119


N.SRI KRISHNA
Partner
Membership No: 26575



For and on behalf of the board of directors


Prasanna Challa
Director
DIN : 01630300


Suru Srinivasa Rao
Director
DIN : 07505557


Samarjit Agarwal
Company Secretary



Place: Chennai
Date: 30th September 2021

Place: Hyderabad
Date: 30th September 2021

KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED

Statement of profit and loss for the year ended year 31st March-2021

(Amount in Rs.)

Particulars	Notes	01st April-2020 to 31st March, 2021	01st April-2019 to 31st March, 2020
Income			
Revenue from operations		-	-
Other income	15	33,31,017	55,31,281
Finance income		-	-
Total Income		33,31,017	55,31,281
Expenses			
Employee benefit expenses	16	-	-
Finance costs	17	31,527	685
Other expenses	18	31,82,695	20,78,962
Total Expenses		32,14,222	20,79,646
Profit/(loss) before exceptional items and tax		1,16,796	34,51,635
Exceptional items		-	-
Profit/(loss) before and tax		1,16,796	34,51,635
(1) Current tax		2,66,226	8,05,588
(2) Adjustment of tax relating to earlier periods		-	-
(3) Deferred tax		-	-
Income tax expense		2,66,226	8,05,588
Profit/(loss) for the year		(1,49,430)	26,46,047
Other Comprehensive Income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Income tax effect		-	-
Re-measurement (losses) / gains on post employment defined benefit plans		-	-
Other Comprehensive Income for the Year- (B)		-	-
Total comprehensive income for the year (A+B)		(1,49,430)	26,46,047
Earning Per Share	19	-0.01	0.13

As per our report of even date

For M/s. BRAHMAYYA & Co.,

Chartered Accountants

Firm Reg. No. 000518



N.SRI KRISHNA

Partner

Membership No: 26575

For and on behalf of the board of directors

Prasanna Challa

Prasanna Challa

Director

DIN : 01630300

Suru Srinivasa Rao

Suru Srinivasa Rao

Director

DIN : 07505557

Samarjit

Samarjit Agarwal

Company Secretary



Place: Chennai

Date: 30th September 2021

Place: Hyderabad

Date: 30th September 2021

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

Particulars	Equity share capital	Reserve and surplus	IND AS Transition Reserve	Total equity
		Retained earnings		
As at 1 April 2019	20,02,00,000	3,26,83,829	(17,79,03,403)	5,49,80,426
Profit for the period/movement	-	26,46,047	-	26,46,047
Other comprehensive income	-	-	-	-
At 31 March 2020	20,02,00,000	3,53,29,876	(17,79,03,403)	5,76,26,473
Profit for the period	-	(1,49,430)	-	(1,49,430)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 March 2021	20,02,00,000	3,51,80,446	(17,79,03,403)	5,74,77,043

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 000511S




N.SRI KRISHNA
Partner
Membership No: 26575

For and on behalf of the board of directors


Prasanna Challa
Director
DIN : 01630300


Suru Srinivasa Rao
Director
DIN : 07505557



Samarjit Agarwal
Company Secretary

Place: Hyderabad
Date: 30th September 2021



Place: Chennai
Date: 30th September 2021

KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED

Statement of Cash Flow for the year ended March 31, 2021

Amount in Rs.

Particulars	March 31, 2021	March 31, 2020
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(1,49,430)	26,46,047
Profit / (loss) before tax expenses	(1,49,430)	26,46,047
Adjustments to reconcile (loss) / profit before tax to net cash flows		
Finance costs	31,527	685
Interest income on bank deposits and others	(33,31,017)	(55,31,281)
Operating profit before working capital changes	(34,48,921)	(28,84,550)
Movements in working capital :		
Increase/(decrease) in trade payables	(15,99,190)	13,41,541
(Increase)/decrease in other financial assets	51,88,700	(19,01,214)
Increase/(decrease) in other financial liabilities	(2,39,797)	2,55,453
Decrease / (increase) in other assets	(36,26,491)	(30,07,711)
Decrease / (increase) current assets	-	-
Increase/(decrease) in other liabilities	-	-
Cash generated from operations	(37,25,699)	(61,96,481)
Direct taxes paid	-	7,22,439
Net cash flow from operating activities (A)	(37,25,699)	(54,74,042)
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		
Decrease/ (Increase) in capital work in progress/PPE	2,955	2,954
Interest received	33,31,017	55,31,281
Redemption/purchase of fixed deposits	-	-
Net cash flow used in investing activities (B)	33,33,972	55,34,236
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	-	-
Finance costs paid	(31,527)	(685)
Increase/ (decrease) in interest accrued on Long Term borrowings	-	-
Proceeds from issue of equity shares (including securities premium and net of related securities issue expenses)	-	-
Repayment of short-term borrowings	-	-
Repayment of debentures	-	-
Net cash flow (used in) / from financing activities (C)	(31,527)	(685)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(4,23,254)	59,509
Cash and cash equivalents at beginning of the year	5,64,724	5,05,215
Cash and cash equivalents at year end	1,41,470	5,64,724
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	-	-
With banks- on current account	1,41,470	5,64,724
- on deposit account	-	-
Total cash and cash equivalents (note 5)	1,41,470	5,64,724

Note:

The statement of Cash Flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act

As per our report of even date
For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005115

N.SRI KRISHNA
Partner
Membership No: 26575



For and on behalf of the board of directors

Prasanna Challa
Prasanna Challa
Director
DIN : 01630300

Suru Srinivasa Rao
Suru Srinivasa Rao
Director
DIN : 07505557

Samarjit Agarwal
Samarjit Agarwal
Company Secretary



Place: Chennai
Date: 30th September 2021

Place: Hyderabad
Date: 30th September 2021

KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED

Notes to IND AS Accounts

Note : 1

1. Corporate Information

Kakinada Refinery and Petrochemicals Pvt Limited domiciled in India and incorporated to implement a petroleum refinery project at Kakinada. The company's Holding company is GMR Enterprises Pvt Ltd .

The registered office of the company is located in Hyderabad in Telangana State, India.

Information on other related party relationships of the Company is provided in Note 20.

The financial statements were approved for issue in accordance with a resolution of the directors on 30th September, 2021

2. Significant Accounting Policies

A. Basis of preparation

"The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ("INR")

B. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when it is:



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Notes to IND AS Accounts

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

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment and Capital Work in Progress

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the expenditure that is directly attributable to the acquisition of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Depreciation on Property, plant and equipment

Depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except for assets individually costing less than Rs. 5,000 which are fully depreciated in the year of of acquisition



KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED

Notes to IND AS Accounts

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charges for impaired assets is adjusted in future periods in such a manner that revised carrying amount of the asset is allocated over its remaining useful life.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets include software and their useful lives are assessed as either finite or indefinite.

e. Amortisation of Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets like the Software licence are amortised over the useful life of 6 years as estimated by the management.

f. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment properties, intangible assets and investments in associates and joint ventures determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are



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tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

h. Provisions, Contingent liabilities, Contingent assets, and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."



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A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

i. **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by associates and joint ventures are measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

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



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Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.



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Notes to IND AS Accounts

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

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

Off-setting of financial instruments

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

j. Cash and cash equivalents

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



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Notes to IND AS Accounts

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring



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measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value.

I. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable



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Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

m. Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



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Notes to IND AS Accounts

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax law in India, which is likely to give future economic benefits in form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in balance sheet when the assets can be measured reliably and it is probable that future economic benefit associated with the assets will be realised.

n. Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

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



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Notes to IND AS Accounts

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The company has not entered into commercial leases during the financial year.



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Notes to the financial statements as at March 31, 2021

Note 3

Property, Plant and Equipment (as at 31-March-2021)

Particulars	Civil Works	Computing Equipments	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross Block (at cost)						
as at April 1, 2019	-	-	10,346	38,921	-	49,267
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
as at March 31, 2020	-	-	10,346	38,921	-	49,267
Gross Block (at cost)						
as at April 1, 2020	-	-	10,346	38,921	-	49,267
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
as on March 31, 2021	-	-	10,346	38,921	-	49,267
Depreciation						
as at April 1, 2019	-	-	2,955	-	-	2,955
Charge for the year	-	-	2,955	38,921	-	41,876
Disposals	-	-	-	-	-	-
as at March 31, 2020	-	-	5,910	38,921	-	44,831
as at April 1, 2020	-	-	5,910	38,921	-	44,831
Charge for the year	-	-	2,955	-	-	2,955
Disposals	-	-	-	-	-	-
as on March 31, 2021	-	-	8,865	38,921	-	47,786
Net Block as on March 31, 2020	-	-	4,436	-	-	4,436
Net Block as on March 31, 2021	-	-	1,481	-	-	1,481



Note 4

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
	Amount in Rs	Amount in Rs
Capital Work In Progress		
Rates & Taxes	-	-
Consultancy costs	-	-
Overheads	-	-
(i)	-	-
Less: Other income	-	-
Interest income on bank deposits	-	-
Interest Receivable	-	-
(ii)	-	-
Total - (iii) = (i) - (ii)	0	-

Note 5

Loans

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Long-term Loans and advances		
Loan and advances to related parties	5,00,00,000	4,63,84,359
Total	5,00,00,000	4,63,84,359

Note 6

Non-current tax assets (net)

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
TDS certificate Receivable/Received	-	-
Total	-	-

Note 7

Other non current assets

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Others		
Balance with Statutory / Government authorities	72,91,508	72,80,658
Preliminary Expenses to the extent not written off	-	-
Total	72,91,508	72,80,658
Rental deposit given	-	-
Advance to others	-	-
Total	-	-



Note 8**Cash and Bank balances**

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Cash and Bank balances		
Cash and cash equivalents		
Balances with banks:		
– On current accounts	1,41,470	5,64,724
Grand Total	1,41,470	5,64,724

Note 9**Other financial assets**

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Current Balances of Other financial assets		
Interest Accrued on Deposits with Banks	-	-
Interest receivable from related parties	4,46,027	56,34,727
Total	4,46,027	56,34,727

Note 12**Other financial liabilities**

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Non trade payable	3,87,789	19,86,979
Total	3,87,789	19,86,979

Note 13**Current tax liability (net)**

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Provision for taxation	15,656	2,55,453
Total	15,656	2,55,453

Note 14**Other current liabilities**

Particulars	as at March 31, 2021	as at March 31, 2020
	Ind AS	Ind AS
Advance Received From Client	-	-
Stale Cheque account	-	-
Other statutory dues (TDS)	-	-
Total	-	-



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Notes to the financial statements as at March 31, 2021

Note 10
Share capital

Particulars	March 31, 2021		March 31, 2020	
	IND AS		IND AS	
	Number	Rs. (Ind AS)	Number	Rs. (Ind AS)
Authorised share capital				
At 1 April 2019	2,00,20,000	20,02,00,000	2,00,20,000	20,02,00,000
Increase/(decrease) during the year	-	-	-	-
At 31 March 2020	2,00,20,000	20,02,00,000	2,00,20,000	20,02,00,000
Increase/(decrease) during the year	-	-	-	-
At 31 March 2021	2,00,20,000	20,02,00,000	2,00,20,000	20,02,00,000
Issued & Subscribed equity capital				
At 1 April 2020	2,00,20,000	20,02,00,000	2,00,20,000	22,02,20,000
Add: Issued during the year	-	-	-	-
At 31 March 2021	2,00,20,000	20,02,00,000	2,00,20,000	22,02,20,000

b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:

Particulars	IND AS		IND AS	
	Number	Rs. (Ind AS)		
	March 31, 2021		March 31, 2020	
2,00,20,000 Equity Shares of Rs.10 each fully paid up	2,00,20,000	20,02,00,000	-	20,02,00,000
Total	2,00,20,000	20,02,00,000	-	20,02,00,000

c) Details of shareholders holding more than 5% shares in the company:

Particulars	IND AS		IND AS	
	Number	Rs. (Ind AS)		
	March 31, 2021		March 31, 2020	
GMR Enterprises Limited, the immediate holding company together with its nominees.	2,00,20,000	20,02,00,000	-	20,02,00,000
Total	2,00,20,000	20,02,00,000	-	20,02,00,000

Note 11
Other Equity

Particulars	Amount in Rs		Amount in Rs	
	March 31, 2021		March 31, 2020	
	IND AS		IND AS	
Surplus in the statement of profit and loss				
Opening		3,55,82,105		3,29,36,058
During the period		(1,49,430)		26,46,047
Total		3,54,32,674		3,55,82,105
Ind AS Transition Reserve				
Opening		(17,81,55,631)		(17,81,55,631)
During the period				
Total		(17,81,55,631)		(17,81,55,631)
Total		(14,27,22,957)		(14,25,73,526)



Note 15**Other Income**

Particulars	01-April-2020 to 31-March-2021	01-April-2019 to 31-March-2020
	IndAS	IndAS
Interest on Income	33,31,017	55,01,349
Interest on Income Tax Refund	-	29,932
Total	33,31,017	55,31,281

Note 16**Employee benefit expenses**

Particulars	01-April-2020 to 31-March-2021	01-April-2019 to 31-March-2020
	IndAS	IndAS
Staff welfare expenses	-	-
Total	-	-

Note 17**Finance costs**

Particulars	01-April-2020 to 31-March-2021	01-April-2019 to 31-March-2020
	IndAS	IndAS
Interest expenses	-	-
Bank and other finance charges	31,527	685
Total	31,527	685

Note 18**Other expenses**

Particulars	01-April-2020 to 31-March-2021	01-April-2019 to 31-March-2020
	IndAS	IndAS
Advertising and Business promotion	-	-
Electricity and water charges	285	-
Insurance	-	-
Repairs & maintenance-Others	27,008	1,06,534
Rates and taxes	3,11,350	1,851
Lease Rent	-	66,000
Vehicle running & maintenance	200	3,138
Printing and stationery & Others	3,336	10,296
Communication costs	640	11,988
Travelling and conveyance	1,83,452	3,500
Legal and professional fees	14,612	26,612
Remuneration to auditor	25,000	25,000
Miscellaneous expenses	9,43,954	4,47,103
Community Services	16,72,858	13,76,940
Total	31,82,695	20,78,962

Note :

Payment to Auditor pertains to statutory Audit fees of Rs.25000/- only.



Note.19**Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:		
	March 31, 2021	March 31, 2020
Face value of equity shares (re. per share)	10	10
Profit/(loss) attributable to equity shareholders	(1,49,430)	26,46,047
Weighted average numbers of equity shares used for computing earning per share (basic and diluted)	2,00,20,000	2,00,20,000
EPS- Basic and diluted	(0.01)	0.13



KAKINADA REFINERY AND PETROCHEMICALS PRIVATE LIMITED

Note No.20

A) Related Party Transactions

(A) List of Related Party with whom transactions has taken place

Disclosures in respect of related parties as defined in IND AS 24, with whom transactions have taken place during the year, are given below:

List of Related Parties

S.No	Name of the Company	Nature of Relationship
1	GMR Enterprises Pvt. Ltd. (GEPL)	Ultimate Holding Company
2	GMR Infrastructure Limited (GIL)	Holding Company's Holding Company
3	Kakinada SEZ Limited	Fellow Subsidiary
4	Kakinada Gateway Port Limited	Fellow Subsidiary's Subsidiary
5	GMR Varalakshmi Foundation	Fellow Subsidiary

Details relating to Key Managerial Personnel

S.No	Name
1)	Mr.C.Prasanna, Director
2)	Mr.T.Nagarjuna, Director
3)	
4)	
5)	Ms.Samarpita Agarwal, Company Secertary

I.		Transactions with Related Parties	Amount in Rs.	
S.No		Particulars	31st March 2021	31st March 2020
A)	1	Transactions during the year		
		Reimbursement of Expenses		
		- GMR Varalakshmi Foundation	18,86,929	
	2	Interest received on Group Company loans		
		- Kakinada SEZ Limited	18,99,921	37,99,841
		- Kakinada Gateway Port Limited	9,48,905	17,01,508
		- GMR enterprises Pvt Ltd	4,82,192	
B)		Outstanding Balances at the year end		
	1	Issued Capital		
		- GMR Enterprises Pvt Ltd	20,02,00,000	20,02,00,000
	2	Loan to Group companies		
		Kakinada SEZ Limited		3,09,34,359
		Kakinada Gateway Port Limited		1,54,50,000
		GMR enterprises Pvt Ltd	5,00,00,000	
	3	Other Lassets - Group Company		
		Kakinada Gateway Port Limited		16,90,842
		Kakinada SEZ Limited		39,43,885
		GMR Enterprises Pvt Ltd	4,46,027	
	4	Payable		
		- GMR Varalakshmi Foundation	-	15,76,690
		- GMR Enterprises Pvt Ltd	-	-
			-	-

Sl.No	Counter Party Group Company	Nature of Transaction	Amount in Rs.	Amount in Rs.
			31st March 2021	31st March 2020
1	Kakinada SEZ Limited	Interest on Loan	18,99,921	37,99,841
2	Kakinada Gateway Port Limited	Interest on Loan	9,48,905	1,77,206
3	GMR Enterprises Pvt Ltd	Interest on Loan	4,82,192	
	Total		33,31,017	39,77,047

Note No.21

Contingent liabilities, Capital Commitments and other commitments

- a There are no contingent liabilities as on March 31, 2021
b There are no Capital Commitments as on March 31, 2021
c Other Commitments: NIL

The Company does not have any pending litigations which would impact its financial position

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note No.22



There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2021. This information as 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.

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2021. This information as 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.

Note No.23

I. Leases

Operating lease: Company as lessee

	Amt in Rs.	
Lease rental Expenses relating short term lease charged to P&L	31-Mar-21	31-Mar-20
Expenses related to Short Term Lease	0	66,000

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. As the company does not have any long term lease contract, the application of Ind AS 116 does not have any impact in the Financial Statements.

Note No.24

Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policies, to the financial

(a) Financial assets and liabilities

As at March 31, 2021

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	1,41,470	1,41,470	1,41,470
(ii) Loans			5,00,00,000	5,00,00,000	5,00,00,000
(iv) Other financial assets			4,46,027	4,46,027	4,46,027
Total	-	-	5,05,87,497	5,05,87,497	5,05,87,497
Financial liabilities					
(iii) Other financial liabilities	-	-	3,87,789	3,87,789	3,87,789
Total	-	-	3,87,789	3,87,789	3,87,789

As at March 31, 2020

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total Carrying value	Total Fair value
Financial assets					
(i) Cash and cash equivalents	-	-	5,64,724	5,64,724	5,64,724
(ii) Loans			4,63,84,359	4,63,84,359	4,63,84,359
(iv) Other financial assets			56,34,727	56,34,727	56,34,727
Total	-	-	5,25,83,810	5,25,83,810	5,25,83,810
Financial liabilities					
(iii) Other financial liabilities	-	-	19,86,979	19,86,979	19,86,979
Total	-	-	19,86,979	19,86,979	19,86,979



Note.25**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

	At 31 March 2021	At 31 March 2020
Borrowings	-	-
Less: Cash & Cash equivalents	1,41,470	5,64,724
Total debt	(1,41,470)	(5,64,724)
Capital Components		
share Capital	20,02,00,000	20,02,00,000
Other equity	(14,27,22,957)	(14,25,73,526)
Total Capital	5,74,77,043	5,76,26,474
Capital and net debt	5,73,35,573	5,70,61,750
Gearing ratio (%)	0%	-1%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current quarter.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2021 and year ended 31 March 2020.



27 Significant accounting judgements, estimates and assumptions**(i) ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed.

(iii) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

28 Note on going concern

The company was incorporated to implement a petroleum refinery project at Kakinada with participation from Mangalore Refineries and Petro Chemicals Limited (MRPL) and IL&FS Ltd and Kakinada Seaports Limited. Whereas during the year 2008-09 MRPL opted out of the project (by withdrawing its nominees from the Board of Directors) and GMR Holdings Pvt Ltd (GHPL) has come in to participate and implement the project and later GHPL transferred its shareholding to GMR Enterprises Pvt Ltd. The management is in the process of finalising the project plans and the financial statements are prepared on a going concern basis notwithstanding the fact that the management is not actively pursuing the implementation of refinery project and appropriately dealt with in the carrying value of projects related expenditure under transition adjustments.

29 Note on 115BAA:

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The company has opted for the new tax regime and the current year tax provisions are made as per Section 115BAA.

For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 0005115

N.SRI KRISHNA
Partner
Membership No: 26575



Place: Chennai
Date: 30th September 2021

For and on behalf of the Board of Directors

Prasanna Challa
Prasanna Challa
Director
DIN : 01630300

Suru Srinivasa Rao
Suru Srinivasa Rao
Director
DIN : 07505557

Samarjit Agarwal
Samarjit Agarwal
Company Secretary



Place: Hyderabad
Date: 30th September 2021

Total	22,42,432	-	-	22,42,432
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(i) The above excludes any financial liabilities arising out of financial guarantee contract

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



27 Significant accounting judgements, estimates and assumptions**(i) ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

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For M/s. BRAHMAYYA & Co.,
Chartered Accountants
Firm Reg. No. 000511S

N.SRI KRISHNA
Partner
Membership No: 26575



Place: Chennai
Date: 30th September 2021

For and on behalf of the Board of Directors

Prasanna Challa
Prasanna Challa
Director
DIN : 01630300

Suru Srinivasa Rao
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DIN : 07505557

Samarjit Agarwal
Samarjit Agarwal
Company Secretary



Place: Hyderabad
Date: 30th September 2021